

Company registration number: 01005570  
Charity registration number: 500813

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

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

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



**CHAPTER (CARDIFF) LIMITED  
YEAR ENDED 31 MARCH 2023**

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REPORT OF THE TRUSTEES  
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The trustees present their report and accounts for the year ended 31 March 2023.

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

## **OBJECTIVES AND ACTIVITIES**

### **Charitable Objectives**

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

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

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

### **Statement of purpose (Mission, Vision & Values)**

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

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

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

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

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

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

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

**OVERVIEW**

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

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

**Objectives and activities**

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

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

Our artistic aims are to be:

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

**Strategic report**

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

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**ACHIEVEMENTS AND PERFORMANCE**

**Film**

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

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

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

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

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

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

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

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

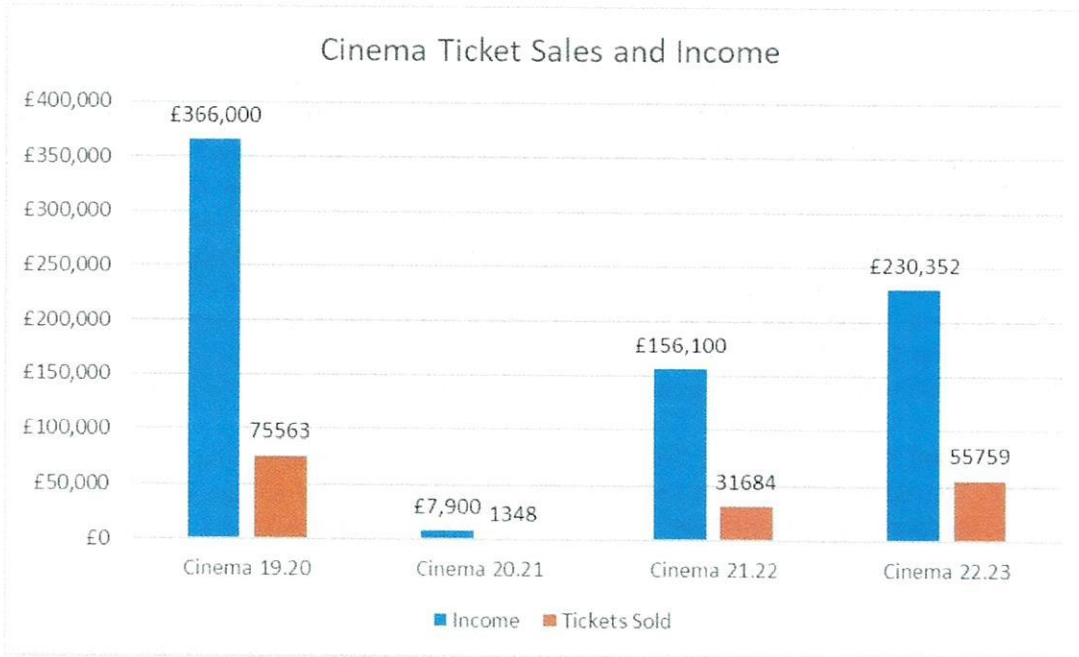
FHW's network reached 302 Welsh exhibitors, 191 of which are members of the Hub. This year, we welcomed the *Maxime* in Blackwood, *The Little Cinema* in Penmaenmawr and *Gower Film Club*.

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

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

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



**Performance and Live Events**

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

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

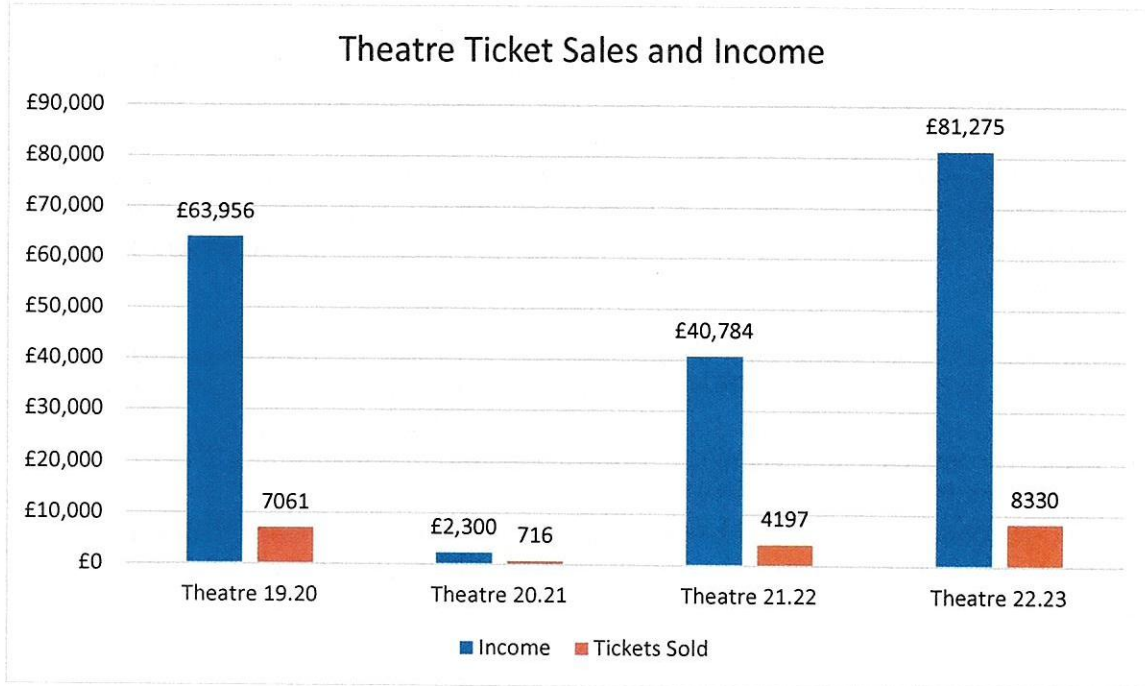
Other highlights included Don't Play With Dead Things, a Chapter co-production with disabled artist Jeremy Linnell. DPWDT was a democratic, livestreamed horror escape room/theatre production. Sacrum Profanum was a Chapter commission presented by Emma Coulthard and Benjamin O'Dwyer, that fused classical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

