

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

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

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

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

**CHAPTER (CARDIFF) LIMITED  
YEAR ENDED 31 MARCH 2022**

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

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

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

**OBJECTIVES AND ACTIVITIES**

Chapter is a national centre for contemporary arts and culture.

**Aims**

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

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

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

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

**MISSION**

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

**VISION**

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

We support artists and audiences to thrive and take risks.

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

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

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

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

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

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

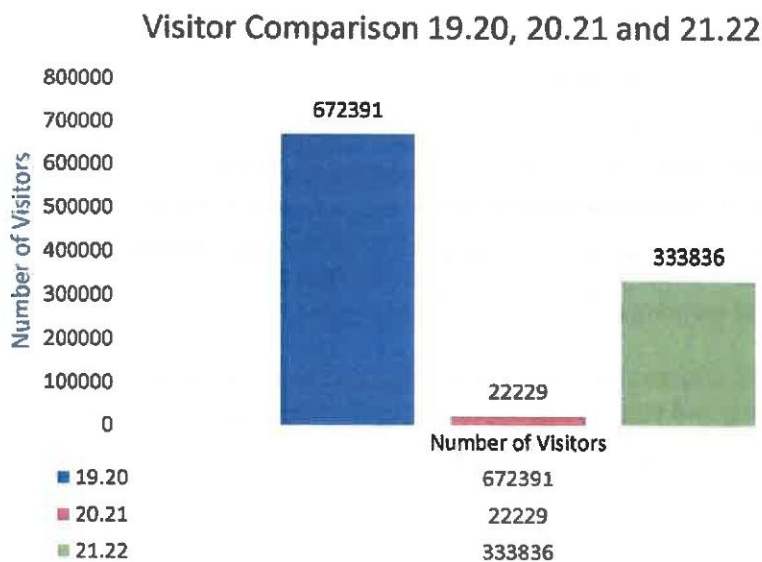
As an organisation we are committed to working in collaboration with colleagues to ensure that we bring the world to Wales and Wales to the world.

**STRATEGIC REPORT**

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

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

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



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

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

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

### **SIGNIFICANT ACTIVITIES**

#### **Programme**

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

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

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

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

#### **Film**

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

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

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

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

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

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

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

### **Performance**

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

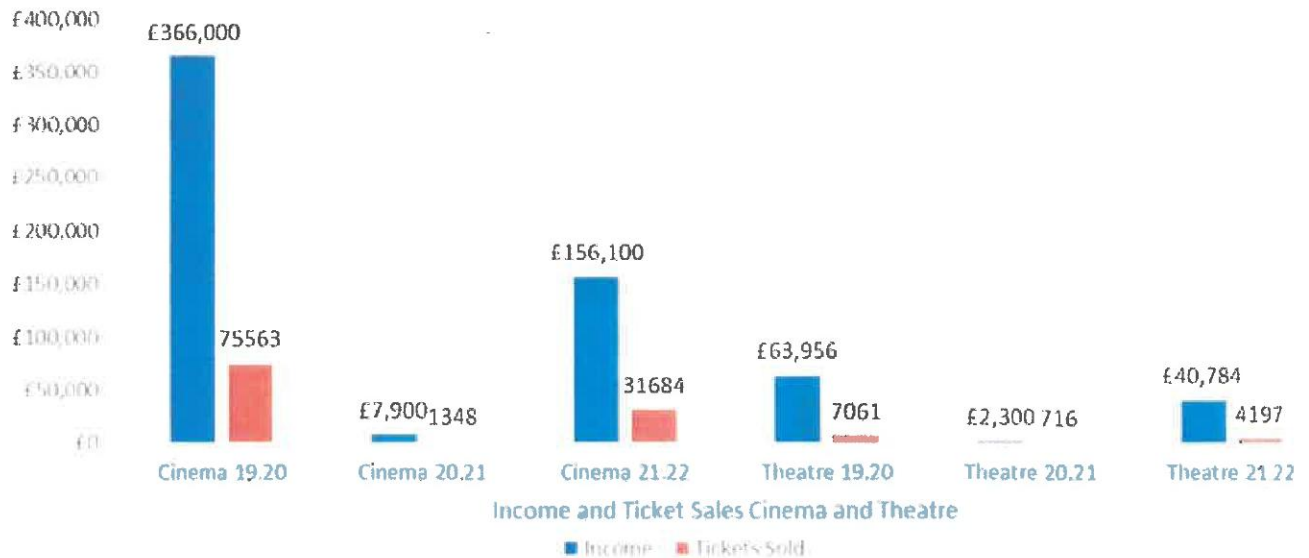
We were able to deliver our annual Experimentica Festival in hybrid form. Experimentica is a live art festival that champions risk, collaboration and exchange. It presents bold, experimental work from Wales, the UK and internationally, and this year featured Elaine Mitchener, Luis Amalia, Anushiye Yarnell, Rufus Mafasa and Sadia Pineda Hameed & Beau Beakhouse, amongst many others. All tickets to the festival were Pay What You Can to reduce barriers to attendance.

Collaboration was at the heart of our programme this year as we joined with other organisations to support the sector and audiences wishing to return safely to creative events. We worked with Theatr Iolo to bring their production of *HOO!* to audiences in our rear car park, collaborated with National Dance Company Wales to present two of their shows outdoors, with Robin Morgan we presented a range of comedy events online for those audiences that were reluctant to return in venue, and we partnered with Prinhaus to present *Snapped Up Market* showcasing the work of local printmakers, illustrators and creatives. For the first time we were also a key partner venue for the UK-wide NT Connections Youth Theatre Festival supporting Everyman Youth Theatre and Congress Youth Theatre to produce and present performances digitally.

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

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Ticket Sales and Income Comparisons



**Visual Arts**

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

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

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

**Creative Community**

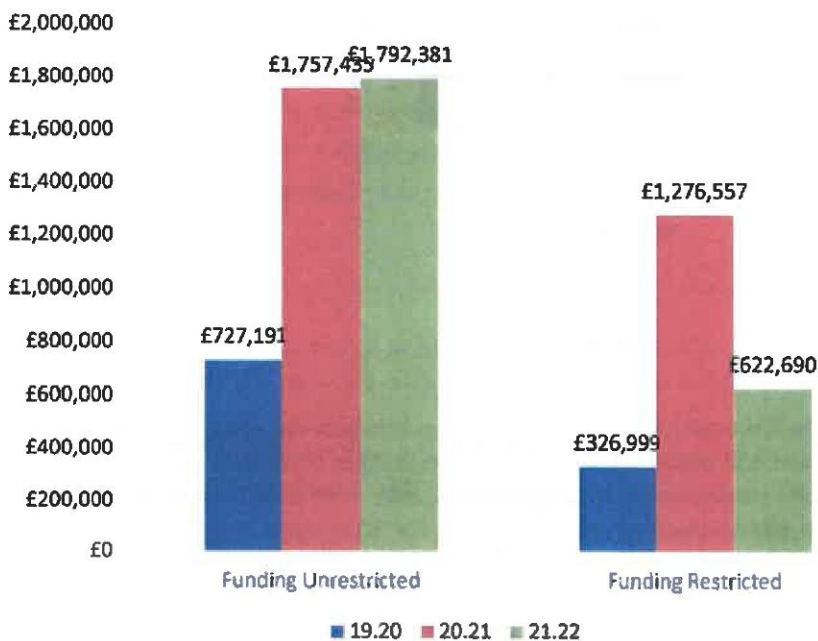
We actively supported our resident artists and companies to ensure they could continue to work and trade. Where possible we developed our studio spaces to incorporate more creative business into our community. Discussions are ongoing with Cardiff Council to explore a capital expansion to develop fit-for-purposes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

