

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

**Report of the Trustees and
Financial Statements
for the Year Ended 31 March 2022
for
Torch Theatre Company Limited(The)**

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



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for the Year Ended 31 March 2022**

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Torch Theatre Company Limited(The)

Report of the Trustees for the Year Ended 31 March 2022

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

OBJECTIVES AND ACTIVITIES

The Torch Theatre exists to:

Create Engage Inspire Entertain

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

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

Aim One - Create

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

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

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

Aim 2 - Engage

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

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

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

Aim 3 - Inspire

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

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

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Report of the Trustees for the Year Ended 31 March 2022

Aim 4 - Entertain

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

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

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

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

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

Activities

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

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

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

Torch Theatre Company Limited(The)

Report of the Trustees for the Year Ended 31 March 2022

- educational projects involving local primary and secondary schools, colleges and universities in Pembrokeshire, Carmarthenshire and Cardiff. Projects are devised in conjunction with education professionals and designed to support curriculum activities, as well as developing careers awareness and the life skills of individual participants;
- participatory arts activity for young people including one-off drama workshops, weekly youth theatre and junior youth sessions and an annual Summer School;
- provision of a gallery to display professional work by visual arts practitioners;
- provision of a community choir (Torch Voices); and
- providing volunteer opportunities for more than 80 local people who welcome visitors to the theatre, provide information sell programmes and support the marketing team's activity. This saves the theatre a considerable amount of money each year estimated in 2021/22 at £70,000pa (2020/21 £70,000pa). Just as importantly it allows volunteers to engage in the life of the theatre and to gain a better understanding of its activities. Due to the inherent uncertainty of estimates, these figures have not been incorporated into the Financial Statements.

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

ACHIEVEMENT AND PERFORMANCE

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

- Successfully applying for a further two COVID-19 related grants (£388,278) to off-set loss of earned income during the year.
- Prior to reopening in September 2021, a new kiosk was built in the Box Office area, offering food and drink, this has proved to be very successful, and subsidised potential lost income from the main bar space and Café being closed for the majority of the period.
- During the closure period the Torch continued to support community groups, classes and Youth Theatre online and behind closed doors.
- The second half of the year saw the Torch Oriel Joanna Field Gallery exhibit various local artists work as well as hosting two extraordinary exhibitions: Penally Camp Artists and The Pembrokeshire Story. The latter of which coincided with the launch of a dedicated website for our artistic engagement project of the samename.
- Essential repair and maintenance work was undertaken during the period.
- The easing of COVID19 related measures in October 2021 enabled us to present our own production (TTP), of Henry Naylor's Angel, although this was in the Studio space and not the larger Main House - the usual venue for our Autumn production. As anticipated, ticket sales were low given the on-going concern around COVID-19 with associated costs being covered by our annual Arts Portfolio Wales grant.
- The introduction by Welsh Government of the mandatory COVID19 Pass in November 2021 had a detrimental effect on film and live show attendances.

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Report of the Trustees for the Year Ended 31 March 2022

- The pandemic also decimated our Pantomime season with most schools cancelling, however public performances achieved above forecasted ticket sales. However, further COVID 19 measures introduced on the 26th December forced the theatre to close one week prior to the end of our pantomime season, resulting in the loss of both Live Theatre and film income.
- Throughout January 2021 COVID19 restriction remained in place and continued to negatively impact Torch operations, resulting in the cancellation of all Brought in Production (BIP) shows in the month.
- Social distancing measures were removed in February 2022, and we were able to once again return to live productions with our own production Carwyn, premiering that month followed by a subsequent Welsh venue tour.

FINANCIAL REVIEW

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

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

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

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

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

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

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**Report of the Trustees
for the Year Ended 31 March 2022**

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

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

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

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

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

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

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

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

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

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

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

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

Torch Theatre Company Limited(The)

Report of the Trustees for the Year Ended 31 March 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

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

Appointment of Trustees

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

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

Trustee Induction and Training

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

Organisational Structure

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

Related Parties

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

Risk Management

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

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

Torch Theatre Company Limited(The)

**Report of the Trustees
for the Year Ended 31 March 2022**

REFERENCE AND ADMINISTRATIVE DETAILS

Charity Number: 508985

Company
Number: 1327289

Principal Office: St Peter's Road, Milford Haven, Pembrokeshire SA73 2BU

Auditors: Ashmole & Co, Chartered Certified Accountants and Registered Auditors, Williamston House,
7 Goat Street, Haverfordwest SA61 1PX

Bankers: National Westminster Bank Plc, Pembrokeshire Business Centre, 18 High Street, Haverfordwest
SA61 2DA

Solicitors: Price & Kelway, 17 Hamilton Terrace, Milford Haven SA73 2JA

Directors & Trustees

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

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

Chair: Councillor Rhys Sinnett

Vice-Chair: Katrina Marsh

Pembrokeshire County Council
nominees: Councillor Rhys Sinnett
Councillor Dr Simon Hancock
Councillor David Bryan

Milford Haven Town Council
nominee: Councillor Yvonne Southwell

Milford Haven Youth Matters
(formerly known as Milford
Haven Social Service Centre)
nominee: Vacant

Elected trustees:
Carol Mackintosh (formerly Dr Carol Garrett)
Phillipa Davies
Katrina Marsh
Sarah Hoss
Nigel Sinnett
Ann Owston
Annie Taylor (from 8th December 2021)
Joanne Hendy (from 8th December 2021)
Sara McKay (from 8th December 2021)
Adrian Williams (from 8th December 2021)
Max Mackintosh (from 8th December 2021)
Gemma Hicks (from 8th December 2021)



Torch Theatre Company Limited(The)

**Report of the Trustees
for the Year Ended 31 March 2022**

Other officials:

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

EVENTS SINCE THE END OF THE YEAR

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

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Torch Theatre Company Limited(The) for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the trustees are aware:

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

AUDITORS

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

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

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


.....
Cllr R Sinnett - Trustee



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

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note 23 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Our responsibilities for the audit of the financial statements

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

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

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

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

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

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

In addition to the above, our procedures included:

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

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

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

Use of our report

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

Ashmole & Co

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

Date:08/12/22.....