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

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

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



**Visual Arts**

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

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

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

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

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

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

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

### **Creative Community**

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

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

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

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**DEVELOPMENT**

**Fundraising**

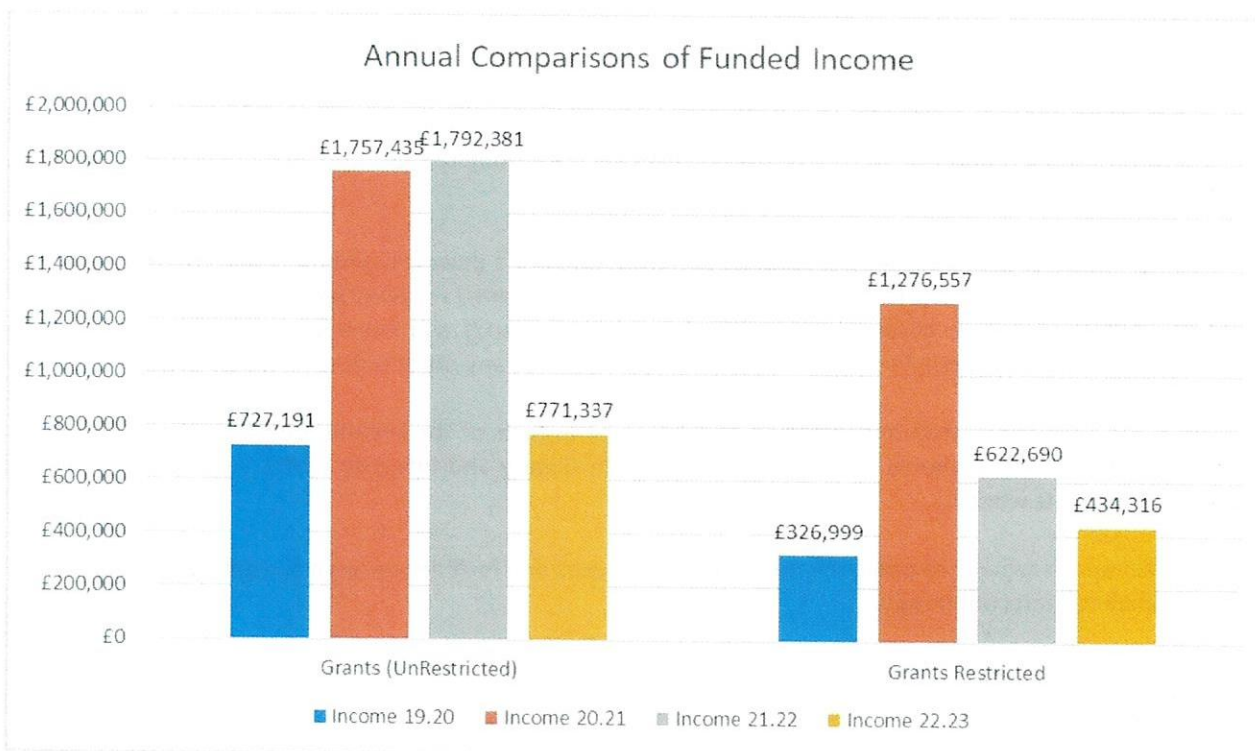
The fundraising landscape has been challenging due to the post-Covid environment, cost-of-living crisis, wider international factors and the global economy exerting a negative effect on the economic environment. We sought to grow voluntary income and we believe that a key to the success of our fundraising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