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**Fundraising**

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

**Comparisons of Funding Income**



**Lobbying**

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

**Equity, Diversity and Inclusion**

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

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

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

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

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

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

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

**Volunteers**

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

**Community Garden**

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

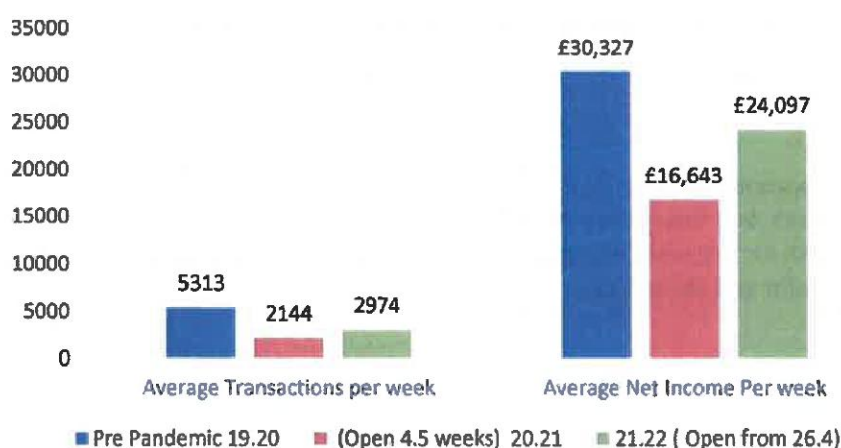
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**Café Bar Trading Subsidiary**

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

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

**Trading Average Income Comparisons**

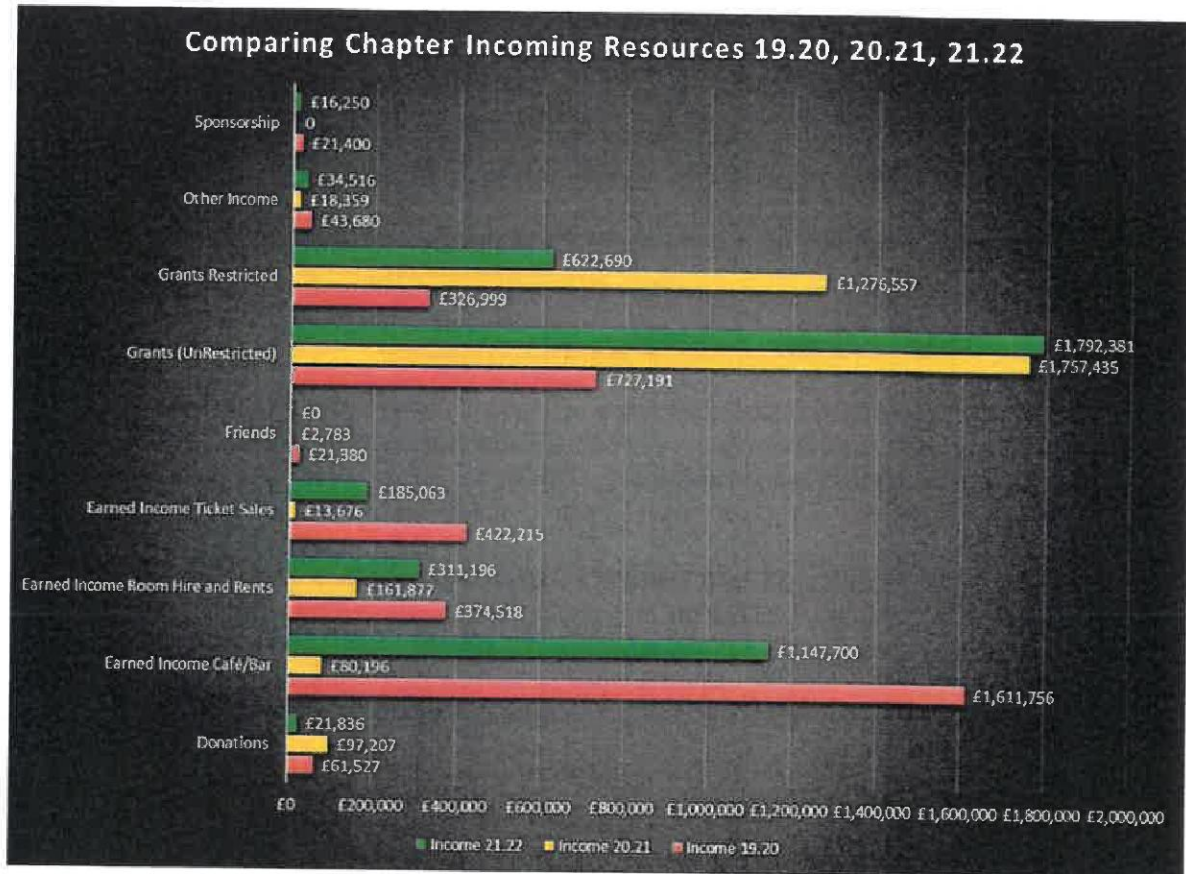


**Challenges**

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

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

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

**Policy on reserves**

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

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

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

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

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

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

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

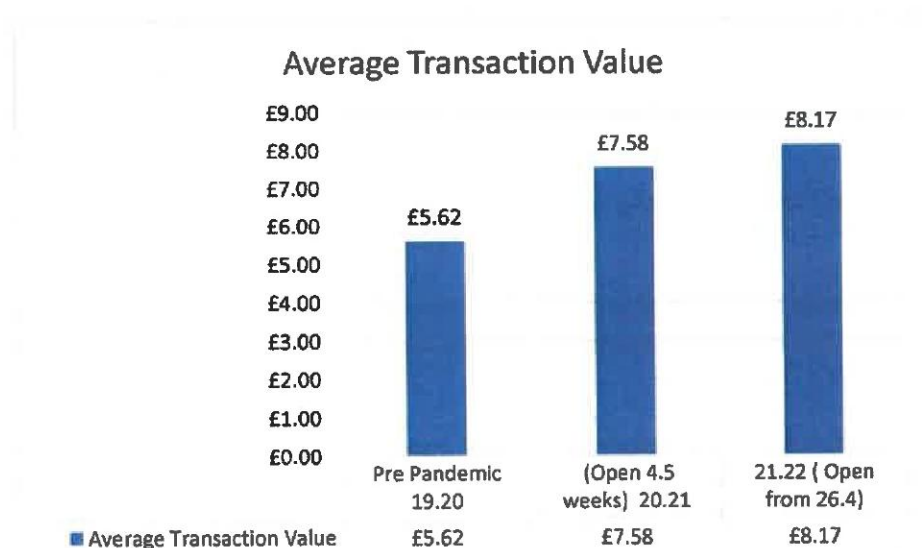
**Designated funds:**

**To Support 22.23      Budget £140,000**

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

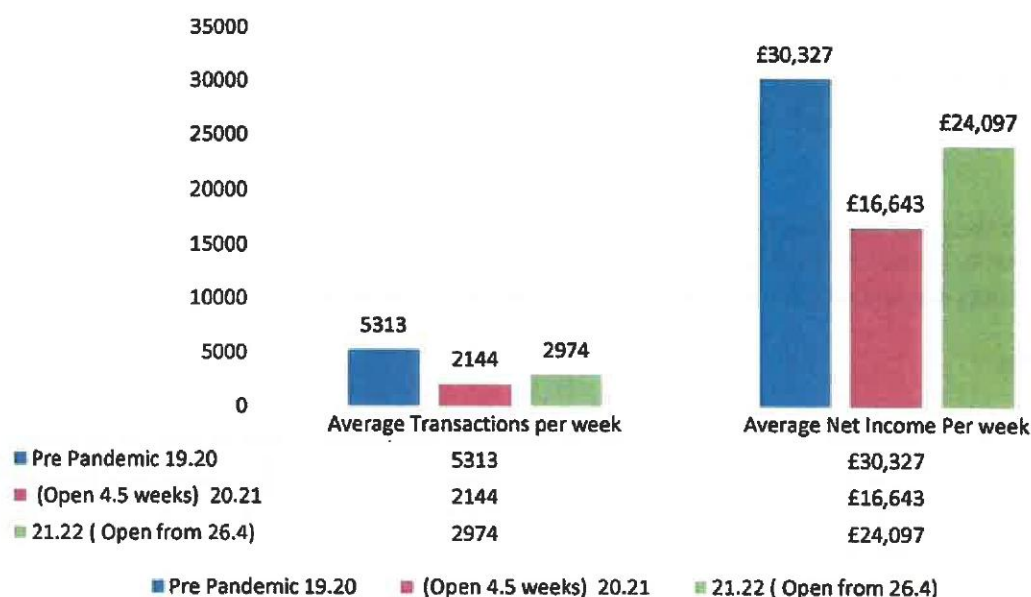
**Chapter (Trading) Ltd**

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



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**Trading Average Income Comparisons**



**Principal risks & uncertainties**

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

- Non-Equalities Act compliant lift

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

- Income risk

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

- Cash flow risk

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

- Government policy/actions

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

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

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

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**STRUCTURE, GOVERNANCE AND MANAGEMENT**

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

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

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

**Board of Trustees**

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

After an intense recruitment process, Kami Lamakan, a social entrepreneur was appointed and formally took over the Chair position after the 21 September Board meeting. We look forward to working with him.

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

Director of Programme and Interim Co-Director  
Director of Finance and Resources and Interim Co-Director

In August 2022, after 11 years at Chapter, the CEO Andy Eagle left to join Aberdeen Performing Arts as CEO

The charity is being managed on an interim basis by Hannah Firth and Sharon Stone, as joint CEOs. The charity will be reviewing its mission and purpose and as part of that its staff structure with a view to recruitment across the team.

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

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

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**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 Market Road Canton Cardiff CF5 1QE
<b>Trustees</b>	Catrin Daniel Ewan Hilton Stephen Meade Romy Johnson – resigned 22/9/21 Elin Wyn – resigned 22/9/21 Alun Jones Villida Catryn Ramasut Robert Andrews – resigned 22/9/21 Benedict Borthwick Laurence Khan Kami Lamakan – appointed 22/9/21 Sarah Lee-Ling Chan – appointed 7/4/22
<b>Company Secretary</b>	Sharon Stone
<b>Key Management Personnel</b>	S Stone – Interim Co-Director/Director, Finance and Resources H Firth – Interim Co-Director/Director of Programme and Deputy Director E Johnson – Director, External Relations Resigned November 2021 K Parsons – Chapter Trading Limited Resigned April 2022
<b>Principal Bankers</b>	Lloyds Bank 514 Cowbridge Road East Cardiff CF5 1BL
<b>Auditors</b>	Azets Audit Services Chartered Accountants & Statutory Auditors Ty Derw Lime Tree Court Cardiff Gate Business Park Cardiff CF23 8AB

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

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

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

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

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

In so far as the trustees are aware:

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

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

Approved by the Board of Trustees and signed on behalf of the Board 30.11.2022

  
.....  
Kami Lamakan  
Chair

**REPORT OF THE INDEPENDENT AUDITORS  
TO THE MEMBERS OF CHAPTER (CARDIFF) LIMITED  
FOR THE YEAR ENDED 31 MARCH 2022**

**Opinion**

We have audited the financial statements of Chapter (Cardiff) Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the consolidated and parent Statement of Financial Activities, the consolidated and parent Balance Sheet, the consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

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

**Other information**

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

We have nothing to report in this regard.

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

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

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

**REPORT OF THE INDEPENDENT AUDITORS  
TO THE MEMBERS OF CHAPTER (CARDIFF) LIMITED  
FOR THE YEAR ENDED 31 MARCH 2022**

**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 2022**

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 FCA DChA**

*Senior Statutory Auditor*

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

Chartered Accountants & Statutory Auditors

Ty Derw

Lime Tree Court

Cardiff Gate Business Park

Cardiff

CF23 8AB

Date.....19-12-2022

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

**CHAPTER (CARDIFF) LIMITED**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
(Incorporating the INCOME AND EXPENDITURE ACCOUNT)  
**FOR THE YEAR ENDED 31 MARCH 2022**

	Note	Unrestricted funds £	Restricted funds £	Total funds 2022 £	Total funds 2021 £
<b>Income and endowments from:</b>					
Donations and legacies	3	806,625	3,000	809,625	1,197,455
Charitable activities	4	1,208,726	637,395	1,846,121	1,959,104
Other trading activities	5	1,512,883	-	1,512,883	254,459
Other	6	12,672	779	13,451	9,459
<b>Total income and endowments</b>		<u>3,540,906</u>	<u>641,174</u>	<u>4,182,080</u>	<u>3,420,477</u>
<b>Expenditure on:</b>					
Charitable activities	7	2,609,162	504,428	3,113,590	2,384,626
<b>Total expenditure</b>		<u>2,609,162</u>	<u>504,428</u>	<u>3,113,590</u>	<u>2,384,626</u>
<b>Net income/(expenditure)</b>	10	931,744	136,746	1,068,490	1,035,851
Transfers between funds	22,23	142,011	(142,011)	-	-
<b>Net movement in funds</b>		<u>1,073,755</u>	<u>(5,265)</u>	<u>1,068,490</u>	<u>1,035,851</u>
<b>Reconciliation of Funds</b>					
Total funds brought forward	22,23	759,786	3,098,118	3,857,904	2,822,053
<b>Total funds carried forward</b>	23,24	<u>1,833,541</u>	<u>3,092,853</u>	<u>4,926,394</u>	<u>3,857,904</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 23 to 55 form part of the financial statements

**CHAPTER (CARDIFF) LIMITED**  
**STATEMENT OF FINANCIAL ACTIVITIES – CHARITY ONLY**  
**(Incorporating the INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

	Note	Unrestricted funds £	Restricted funds £	Total funds 2022 £	Total funds 2021 £
<b>Income and endowments from:</b>					
Donations and legacies	3	806,625	3,000	809,625	1,104,455
Charitable activities	4	1,208,726	637,395	1,846,121	1,611,615
Other trading activities	5	312,702	-	312,702	161,877
Other	6	12,672	779	13,451	9,459
<b>Total income and endowments</b>		<u>2,340,725</u>	<u>641,174</u>	<u>2,981,899</u>	<u>2,887,406</u>
<b>Expenditure on:</b>					
Charitable activities	7	1,462,319	504,428	1,966,747	1,771,297
<b>Total expenditure</b>		<u>1,462,319</u>	<u>504,428</u>	<u>1,966,747</u>	<u>1,771,297</u>
<b>Net income/(expenditure)</b>	10	878,406	136,746	1,015,152	1,116,109
Transfers between funds	22,23	142,011	(142,011)	-	-
<b>Net movement in funds</b>		<u>1,020,417</u>	<u>(5,265)</u>	<u>1,015,152</u>	<u>1,116,109</u>
<b>Reconciliation of Funds</b>					
Total funds brought forward	22,23	839,245	3,098,118	3,937,363	2,821,254
<b>Total funds carried forward</b>	23,24	<u>1,859,662</u>	<u>3,092,853</u>	<u>4,952,515</u>	<u>3,937,363</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 23 to 55 form part of the financial statements