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

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

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

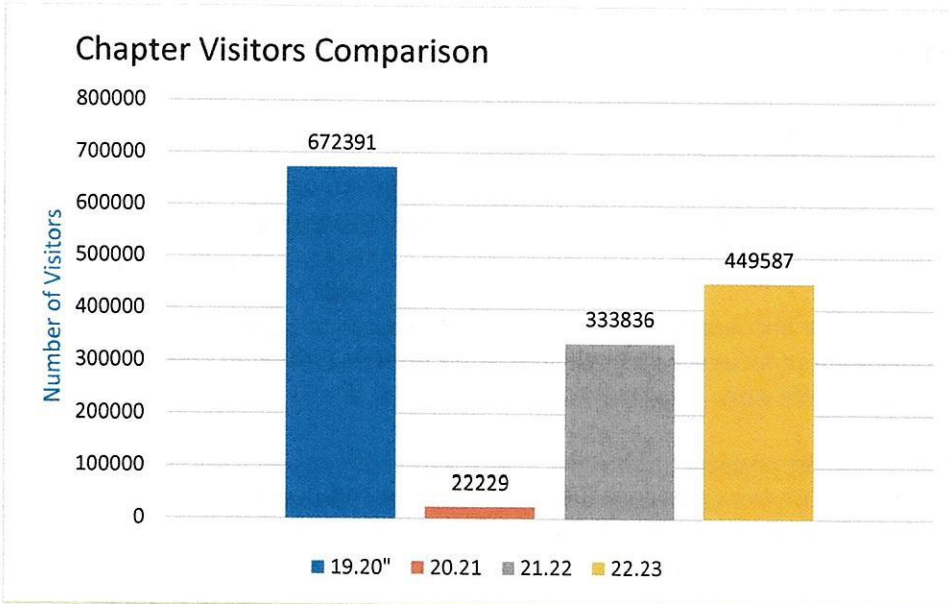
We raised restricted funding to support projects such as Film Hub Wales and film education from the British Film Industry (BFI), Connect and Flourish from Arts Council Wales (ACW), and film support from Ffilm Cymru, as well as smaller grants to support our initiative of free arts activity and free lunches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



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**COVID RECOVERY**

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



**Equity, Diversity and Inclusion**

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

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

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

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

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

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

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

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

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

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

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

**Public benefit**

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

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

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

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

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

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

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

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

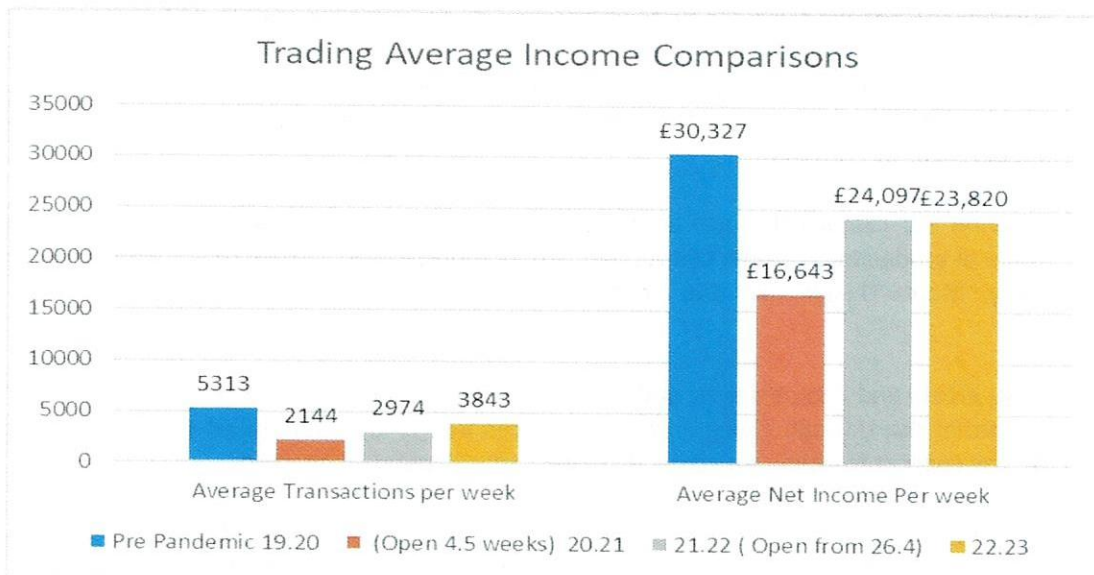
Our new, audience-informed approach is strongly aligned with current cultural policy from the perspective of statutory bodies and funders – ensuring that we’re open to all and that we make a particular commitment to reaching and engaging priority audience groups.