**CHAPTER (CARDIFF) LIMITED  
CONSOLIDATED BALANCE SHEET  
AS AT 31 MARCH 2022**

	Note	2022 £	2022 £	2021 £	2021 £
<b>Fixed assets:</b>					
Tangible assets	13		4,112,566		4,101,483
<b>Current assets:</b>					
Stocks	16	23,910		12,254	
Debtors	17	284,687		157,225	
Bank and cash balances		<u>1,517,809</u>		<u>535,764</u>	
		1,826,406		705,243	
<b>Liabilities:</b>					
Creditors: Amounts falling due within one year	18	<u>(349,822)</u>		<u>(228,406)</u>	
Net current assets/(liabilities)			<u>1,476,584</u>		<u>476,837</u>
<b>Total assets less current liabilities</b>			<u>5,589,150</u>		<u>4,578,320</u>
Creditors: Amounts falling due after more than one year					
	19		<u>(662,756)</u>		<u>(720,416)</u>
<b>Net assets</b>			<u>4,926,394</u>		<u>3,857,904</u>
<b>The funds of the charity:</b>					
Restricted income funds	22		3,092,853		3,098,118
Unrestricted income funds	24	1,693,541		759,786	759,786
Designated funds	23	<u>140,000</u>		-	
			<u>1,833,541</u>		<u>759,786</u>
<b>Total charity funds</b>	25		<u>4,926,394</u>		<u>3,857,904</u>

These financial statements were approved by the Board of Directors/Trustees on .....30.11.22



**Kami Lamakan - Chair**  
Company number 01005570

The notes on pages 23 to 55 form part of the financial statements

**CHAPTER (CARDIFF) LIMITED  
BALANCE SHEET – CHARITY ONLY  
AS AT 31 MARCH 2022**

	Note	2022 £	2022 £	2021 £	2021 £
<b>Fixed assets:</b>					
Tangible assets	13		4,112,566		4,101,483
Investment in subsidiary	14		<u>2</u>		<u>2</u>
			<b>4,112,568</b>		<b>4,101,485</b>
<b>Current assets:</b>					
Stocks	16	-		1,872	
Debtors	17	286,244		84,554	
Bank and cash balances		<u>1,290,690</u>		<u>510,636</u>	
		<b>1,576,934</b>		<b>597,062</b>	
<b>Liabilities:</b>					
Creditors: Amounts falling due within one year	18		<u>(201,878)</u>	<u>(204,100)</u>	
Net current assets/(liabilities)			<u>1,375,056</u>		<u>392,961</u>
<b>Total assets less current liabilities</b>			<b>5,487,624</b>		<b>4,494,446</b>
Creditors: Amounts falling due after more than one year	19		<u>(536,109)</u>		<u>(557,083)</u>
<b>Net assets</b>			<u><b>4,952,515</b></u>		<u><b>3,937,363</b></u>
<b>The funds of the charity:</b>					
Restricted income funds	22		3,092,853		3,098,118
Unrestricted income funds	24	1,719,662		839,245	
Designated funds	23	<u>140,000</u>		<u>-</u>	
			<u>1,859,662</u>		<u>839,245</u>
<b>Total charity funds</b>	25		<u><b>4,952,515</b></u>		<u><b>3,937,363</b></u>

These financial statements were approved by the Board of Directors/Trustees on 30.11.22



**Kami Lamakan - Chair**  
Company Number 01005570

The notes on pages 23 to 55 form part of the financial statements

**CHAPTER (CARDIFF) LIMITED**  
**CASH FLOW STATEMENT - CONSOLIDATED**  
**FOR THE YEAR ENDED 31 MARCH 2022**

	Note	2022 £	2021 £
Net cash used in operating activities	28	<u>876,474</u>	<u>447,442</u>
<b><i>Cash flows from investing activities:</i></b>			
Dividends, interest and rents from investments	5	312,702	161,877
Purchase of property plant and equipment	13	<u>(157,635)</u>	<u>(203,857)</u>
<b>Net cash provided by investing activities</b>		<u>155,067</u>	<u>(41,980)</u>
<b><i>Cash flows from financing activities:</i></b>			
Repayments of borrowing		(49,500)	-
New borrowing received		-	220,000
<b>Net cash used in financing activities</b>		<u>(49,500)</u>	<u>220,000</u>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>982,041</b>	<b>625,462</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<b>535,768</b>	<b>(89,698)</b>
<b>Cash and cash equivalents at the end of the reporting period</b>	28	<u><b>1,517,809</b></u>	<u><b>535,764</b></u>

The notes on pages 23 to 55 form part of the financial statements

**CHAPTER (CARDIFF) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**1. ACCOUNTING POLICIES**

**Legal form and address**

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

**Basis of preparation**

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

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

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

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

**Group financial statements**

These consolidated financial statements include the financial statements of Chapter (Cardiff) Limited (the charitable company) and Chapter Trading Limited its wholly owned trading subsidiary, made up to 31 March 2022.

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

**Going concern**

The group reported a net unrestricted inflow of £1,073,755 for the year and had negative free reserves at the year end. The charity and the group 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 2022**

**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 2022**

**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 2022**

**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 2022**

**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 2022**

**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 funds £	Restricted funds £	Total 2022 £	Total 2021 £
Donations*	48,836	3,000	51,836	97,207
Grants	739,622	-	739,622	1,097,465
Membership	1,917	-	1,917	2,783
Sponsorship	16,250	-	16,250	-
	<u>806,625</u>	<u>3,000</u>	<u>809,625</u>	<u>1,197,455</u>
<b>Grants were received from the following:</b>				
Arts Council of Wales – Core Grant Funding	664,622	-	664,622	664,620
Arts Council of Wales – Stabilisation	-	-	-	175,000
BFI Organisation awards	75,000	-	75,000	45,000
Cardiff Council	-	-	-	35,000
Welsh Government Resilience	-	-	-	177,845
	<u>739,622</u>	<u>-</u>	<u>739,622</u>	<u>1,097,465</u>

**CHAPTER (CARDIFF) LIMITED**  
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**3. INCOME FROM DONATIONS AND LEGACIES (continued)**

<u>Charity</u>	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Donations*	48,836	3,000	51,836	97,207
Grants	739,622	-	739,622	1,004,465
Membership	1,917	-	1,917	2,783
Sponsorship	16,250	-	16,250	-
	<u>806,625</u>	<u>3,000</u>	<u>809,625</u>	<u>1,104,455</u>
<b>Grants were received from the following:</b>				
Arts Council of Wales – Core Grant Funding	664,622	-	664,622	664,620
Arts Council of Wales – Stabilisation	-	-	-	175,000
BFI Organisation awards	75,000	-	75,000	45,000
Cardiff Council	-	-	-	20,000
Welsh Government Resilience	-	-	-	99,845
	<u>739,622</u>	<u>-</u>	<u>739,622</u>	<u>1,004,465</u>

\* Included in donations is £30,000 from the Moondance Foundation (2021: £30,000).

**4. INCOME FROM CHARITABLE ACTIVITIES**

<u>Group</u>	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
BFI	-	13,167	13,167	8,900
Cinema	157,180	1,538	158,718	9,306
Film education	2,483	-	2,483	2,083
Grants	1,023,209	622,690	1,645,899	1,936,527
Events	2,154	-	2,154	-
Theatre	23,700	-	23,700	2,288
	<u>1,208,726</u>	<u>637,395</u>	<u>1,846,121</u>	<u>1,959,104</u>

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

**Group**

Grants were received from the following:

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
<b>Project funding:</b>				
Art fund	-	-	-	36,000
Arts Council of Wales – Connect and Flourish	-	96,198	96,198	-
Arts Council of Wales – Cultural Recovery Fund	1,021,709	-	1,021,709	558,993
Arts Council of Wales – Experimentica	-	-	-	15,727
Arts Council of Wales – Resilience	-	4,800	4,800	1,208
Ashley foundation	-	-	-	5,000
British Film Industry Hub	-	230,000	230,000	248,443
British Film Industry Hub – Clwster	-	-	-	2,000
British Film Industry Hub – Diversity	-	55,000	55,000	45,000
British Film Industry Hub – Education Feasibility	-	600	600	-
British Film Industry Hub – Japan	-	3,906	3,906	-
British Film Industry Hub - Midlands	-	-	-	1,500
British Film Industry Hub – Sharing Together	-	-	-	200
British Film Industry Hub – VEF	-	55,000	55,000	-
Cardiff Council – Road Crossing	-	-	-	1,500
Creu Cymru	-	-	-	1,000
Ffilm Cymru	-	4,400	4,400	14,800
Foyle Foundation	-	-	-	30,000
Garfield Weston	-	-	-	75,000
Henry Moore Foundation	-	-	-	4,000
HMRC Job Retention Scheme	-	7,754	7,754	604,954
HMRC Kickstart	1,500	-	1,500	-
Moondance Foundation	-	-	-	90,977
Simon Gibson Trust	-	-	-	10,000
Theatre’s Trust	-	-	-	5,000
WCA	-	1,410	1,410	-
WCVA – Third Sector Resilience Fund	-	15,000	15,000	60,000
Welsh Government Made in Wales	-	27,611	27,611	-
<b>Capital:</b>				
Arts Council Wales – Café Bar	-	114,800	114,800	104,197
Arts Council of Wales – Cultural Recovery Fund	-	6,211	6,211	21,028
	<b>1,023,209</b>	<b>622,690</b>	<b>1,645,899</b>	<b>1,936,527</b>

**CHAPTER (CARDIFF) LIMITED**  
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**4. INCOME FROM CHARITABLE ACTIVITIES (continued)**

<u>Charity</u>	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
BFI	-	13,167	13,167	8,900
Cinema	157,180	1,538	158,718	9,306
Film education	2,483	-	2,483	2,083
Grants	1,023,209	622,690	1,645,899	1,589,038
Events	2,154	-	2,154	-
Theatre	23,700	-	23,700	2,288
	<u>1,208,726</u>	<u>637,395</u>	<u>1,846,121</u>	<u>1,611,615</u>

**CHAPTER (CARDIFF) LIMITED**  
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**4. INCOME FROM CHARITABLE ACTIVITIES (continued)**

Grants were received from the following:

**Charity**

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
<b>Project funding:</b>				
Art fund	-	-	-	36,000
Arts Council Wales – Connect and Flourish	-	96,198	96,198	-
Arts Council of Wales – Cultural Recovery Fund	1,021,709	-	1,021,709	558,993
Arts Council of Wales – Experimentica	-	-	-	15,727
Arts Council of Wales – Resilience	-	4,800	4,800	1,208
Ashley foundation	-	-	-	5,000
British Film Industry Hub	-	230,000	230,000	248,443
British Film Industry Hub – Clwster	-	-	-	2,000
British Film Industry Hub – Diversity	-	55,000	55,000	45,000
British Film Industry – Film Education Feasibility Grant	-	600	600	1,500
British Film Industry – Japan	-	3,906	3,906	-
British Film Industry Hub – Sharing Together	-	-	-	200
British Film Industry – VEF	-	55,000	55,000	-
Cardiff Council – Road Crossing	-	-	-	1,500
Creu Cymru	-	-	-	1,000
Ffilm Cymru	-	4,400	4,400	14,800
Foyle Foundation	-	-	-	30,000
Garfield Weston	-	-	-	75,000
Henry Moore Foundation	-	-	-	4,000
HMRC Job Retention Scheme	-	7,754	7,754	257,465
HMRC Kickstart	1,500	-	1,500	-
Moondance Foundation	-	-	-	90,977
Simon Gibson Trust	-	-	-	10,000
Theatre’s Trust	-	-	-	5,000
WCA	-	1,410	1,410	-
WCVA – Third Sector Resilience Fund	-	15,000	15,000	60,000
Welsh Government Made in Wales	-	27,611	27,611	-
<b>Capital:</b>				
Arts Council Wales – Café Bar	-	114,800	114,800	104,197
Arts Council of Wales – Cultural Recovery Fund	-	6,211	6,211	21,028
	<b>1,023,209</b>	<b>622,690</b>	<b>1,645,899</b>	<b>1,589,038</b>

**CHAPTER (CARDIFF) LIMITED**  
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**5. INCOME FROM OTHER TRADING ACTIVITIES**

<u>Group</u>	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Facilities and property income	312,702	-	312,702	161,877
Trading subsidiaries	1,200,181	-	1,200,181	92,582
	<u>1,512,883</u>	<u>-</u>	<u>1,512,883</u>	<u>254,459</u>
 <u>Charity</u>				
Facilities and property income	312,702	-	312,702	161,877
	<u>312,702</u>	<u>-</u>	<u>312,702</u>	<u>161,877</u>

**6. INCOME FROM OTHER SOURCES**

<u>Group</u>	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Other income	5,743	779	6,522	2,470
Insurance	6,929	-	6,929	6,989
	<u>12,672</u>	<u>779</u>	<u>13,451</u>	<u>9,459</u>
 <u>Charity</u>				
Other income	5,743	779	6,522	2,470
Insurance	6,929	-	6,929	6,989
	<u>12,672</u>	<u>779</u>	<u>13,451</u>	<u>9,459</u>

**CHAPTER (CARDIFF) LIMITED**  
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**7. EXPENDITURE ON CHARITABLE ACTIVITIES**

<b>Group</b>	<b>Direct £</b>	<b>Grants payable £</b>	<b>Support £</b>	<b>Governance</b>	<b>Total 2022 £</b>	<b>Total 2021 £</b>
Audit fees	-	-	-	5,740	5,740	7,050
Bad debts	(268)	-	-	-	(268)	4,529
BFI project costs	7,728	88,889	-	-	96,617	177,277
Cinema distributors payments	83,545	-	-	-	83,545	5,520
Cleaning	62,545	-	-	-	62,545	12,512
Credit card charges	240	-	-	-	240	80
Depreciation	146,552	-	-	-	146,552	126,990
Electricity	67,888	-	-	-	67,888	31,189
Equipment repairs	14,625	-	-	-	14,625	9,750
Event costs	818	-	-	-	818	-
Gallery production costs	13,448	-	-	-	13,448	16,791
Gas	22,546	-	-	-	22,546	14,903
Health & safety, security	6,404	-	-	-	6,404	6,463
Insurances	31,014	-	-	-	31,014	26,619
Interest & charges	31,893	-	-	-	31,893	25,233
Irrecoverable VAT	739	-	-	-	739	1,144
IT support costs	1,381	-	1,381	-	2,762	11,804
Professional & Legal fees	10,248	-	-	-	10,248	54,038
Licences	27,728	-	-	-	27,728	27,755
Maintenance	37,717	-	-	-	37,717	56,579
Marketing, press, PR	38,098	-	-	-	38,098	4,159
Other direct costs	160,069	-	-	-	160,069	14,488
Photocopying	2,642	-	2,642	-	5,284	5,574
Postage	199	-	-	-	199	980
Rates	6,380	-	-	-	6,380	5,810
Refuse collection	7,191	-	-	-	7,191	2,069
Rent	1,550	-	-	-	1,550	1,222
Stationery	1,099	-	-	-	1,099	995
Subscriptions	5,131	-	-	-	5,131	4,085
Sundries	-	-	1,227	-	1,227	1,041
Telephone/fax	11,125	-	-	-	11,125	9,156
Theatre productions and producer's payments	19,807	-	-	-	19,807	3,144
Training	2,195	-	2,195	-	4,389	4,840
Travel	2,853	-	-	-	2,853	363
Wages and salaries	1,027,100	-	-	-	1,027,100	1,090,949
Water charges	12,444	-	-	-	12,444	6,195
	<b>1,864,674</b>	<b>88,889</b>	<b>7,445</b>	<b>5,740</b>	<b>1,966,747</b>	<b>1,771,296</b>
Trading subsidiaries	<b>1,146,842</b>	-	-	-	<b>1,146,842</b>	613,330
	<b>3,011,516</b>	<b>88,889</b>	<b>7,445</b>	<b>5,740</b>	<b>3,113,590</b>	<b>2,384,626</b>