**Café Bar Trading Subsidiary**

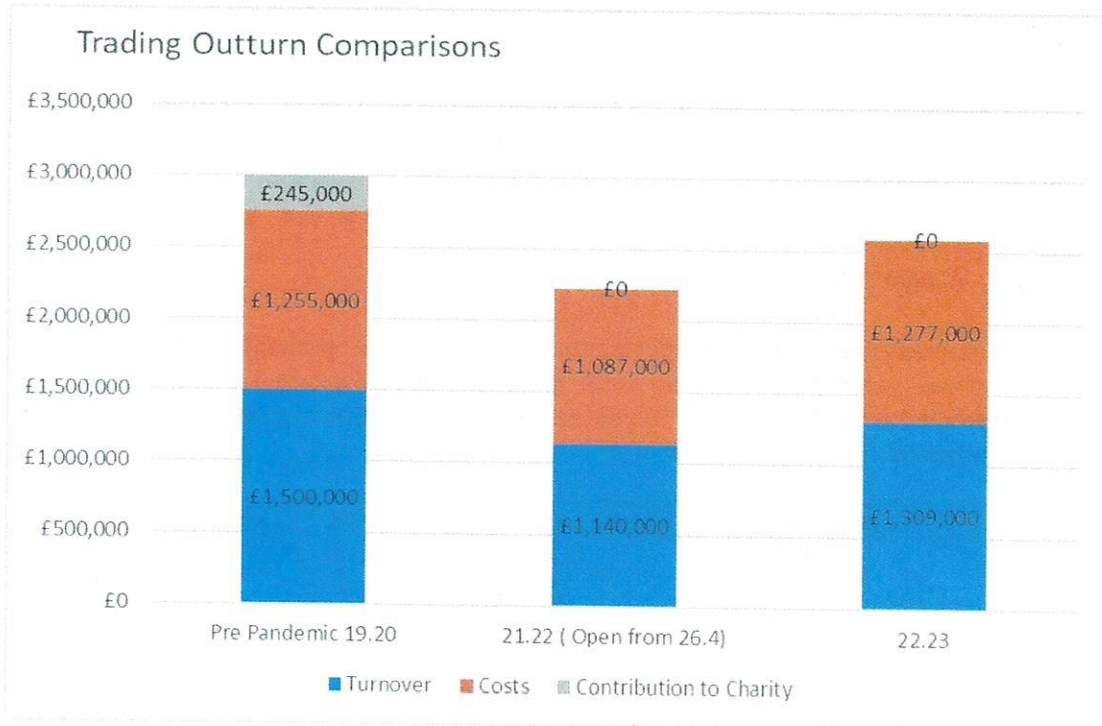
The Caffi Bar continues to struggle, like all other hospitality businesses, with a staff and skills shortage. For the second year running there has been no financial contribution to the Charity as the Trading arm broke even for the year.