**CHAPTER (CARDIFF) LIMITED**  
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**7. EXPENDITURE ON CHARITABLE ACTIVITIES (continued)**

<u>Charity</u>	Direct £	Grants payable £	Support £	Governance	Total 2022 £	Total 2021 £
Audit fees	-	-	-	5,740	5,740	7,050
Bad debts	(268)	-	-	-	(268)	4,529
BFI project costs	7,728	88,889	-	-	96,617	177,277
Cinema distributors payments	83,545	-	-	-	83,545	5,520
Cleaning	62,545	-	-	-	62,545	12,512
Credit card charges	240	-	-	-	240	80
Depreciation	146,552	-	-	-	146,552	126,990
Electricity	67,888	-	-	-	67,888	31,189
Event costs	14,625	-	-	-	14,625	9,750
Equipment repairs	818	-	-	-	818	-
Gallery production costs	13,448	-	-	-	13,448	16,791
Gas	22,546	-	-	-	22,546	14,903
Health & safety, security	6,404	-	-	-	6,404	6,463
Insurances	31,014	-	-	-	31,014	26,619
Interest & charges	31,893	-	-	-	31,893	25,233
Irrecoverable VAT	739	-	-	-	739	1,144
IT support costs	1,381	-	1,381	-	2,762	11,804
Professional fees	10,248	-	-	-	10,248	54,038
Licences	27,728	-	-	-	27,728	27,755
Maintenance	37,717	-	-	-	37,717	56,579
Marketing, press, PR	38,098	-	-	-	38,098	4,159
Other direct costs	160,069	-	-	-	160,069	14,489
Photocopying	2,642	-	2,642	-	5,284	5,574
Postage	199	-	-	-	199	980
Rates	6,380	-	-	-	6,380	5,810
Refuse collection	7,191	-	-	-	7,191	2,069
Rent	1,550	-	-	-	1,550	1,222
Stationery	1,099	-	-	-	1,099	995
Subscriptions	5,131	-	-	-	5,131	4,085
Sundries	-	-	1,226	-	1,226	1,041
Telephone/fax	11,125	-	-	-	11,125	9,156
Theatre productions and producers payments	19,807	-	-	-	19,807	3,144
Training	2,195	-	2,195	-	4,389	4,841
Travel	2,853	-	-	-	2,853	363
Wages and salaries	1,027,100	-	-	-	1,027,100	1,090,949
Water charges	12,444	-	-	-	12,444	6,195
	<u>1,864,674</u>	<u>88,889</u>	<u>7,444</u>	<u>5,740</u>	<u>1,966,747</u>	<u>1,771,297</u>

**CHAPTER (CARDIFF) LIMITED**  
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**7. EXPENDITURE ON CHARITABLE ACTIVITIES (continued)**

Contained in the above is grants payable by the charity totalling £88,889. These can be split into the following categories:

	<b>Total 2022 £</b>	<b>Total 2021 £</b>
COVID-19 Resilience	-	97,141
Strategic Network Award	-	11,500
Film Exhibition Fund	-	51,952
Wales Youth Festival Network	<b>9,390</b>	-
Deaf Project	<b>18,000</b>	-
Off Y Grid	<b>10,000</b>	-
FEF Open Call	<b>26,250</b>	-
Animation Festivals	<b>8,000</b>	-
Film Clubs	<b>8,560</b>	-
Iris on the Move	<b>3,000</b>	-
Indie Cinema	<b>1,400</b>	-
Slate & Slavery	<b>1,840</b>	-
Pitch Plot	<b>2,449</b>	-
	<b><u>88,889</u></b>	<b><u>160,593</u></b>

During the year the charity provided 27 institutions with grants ranging from £276 to £10,000. Details of grants payable can be found in the trustees report and on the group's website.

**CHAPTER (CARDIFF) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**8. ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES, AND THE COST OF KEY MANAGEMENT PERSONNEL**

	<b>Total 2022 £</b>	<b>Total 2021 £</b>
<b><u>Group</u></b>		
Wages and salaries	1,466,550	1,452,607
Social security costs	100,390	99,491
Employers pension	53,623	27,442
Redundancy costs	-	32,966
	<b>1,620,563</b>	<b>1,612,506</b>
 <b><u>Charity</u></b>		
Wages and salaries	905,583	964,286
Social security costs	75,935	73,959
Employers pension	45,582	19,738
Redundancy costs	-	32,966
	<b>1,027,100</b>	<b>1,090,949</b>

During 2021/22 there was 1 (2021: 1) employee who received employee benefits over £60,000. The employee received employee benefits ranging between £60,000-£70,000. Pension contributions for the individual totalled £5,422 (2021: £2,503).

The total amount of employee benefits received by key management personnel for their services to the group during the year totalled £281,599 (2021: £279,033).

The total amount of employee benefits received by key management personnel for their services to the charity during the year totalled £235,094 (2021: £237,388).

Included in the group wages and salaries above were termination and redundancy payments totalling £nil (2021: £32,966). There were no amounts outstanding at the current and prior year end.

No trustee received remuneration during the year (2021: £nil). No trustee was reimbursed for expenses (2021: No trustee was reimbursed for travel expenses).

**9. STAFF NUMBERS**

	<b>2022 No</b>	<b>2021 No</b>
<b><u>Group</u></b>		
Average number of people employed by the group	<b>94</b>	<b>80</b>
 <b><u>Charity</u></b>		
Average number of people employed by the charity	<b>43</b>	<b>49</b>

**CHAPTER (CARDIFF) LIMITED**  
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**10. NET INCOME/(EXPENDITURE) FOR THE YEAR**

This is stated after charging:

	<b>Group</b>		<b>Charity</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Rentals under operating leases	<b>14,754</b>	14,754	<b>14,754</b>	14,754
Depreciation	<b>146,552</b>	126,991	<b>146,552</b>	126,991
Auditor's remuneration:				
Audit fees	<b>9,140</b>	8,450	<b>4,990</b>	5,050
Accountancy services	<b>750</b>	750	<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</b>	<b>Total</b>
	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Bank loan interest	<b>24,786</b>	18,410

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

<u>Group &amp; Charity</u>	Freehold land and buildings £	Improve- ments to leasehold buildings £	Leasehold buildings £	Fixtures & fittings £	Total £
<b>Cost</b>					
At 1 April 2021	562,000	4,284,657	879,000	1,042,992	6,768,649
Additions in year	-	69,639	-	87,996	157,635
At 31 March 2022	<u>562,000</u>	<u>4,354,296</u>	<u>879,000</u>	<u>1,130,988</u>	<u>6,926,284</u>
<b>Depreciation</b>					
At 1 April 2021	287,348	678,435	661,409	1,039,974	2,667,166
Charge for year	11,120	98,948	1,831	34,653	146,552
At 31 March 2022	<u>298,468</u>	<u>777,383</u>	<u>663,240</u>	<u>1,074,627</u>	<u>2,813,718</u>
<b>Net book value</b>					
At 31 March 2022	<u>263,532</u>	<u>3,576,913</u>	<u>215,760</u>	<u>56,361</u>	<u>4,112,566</u>
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>

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

The Arts Council of Wales holds a legal charge over the leasehold property as a condition of their grant funding, the carrying value of the assets as at 31 March 2022 totalled £215,760 (2021: £218,173).

The bank loan is secured on the freehold land and buildings, the carrying value of the assets as at 31 March 2022 totalled £263,532 (2021: £274,652). The bank overdraft is secured against a second legal charge over the freehold land and buildings, the carrying value of the assets as at 31 March 2022 totalled £263,532 (2021: £274,652).

The leasehold building above is being depreciated over the term of the lease of 125 years. The carrying value of building as at 31 March 2022 totalled £215,760 (2021: £218,173).