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

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

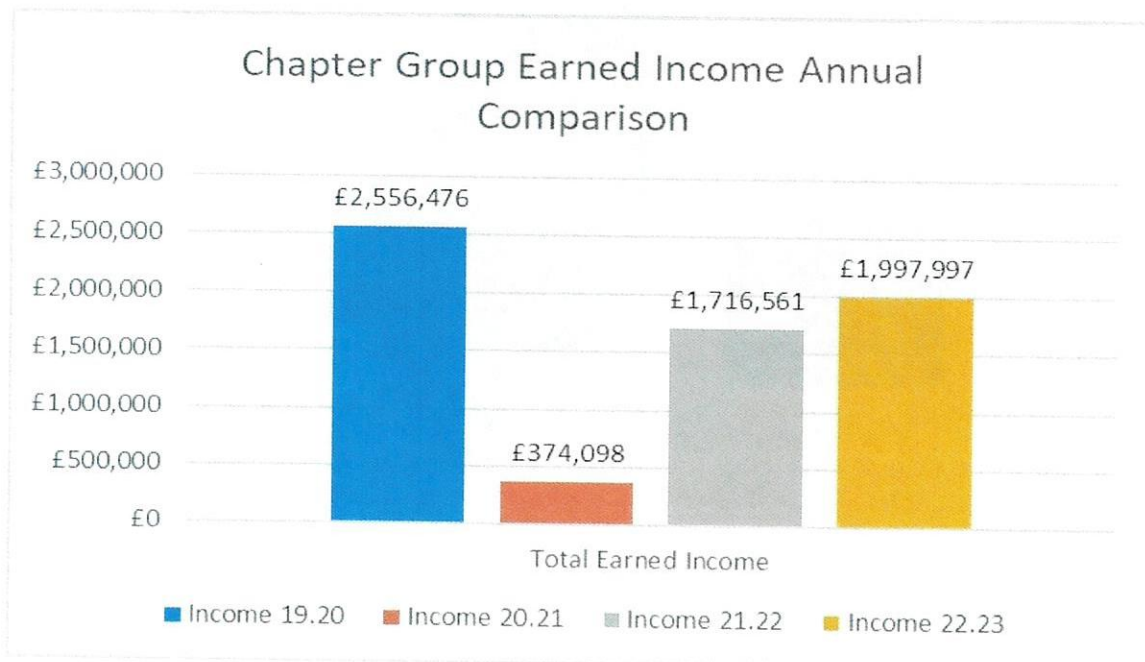


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**Challenges**

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



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**FINANCIAL REVIEW**

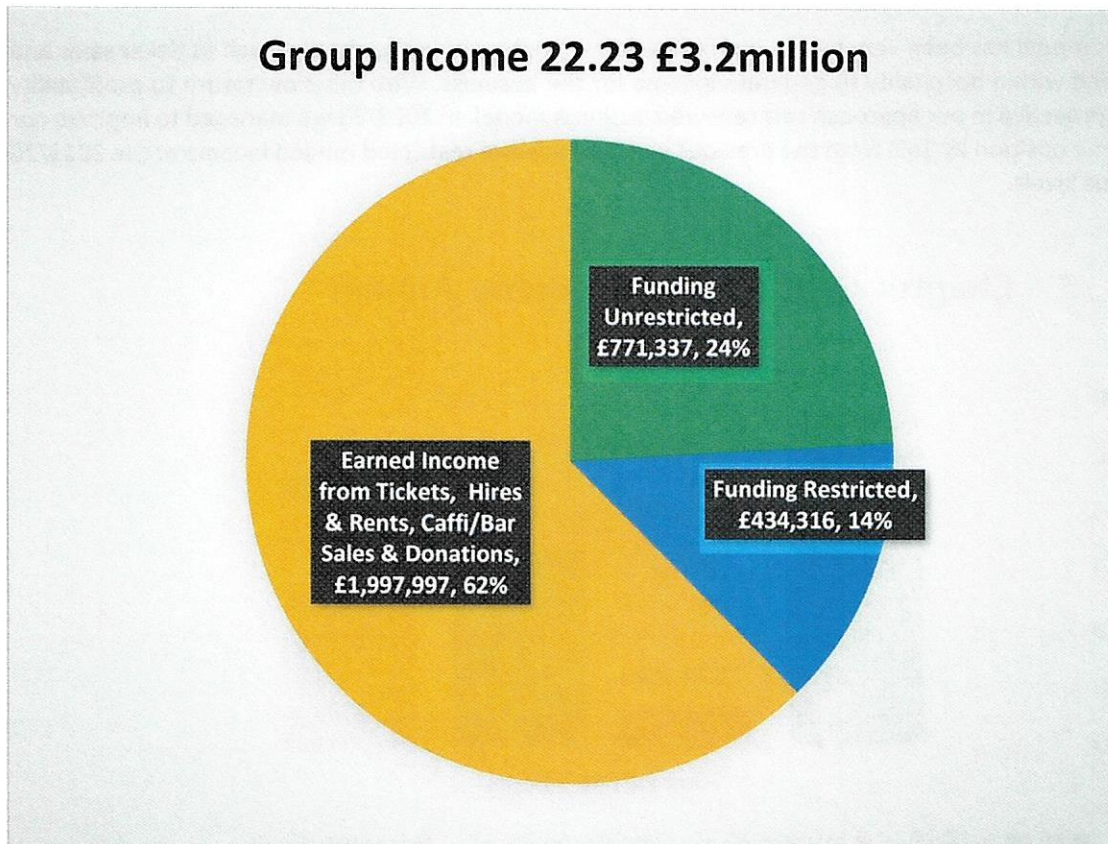
The consolidated Statement of Financial Activities shows a net reserves position in unrestricted funds after transfers of £1,742,566. This leaves free reserves of £60,430 due to £82,000 being designated to cover the forecast deficit in the 23/24 budget.

**Designated Funds**

To Support 2023/24      Budget £82,000

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

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



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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	£1,834k
2022/23	Unrestricted Funds	£1,743k

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

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

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

**Designated funds:**

**To Support 2023/24    Budget £82,000**

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

**Chapter (Trading) Ltd**

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

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

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

**Principal risks and uncertainties**

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

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

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

**FUTURE PLANS**

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

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

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

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

**Creativity**

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

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

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

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

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

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

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

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

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**Nurturing Talent**

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

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

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

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

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

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

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

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

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

**Widening Engagement**

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

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

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

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

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

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

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

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

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

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

**Welsh Language**

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

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

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

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

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

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

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

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

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

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

### **Climate Justice**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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**Transformation**

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

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

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

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

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

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

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

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

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

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

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**STRUCTURE, GOVERNANCE AND MANAGEMENT**

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

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

**Recruitment, Induction and Training of Trustees**

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

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

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

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

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

**Staff Leadership**

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

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

Co-Director and Artistic Director

Co-Director and Director of Finance and Resources

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

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

**REFERENCE AND ADMINISTRATIVE DETAILS**

<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 Alun Jones Villida Ramasut Benedict Borthwick- resigned 28/6/23 Laurence Khan Kami Lamakan (Chair) Sarah Lee-Ling Chan – appointed 07/04/2022 Lauren Orme – appointed 28/6/23 Naomi Stocks – appointed 28/6/23
<b>Company Secretary</b>	Sharon Stone
<b>Key Management Personnel</b>	H Firth –Co-Director/Director of Programme and Deputy Director S Stone –Co-Director/Director, Finance and Resources
<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

**CHAPTER (CARDIFF) LIMITED  
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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

  
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Kami Lamakan  
Chair

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

**Opinion**

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

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31<sup>st</sup> March 2023, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

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

**Other information**

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

We have nothing to report in this regard.

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

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

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

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

**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 2023**

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

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

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

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

**Use of our report**

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

**John Howard**

*Senior Statutory Auditor*

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

Chartered Accountants & Statutory Auditors

Ty Derw

Lime Tree Court

Cardiff Gate Business Park

Cardiff

CF23 8AB

Date.....

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

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

	Note	Unrestricted funds £	Restricted funds £	Total funds 2023 £	Total funds 2022 £
<b>Income and endowments from:</b>					
Donations and legacies	3	789,985	5,000	794,985	809,625
Charitable activities	4	267,638	445,608	713,246	1,846,121
Other trading activities	5	1,680,318	-	1,680,318	1,512,883
Other	6	11,630	-	11,630	13,451
<b>Total income and endowments</b>		<u>2,749,571</u>	<u>450,608</u>	<u>3,200,179</u>	<u>4,182,080</u>
<b>Expenditure on:</b>					
Charitable activities	7	2,929,045	642,134	3,571,179	3,113,590
<b>Total expenditure</b>		<u>2,929,045</u>	<u>642,134</u>	<u>3,571,179</u>	<u>3,113,590</u>
<b>Net income/(expenditure)</b>	10	(179,474)	(191,526)	(371,000)	1,068,490
Transfers between funds	22,23	88,499	(88,499)	-	-
<b>Net movement in funds</b>		<u>(90,975)</u>	<u>(280,025)</u>	<u>(371,000)</u>	<u>1,068,490</u>
<b>Reconciliation of Funds</b>					
Total funds brought forward	22,23	1,833,541	3,092,853	4,926,394	3,857,904
<b>Total funds carried forward</b>	24,25	<u>1,742,566</u>	<u>2,812,828</u>	<u>4,555,394</u>	<u>4,926,394</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 26 to 55 form part of the financial statements

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

	Note	Unrestricted funds £	Restricted funds £	Total funds 2023 £	Total funds 2022 £
<b>Income and endowments from:</b>					
Donations and legacies	3	796,918	5,000	801,918	809,625
Charitable activities	4	267,638	445,608	713,246	1,846,121
Other trading activities	5	375,635	-	375,635	312,702
Other	6	11,630	-	11,630	13,451
<b>Total income and endowments</b>		<u>1,451,821</u>	<u>450,608</u>	<u>1,902,429</u>	<u>2,981,899</u>
<b>Expenditure on:</b>					
Charitable activities	7	1,658,217	642,134	2,300,351	1,966,747
<b>Total expenditure</b>		<u>1,658,217</u>	<u>642,134</u>	<u>2,300,351</u>	<u>1,966,747</u>
<b>Net income/(expenditure)</b>	10	(206,396)	(191,526)	(397,922)	1,015,152
Transfers between funds	22,23	88,499	(88,499)	-	-
<b>Net movement in funds</b>		<u>(117,897)</u>	<u>(280,025)</u>	<u>(397,922)</u>	<u>1,015,152</u>
<b>Reconciliation of Funds</b>					
Total funds brought forward	22,23	1,859,662	3,092,853	4,952,515	3,937,363
<b>Total funds carried forward</b>	24,25	<u>1,741,765</u>	<u>2,812,828</u>	<u>4,554,593</u>	<u>4,952,515</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 26 to 55 form part of the financial statements

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

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

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


  
.....  
**Kami Lamakan - Chair**  
Company number 01005570

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

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

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

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

  
.....  
**Kami Lamakan - Chair**  
**Company number 01005570**

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

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

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

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

**CHAPTER (CARDIFF) LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

**1. ACCOUNTING POLICIES**

**Legal form and address**

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

**Basis of preparation**

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

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

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

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

**Group financial statements**

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

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

**Going concern**

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

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

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

**CHAPTER (CARDIFF) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**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 2023**

**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 2023**

**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 2023**

**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 2023**

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

**CHAPTER (CARDIFF) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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

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

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

**4. INCOME FROM CHARITABLE ACTIVITIES**

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

**CHAPTER (CARDIFF) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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

**Group and charity**

Grants were received from the following:

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

**CHAPTER (CARDIFF) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**5. INCOME FROM OTHER TRADING ACTIVITIES**

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

**6. INCOME FROM OTHER SOURCES**

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

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**7. EXPENDITURE ON CHARITABLE ACTIVITIES**

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

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

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

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

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

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

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

[2022/23 Film Exhibition Fund - Film Hub Wales | Canolfan Ffilm Cymru \[filmhubwales.org\]](https://www.filmhubwales.org)