**14. INVESTMENTS**

<u>Charity</u>	Investments in group undertakings £
Cost as at 31 March 2021	<u>2</u>
Cost as at 31 March 2022	<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 2022 can be found below:

	<b>Total 2022 £</b>	<b>Total 2021 £</b>
Turnover	<b>1,140,994</b>	80,200
Cost of sales and administration costs	<b>(1,146,843)</b>	(615,691)
Operating profit	<b>(5,849)</b>	(535,491)
Other income	<b>59,187</b>	455,232
(Loss)/profit for the year	<b>53,338</b>	(80,259)
<b>Assets and liabilities:</b>		
Total assets	<b>258,009</b>	140,284
Total liabilities	<b>(284,125)</b>	(219,738)
Aggregate share capital and reserves	<b>(26,116)</b>	(79,454)

**Statement of changes in equity**

	<b>Share capital £</b>	<b>Profit and loss reserve £</b>	<b>2022 Total £</b>
Balance at 1 April 2021	<b>2</b>	<b>(79,456)</b>	<b>(79,454)</b>
<b>Year ended 31 March 2022</b>			
(Loss) and total comprehensive income for the year	<b>-</b>	<b>53,338</b>	<b>53,338</b>
Balance at 31 March 2022	<b>2</b>	<b>(26,118)</b>	<b>(26,116)</b>

**CHAPTER (CARDIFF) LIMITED**  
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**16. STOCKS**

	<b>Group</b>		<b>Charity</b>	
	<b>2022</b>	2021	<b>2022</b>	2021
	<b>£</b>	£	<b>£</b>	£
Caffi bar	<b>23,910</b>	10,382	-	-
Shop	-	1,872	-	1,872
	<b><u>23,910</u></b>	<u>12,254</u>	<u>-</u>	<u>1,872</u>

**17. DEBTORS**

	<b>Group</b>		<b>Charity</b>	
	<b>2022</b>	2021	<b>2022</b>	2021
	<b>£</b>	£	<b>£</b>	£
Trade debtors	<b>36,170</b>	37,381	<b>36,195</b>	9,147
Prepayments and accrued income	<b>248,157</b>	102,256	<b>242,089</b>	63,256
Other debtors	-	17,588	-	12,151
Due from subsidiary undertakings	-	-	<b>7,960</b>	-
	<b><u>284,687</u></b>	<u>157,225</u>	<b><u>286,244</u></b>	<u>84,554</u>

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

	<b>Group</b>		<b>Charity</b>	
	<b>2022</b>	2021	<b>2022</b>	2021
	<b>£</b>	£	<b>£</b>	£
Bank loan and overdraft	<b>67,406</b>	59,246	<b>28,386</b>	22,579
Trade creditors	<b>129,649</b>	54,998	<b>83,730</b>	49,566
Amounts due to subsidiary company undertakings	-	-	-	32,099
Taxation and social security	<b>51,935</b>	25,748	<b>15,646</b>	19,061
Other creditors	<b>9,373</b>	15,676	<b>6,476</b>	12,207
Accruals and deferred income	<b>91,459</b>	72,738	<b>67,640</b>	68,588
	<b><u>349,822</u></b>	<u>228,406</u>	<b><u>201,878</u></b>	<u>204,100</u>

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

	<b>2022</b>	2021
	<b>£</b>	£
Ticket sales	<b>3,046</b>	3,062
	<b><u>3,046</u></b>	<u>3,062</u>

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

**The movement in deferred income can be seen below:**

	<b>2022</b>	2021
	<b>£</b>	£
Balance brought forward	<b>3,062</b>	144,864
Income received	<b>2,169,140</b>	1,715,624
Income released	<b>(2,169,156)</b>	(1,857,426)
Balance carried forward	<b><u>3,046</u></b>	<u>3,062</u>

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

	<b>Group</b>		<b>Charity</b>	
	<b>2022</b>	2021	<b>2022</b>	2021
	£	£	£	£
Charity Bank loan	<b>511,109</b>	537,083	<b>511,109</b>	537,083
CBILS	<b>126,647</b>	163,333	-	-
WCVA	<b>25,000</b>	20,000	<b>25,000</b>	20,000
	<b><u>662,756</u></b>	<u>720,416</u>	<b><u>536,109</u></b>	<u>557,083</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. The total loan amount is £25,000, an additional £5,000 was received in May 21 as part of the overall offer of funding

**20. BORROWING**

	<b>Group</b>		<b>Charity</b>	
	<b>2022</b>	2021	<b>2022</b>	2021
	£	£	£	£
Bank loan	<b>538,495</b>	559,662	<b>538,495</b>	559,662
CBILS loan	<b>166,667</b>	200,000	-	-
WCVA	<b>25,000</b>	20,000	<b>25,000</b>	20,000
	<b><u>730,162</u></b>	<u>779,662</u>	<b><u>563,495</u></b>	<u>579,662</u>
Less amounts falling due within one year	<b><u>(67,406)</u></b>	<u>(59,246)</u>	<b><u>(28,386)</u></b>	<u>(22,579)</u>
	<b><u>662,756</u></b>	<u>720,416</u>	<b><u>535,109</u></b>	<u>557,083</u>

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**20. BORROWING (CONTINUED)**

**Repayable by instalments**

	<b>Group</b>		<b>Charity</b>	
	<b>2022</b>	2021	<b>2022</b>	2021
	£	£	£	£
Within one year	<b>67,873</b>	59,246	<b>27,873</b>	22,579
Between 2 and 5 years	<b>142,667</b>	142,667	<b>106,000</b>	106,000
After 5 years	<b>519,622</b>	577,749	<b>429,622</b>	451,083

The bank loan is secured on the freehold land and buildings known as Market House, Market Road, Cardiff, CF5 1QE. The bank overdraft is secured against a second legal charge over the freehold land and buildings known as Market House, Market Road, Cardiff, CF5 1QE and an unlimited debenture incorporating a fixed and floating charge. The property has a carrying value of £263,532 (2021: £274,652).

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

	<b>Land &amp; Buildings</b>		<b>Other</b>	
	<b>2022</b>	2021	<b>2022</b>	2021
	£	£	£	£
<b>Falling due:</b>				
1-2 years	<b>1</b>	1	<b>5,495</b>	14,753
2-5 years	<b>4</b>	4	<b>7,896</b>	2,336
>5 years	<b>114</b>	115	<b>-</b>	-
	<b>119</b>	120	<b>13,391</b>	17,089

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

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

**Arts Council of Wales - Experimentica**

Relates to funding received to support the 2021 Experimentica event.

**Arts Council of Wales - Resilience**

Relates to funding received to support the feasibility study.

**Ashley Foundation**

To support film education activity 2021.

**BFI Film Education Feasibility Grant**

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

**British Film Industry - Film Hub Wales**

For film hub core programme of activity.

**British Film Industry Hub - Anim18**

Grant to support a UK wide season celebrating British Animation.

**British Film Industry Hub - Clwster**

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

**British Film Industry Hub - Diversity**

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

**British Film Industry Hub- Film Feels**

To invest in online activity , Chapter programme.

**British Film Industry Hub - Sharing Together**

To complete BFI Sharing Together Project.

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

**Cardiff Council - Road Crossing**

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

**Cardiff University**

To support Chapter's Dementia work.

**Contemporary Art**

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

**Creu Cymru**

To support artist involvement in gallery exhibition.

**Darkley Trust**

To support Chapter's education and outreach work.

**Dunhill Medical Foundation**

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

**Ewart Parkinson Award**

Ewart Parkinson award to support film education programme.

**Ffilm Cymru - Reopening**

Funding received to support the cinema.

**Ffilm Cymru - Young Programmers**

Funding for Young Programmers.

**Ffilm Cymru - Connector Fund**

Film Agency Wales Project to promote new audiences.

**Foyle Foundation**

To support core programme.

**Garfield Weston Foundation**

To support activity.