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

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

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

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

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

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

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

**9. STAFF NUMBERS**

	<b>2023</b>	<b>2022</b>
	No	No
<b><u>Group</u></b>		
Average number of people employed by the group	90	94
<b><u>Charity</u></b>		
Average number of people employed by the charity	42	43

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

**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>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Bank loan interest	<u><b>40,039</b></u>	<u>24,786</u>

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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 2022	562,000	4,354,296	879,000	1,130,988	6,926,284
Additions in year	-	12,550	-	83,189	95,739
At 31 March 2023	<u>562,000</u>	<u>4,366,846</u>	<u>879,000</u>	<u>1,214,177</u>	<u>7,022,023</u>
<b>Depreciation</b>					
At 1 April 2022	298,468	777,383	663,240	1,074,627	2,813,718
Charge for year	11,120	100,203	1,828	38,640	151,791
At 31 March 2023	<u>309,588</u>	<u>877,586</u>	<u>665,078</u>	<u>1,113,267</u>	<u>2,965,509</u>
<b>Net book value</b>					
At 31 March 2023	<u>252,412</u>	<u>3,489,260</u>	<u>213,922</u>	<u>100,910</u>	<u>4,056,514</u>
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>

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

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

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

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

**14. INVESTMENTS**

<u>Charity</u>	Investments in group undertakings £
Cost as at 31 March 2022	<u>2</u>
Cost as at 31 March 2023	<u>2</u>

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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 2023 can be found below:

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

**Statement of changes in equity**

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

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**16. STOCKS**

Group	2023 £	2022 £
Caffi bar	<u>27,262</u>	<u>23,910</u>
	<u>27,262</u>	<u>23,910</u>

**17. DEBTORS**

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

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

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

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

	2023	2022
	£	£
Ticket sales	7,654	3,046
	<u>7,654</u>	<u>3,046</u>

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

The movement in deferred income can be seen below:

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

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

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Bank loan	488,719	511,109	488,719	511,109
CBILS	86,667	126,647	-	-
WCVA	21,492	25,000	21,492	25,000
	<u>596,878</u>	<u>662,756</u>	<u>510,211</u>	<u>536,109</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 and a further £5,000 received in June 2021 from WCVA with interest payable after 24 months at a rate of 3%. The term of the loan is 8 years.

**20. BORROWING**

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

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**20. BORROWING (CONTINUED)**

**Repayable by instalments**

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

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

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

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

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**22. RESTRICTED FUNDS**

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

**CHAPTER (CARDIFF) LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
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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:**

**A&B**

To match fund Admiral sponsorship.

**ACW Perspective**

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

**Art Fund – Joy Labingo**

Balance of Art Fund grant to support Gallery Programme.

**Art Fund - Save Our Sculpture**

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

**Arts Council of Wales – Connect and flourish**

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

**Arts Council of Wales - Experimenta**

Relates to funding received to support the 2021 Experimentica event.

**Arts Council of Wales - Resilience**

Relates to funding received to support the feasibility study.

**Arts Council of Wales – Gwyl Cymru**

To support a festival around Wales appearance in the World Cup.

**Ashley Foundation**

To support film education activity 2021.

**BFI Film Education Feasibility Grant**

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

**British Film Industry - Film Hub Wales**

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

**British Film Industry Hub - Diversity**

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

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**22. RESTRICTED FUNDS (continued)**

**British Film Industry Hub- Film Fees**

To invest in online activity , Chapter programme.

**British Film Industry Hub - Japan**

To support a season of Japanese Films

**British Film Industry Hub - Nottingham**

To support the cinema programme 'Dreams are Monsters'.

**British Film Industry Hub - VEF**

To support film related activity for young people aged 16-25

**Cardiff University**

To support Chapter's Dementia work.

**Contemporary Art**

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

**Darkley Trust**

To support Chapter's education and outreach work.

**Dunhill Medical Foundation**

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

**Ewart Parkinson Award**

Ewart Parkinson award to support film education programme.

**Ffilm Cymru**

To support the cinema programme.

**Ffilm Cymru - Reopening**

Funding received to support the cinema.

**Ffilm Cymru - Young Programmers**

Funding for Young Programmers.

**Football Association of Wales**

Sponsorship towards the World Cup Football Festival.

**Foyle Foundation**

To support core programme.

**Garfield Weston Foundation**

To support activity.

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**22. RESTRICTED FUNDS (continued)**

**Henry Moore Foundation**

To support James Richards Exhibition.

**Henry Moore Foundation - Garth Evans**

To support the exhibition at Chapter.

**PRSF**

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

**Rayne Foundation**

Grant to support Chapter's Dementia film programme.

**Theatre Trust**

To support reopening costs.

**Wales Cultural Alliance**

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

**WCVA - Third Sector Resilience Fund**

To support redevelopment of Chapter website.

**Welsh Government Made in Wales**

To promote Welsh film, managed by Film Hub Wales.

**WPD Holiday**

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

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

*Previous year*

<b>Group and Charity</b>	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 Hub – Film Fees	825	-	-	-	825
British Film Industry Hub – Japan	-	3,906	(49)	-	3,857
British Film Industry Hub – Sharing Together	727	-	-	-	727
British Film Industry Hub – VEF	-	55,778	(15,859)	-	39,919
Cardiff University	9,500	-	-	-	9,500
Contemporary Art	3,000	-	-	-	3,000
Darkley Trust	1,765	-	-	-	1,765
Dunhill Medical Foundation	13,431	-	-	-	13,431
Ewart Parkinson Award	5,150	-	-	-	5,150
Ffilm Cymru – Reopening	9,800	-	-	-	9,800
Ffilm Cymru – Young Programmers	16,793	4,200	-	-	20,993
Film Cymru – Connector Fund	265	200	(465)	-	-
Foyle Foundation	30,000	-	-	-	30,000
Garfield Weston Foundation	75,000	-	-	-	75,000
Henry Moore Foundation	7,000	-	(1,291)	(2,709)	3,000
Henry Moore Foundation – Garth Evans	2,000	-	-	-	2,000
HMRC Coronavirus Job Retention Scheme	-	7,755	(7,755)	-	-
Lightbox	4,000	3,000	(7,000)	-	-
PRSF	6,500	-	(8,050)	-	(1,550)
Rayne Foundation	20,059	-	-	-	20,059
Theatre Trust	5,000	-	-	-	5,000
WCA	-	1,410	(896)	-	514
WCVA – Third Sector Resilience Fund	60,000	15,000	(44,794)	-	30,206
Welsh Government Made in Wales	(5,778)	27,611	(23,516)	(2,000)	(3,683)
	<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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**23. DESIGNATED FUNDS**

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

*Previous year*

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

**24. UNRESTRICTED FUNDS**

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

*Previous year*

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

**CHAPTER (CARDIFF) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**25. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

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

**CHAPTER (CARDIFF) LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
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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 (2022: £ nil).

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

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

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

*Cardiff Animation Festival CIC*

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

*IE IE Productions Limited*

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

*PICL Animation Ltd*

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

**27. SHARE CAPITAL**

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

**28. RETIREMENT BENEFIT SCHEMES**

**Defined contribution schemes**

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

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

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

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

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

**Analysis of Cash and Cash Equivalents**

Cash in hand	<u>1,370,130</u>	1,517,809
<b>Total Cash and Cash Equivalents</b>	<b><u>1,370,130</u></b>	<b><u>1,507,809</u></b>

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

**CHAPTER (CARDIFF) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**30. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES**

<u>Group</u>	Unrestricted funds £	Restricted funds £	Total funds 2022 £
<b>Income and endowments from:</b>			
Donations and legacies	806,625	3,000	809,625
Charitable activities	1,208,726	637,395	1,846,121
Other trading activities	1,512,883	-	1,512,883
Other	12,672	779	13,451
<b>Total income and endowments</b>	<u>3,540,906</u>	<u>641,174</u>	<u>4,182,080</u>
<b>Expenditure on:</b>			
Charitable activities	2,609,162	504,428	3,113,590
<b>Total expenditure</b>	<u>2,609,162</u>	<u>504,428</u>	<u>3,113,590</u>
<b>Net income/(expenditure)</b>	931,744	136,746	1,068,490
Transfers between funds	142,011	(142,011)	-
<b>Net movement in funds</b>	<u>1,073,755</u>	<u>(5,265)</u>	<u>1,068,490</u>
<b>Reconciliation of Funds</b>			
Total funds brought forward	759,786	3,098,118	3,857,904
<b>Total funds carried forward</b>	<u>1,833,541</u>	<u>3,092,853</u>	<u>4,926,394</u>
<b>Charity</b>			
<b>Income and endowments from:</b>			
Donations and legacies	806,625	3,000	809,625
Charitable activities	1,208,726	637,395	1,846,121
Other trading activities	312,702	-	312,702
Other	12,672	779	13,451
<b>Total income and endowments</b>	<u>2,340,725</u>	<u>641,174</u>	<u>2,981,899</u>
<b>Expenditure on:</b>			
Charitable activities	1,462,319	504,428	1,966,747
<b>Total expenditure</b>	<u>1,462,319</u>	<u>504,428</u>	<u>1,966,747</u>
<b>Net income/(expenditure)</b>	878,406	136,746	1,015,152
Transfers between funds	142,011	(142,011)	-
<b>Net movement in funds</b>	<u>1,020,417</u>	<u>(5,265)</u>	<u>1,015,152</u>
<b>Reconciliation of Funds</b>			
Total funds brought forward	839,245	3,098,118	3,937,363
<b>Total funds carried forward</b>	<u>1,859,662</u>	<u>3,092,853</u>	<u>4,952,515</u>