**Henry Moore Foundation**

To support James Richards Exhibition.

**Henry Moore Foundation - Garth Evans**

To support the exhibition at Chapter.

**HMRC Coronavirus Job Retention Scheme**

Income received in relation to furlough scheme.

**Lightbox**

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

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

**PRSF**

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

**Rayne Foundation**

Grant to support Chapter's Dementia film programme.

**Theatre Trust**

To support reopening costs.

**WCVA - Third Sector Resilience Fund**

To support redevelopment of Chapter website.

**Welsh Government Made in Wales**

To promote Welsh film, managed by Film Hub Wales.

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

*Previous year*

<b>Group</b>	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2021 £
<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)**

<i>Previous year</i>	Balance at 1 April 2020	Income	Expenditure	Transfers	Balance at 31 March 2021
<b>Charity</b>	£	£	£	£	£
<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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**23. DESIGNATED FUNDS**

<u>Group and Charity</u>	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2022 £
Emergency fund	-	-	-	140,000	140,000
	-	-	-	140,000	140,000

**24. UNRESTRICTED FUNDS**

<u>Group</u>	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2022 £
General funds	759,786	3,540,906	(2,609,162)	(137,989)	1,553,541
	759,786	3,549,906	(2,609,162)	(137,989)	1,553,541
<u>Charity</u>					
General funds	839,245	2,340,725	(1,462,319)	(137,989)	1,579,662
	839,245	2,340,725	(1,462,319)	(137,989)	1,579,662

*Previous year*

<u>Group</u>	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2021 £
General funds	62,938	2,131,020	(1,570,867)	136,695	759,786
	62,938	2,131,020	(1,570,867)	136,695	759,786
<u>Charity</u>					
General funds	62,139	1,945,438	(1,305,027)	136,695	839,245
	62,139	1,945,438	(1,305,027)	136,695	839,245

**CHAPTER (CARDIFF) LIMITED**  
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**25. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds £	Designated Funds £	Restricted funds £	Total 2022 £
<b><u>Group</u></b>				
Fixed assets	1,534,755	-	2,577,811	4,112,566
Net current assets/(liabilities)	821,075	140,000	515,042	1,476,117
Long term liabilities	(662,289)	-	-	(662,289)
	<u>1,693,541</u>	<u>140,000</u>	<u>3,092,853</u>	<u>4,926,394</u>
<b><u>Charity</u></b>				
Investments	2	-	-	2
Fixed assets	1,534,755	-	2,577,811	4,112,566
Net current assets/(liabilities)	720,527	140,000	515,042	1,375,569
Long term liabilities	(535,622)	-	-	(535,622)
	<u>1,719,662</u>	<u>140,000</u>	<u>3,092,853</u>	<u>4,952,515</u>
 <b><u>Previous year</u></b>				
	Unrestricted funds £	Restricted funds £	Total 2021 £	
<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	(720,416)	-	(720,416)	
	<u>759,786</u>	<u>3,098,118</u>	<u>3,857,904</u>	
<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	(557,083)	-	(557,083)	
	<u>839,245</u>	<u>3,098,118</u>	<u>3,937,363</u>	

**CHAPTER (CARDIFF) LIMITED  
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**26. RELATED PARTIES**

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

Chapter (Cardiff) Limited received £nil in management fees from its wholly owned subsidiary, Chapter Trading Limited, during the year (2021: £ nil).

During the year Chapter (Cardiff) Limited invoiced Chapter Trading Limited for £2,500 (2021: £ nil) of recharges for wages, cost of sales, finance and marketing expenses. Chapter Trading Limited invoiced Chapter (Cardiff) Limited for similar recharges of £2,227 (2021: £ nil).

At the year end Chapter (Cardiff) Limited owed £nil to Chapter Trading Limited (2021: £32,099).

At the year end Chapter Trading Limited owed £7,960 to Chapter (Cardiff) Limited (2021: £nil).

**27. SHARE CAPITAL**

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

**28. RETIREMENT BENEFIT SCHEMES**

**Defined contribution schemes**

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

The charge to profit or loss in respect of defined contribution schemes for the group was £53,623 (2021: £27,442). Amounts outstanding at the year end totalled £8,233 (2021: £8,600).

The charge to profit or loss in respect of defined contribution schemes for the charity was £45,582 (2021: £19,738). Amounts outstanding at the year end totalled £5,336 (2021: £5,131).

**CHAPTER (CARDIFF) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

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

	2022	2021
	£	£
<b>Net expenditure for the reporting period</b>	<b>1,068,490</b>	1,035,851
<i>Adjustments for:</i>		
Depreciation charges and impairment	146,554	126,991
Dividends, interest and rents from investments	(312,702)	(161,877)
(Increase)/decrease in stocks	(11,656)	11,221
(Increase)/decrease in debtors	(127,463)	(72,446)
Increase/(decrease) in creditors	113,256	(492,298)
<b>Net cash provided by/(used in) operating activities</b>	<b>876,477</b>	<b>447,442</b>

**Analysis of Cash and Cash Equivalents**

Cash in hand	1,517,809	535,764
<b>Total Cash and Cash Equivalents</b>	<b>1,507,809</b>	<b>535,764</b>

	At 1 April 2021	Cash-flows	As at 31 March 2022
	£	£	£
Cash	535,764	1,453,001	1,517,809
Bank loans falling due within one year	(59,246)	(8,627)	(67,873)
Bank loans falling due after more than one year	(720,416)	58,127	(662,289)
	<u>(243,894)</u>	<u>1,502,501</u>	<u>787,647</u>

**30. POST BALANCE SHEET EVENTS**

**Market House**

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

**CHAPTER (CARDIFF) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**31. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES**

<u>Group</u>	Unrestricted funds £	Restricted funds £	Total funds 2021 £
<b>Income and endowments from:</b>			
Donations and legacies	1,193,455	4,000	1,197,455
Charitable activities	673,647	1,285,457	1,959,104
Other trading activities	254,459	-	254,459
Other	9,459	-	9,459
<b>Total income and endowments</b>	<u>2,131,020</u>	<u>1,289,457</u>	<u>3,420,477</u>
<b>Expenditure on:</b>			
Charitable activities	1,570,867	813,759	2,384,626
<b>Total expenditure</b>	<u>1,570,867</u>	<u>813,759</u>	<u>2,384,626</u>
<b>Net income/(expenditure)</b>	560,153	475,698	1,035,851
Transfers between funds	136,695	(136,695)	-
<b>Net movement in funds</b>	<u>696,848</u>	<u>339,003</u>	<u>1,035,851</u>
<b>Reconciliation of Funds</b>			
Total funds brought forward	62,938	2,759,115	2,822,053
<b>Total funds carried forward</b>	<u>759,786</u>	<u>3,098,118</u>	<u>3,857,904</u>
 <b>Charity</b>			
<b>Income and endowments from:</b>			
Donations and legacies	1,100,455	4,000	1,104,455
Charitable activities	673,647	937,968	1,611,615
Other trading activities	161,877	-	161,877
Other	9,459	-	9,459
<b>Total income and endowments</b>	<u>1,945,438</u>	<u>941,968</u>	<u>2,887,406</u>
<b>Expenditure on:</b>			
Charitable activities	1,305,027	466,270	1,771,297
<b>Total expenditure</b>	<u>1,305,027</u>	<u>466,270</u>	<u>1,771,297</u>
<b>Net income/(expenditure)</b>	640,411	475,698	1,116,109
Transfers between funds	136,695	(136,695)	-
<b>Net movement in funds</b>	<u>777,106</u>	<u>339,003</u>	<u>1,116,109</u>
<b>Reconciliation of Funds</b>			
Total funds brought forward	62,139	2,759,115	2,821,254
<b>Total funds carried forward</b>	<u>839,245</u>	<u>3,098,118</u>	<u>3,937,363</u>