Torch Theatre Company Limited(The)

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

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

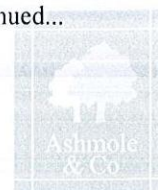
The notes form part of these financial statements

Torch Theatre Company Limited(The)

Balance Sheet – Parent Company
31 March 2022

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

The notes form part of these financial statements



Torch Theatre Company Limited(The)

**Balance Sheet - Consolidated
31 March 2022**

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

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

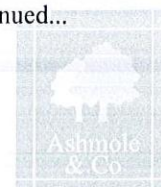
The members have not deposited notice, pursuant to Section 476 of the Companies Act 2006 requiring an audit of these financial statements.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

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

The notes form part of these financial statements



Torch Theatre Company Limited(The)

Balance Sheet - continued
31 March 2022

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

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



CLlr R Sinnett - Trustee

The notes form part of these financial statements



Torch Theatre Company Limited(The)

**Cash Flow Statement
for the Year Ended 31 March 2022**

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

The notes form part of these financial statements



Torch Theatre Company Limited(The)

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

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

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

2. ANALYSIS OF CHANGES IN NET FUNDS

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

The notes form part of these financial statements



Torch Theatre Company Limited(The)

Notes to the Financial Statements for the Year Ended 31 March 2022

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Income

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

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

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

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

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

Investment income is included when receivable.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

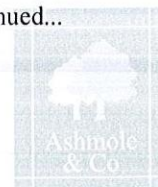
Allocation and apportionment of costs

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

Tangible fixed assets

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

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



Torch Theatre Company Limited(The)

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2022**

1. ACCOUNTING POLICIES - continued

Stocks

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

Taxation

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

Reserves

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

Pension costs and other post-retirement benefits

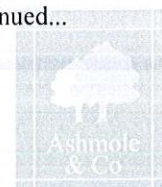
The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Hire purchase and leasing commitments

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

2. DONATIONS AND LEGACIES

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



Torch Theatre Company Limited(The)

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

3. OTHER TRADING ACTIVITIES

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

4. INVESTMENT INCOME

	31.3.22	31.3.21
	£	£
Deposit account interest	<u>39</u>	<u>66</u>

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

5. INCOME FROM CHARITABLE ACTIVITIES

	Activity	31.3.22	31.3.21
		£	£
Theatre	Theatre	171,041	3,755
Films	Theatre	91,487	-
Youth theatre and education	Theatre	9,557	4,995
Hire of theatre	Theatre	3,202	-
Sales of programmes etc.	Theatre	779	280
Technical hire	Theatre	4,881	1,115
Set construction	Theatre	7,117	50
Sundry theatre income	Theatre	<u>9,920</u>	-
		<u>297,984</u>	<u>10,203</u>

6. OTHER INCOME

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

7. RAISING DONATIONS AND LEGACIES

	31.3.22	31.3.21
	£	£
Administration expenses	<u>1,500</u>	<u>1,500</u>

Torch Theatre Company Limited(The)

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

8. OTHER TRADING ACTIVITIES

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

9. CHARITABLE ACTIVITIES COSTS

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

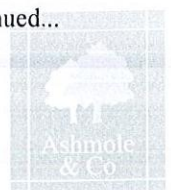
10. SUPPORT COSTS

	Management £	Governance costs £	Totals £
Theatre	<u>258,434</u>	8,926	<u>267,360</u>

11. NET INCOME/(EXPENDITURE)

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

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



Torch Theatre Company Limited(The)

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2022**

12. TRUSTEES' REMUNERATION AND BENEFITS

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

Trustees' expenses

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

13. STAFF COSTS

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

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

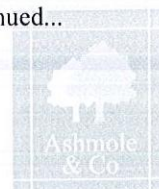
	31.3.22	31.3.21
Theatre and facilities	19	22
Publicity	2	3
Administration	<u>6</u>	<u>6</u>
	<u>27</u>	<u>31</u>

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

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

14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

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



Torch Theatre Company Limited(The)

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

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

15. TAXATION

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

Torch Theatre Company Limited(The)

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2022**

16. TANGIBLE FIXED ASSETS

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

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

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

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

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

17. STOCKS

	31.3.22	31.3.21
	£	£
Stocks	<u>2,682</u>	<u>2,682</u>

All stocks belong to the parent company.

Torch Theatre Company Limited(The)

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2022**

18. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

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

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

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

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

20. LEASING AGREEMENTS

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

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

Torch Theatre Company Limited(The)

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

21. MOVEMENT IN FUNDS

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

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

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

Comparatives for movement in funds

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

Torch Theatre Company Limited(The)

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

21. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,162,581	(874,070)	288,511
Restricted funds			
Restricted funds	44,755	(138,219)	(93,464)
TOTAL FUNDS	<u>1,207,336</u>	<u>(1,012,289)</u>	<u>195,047</u>

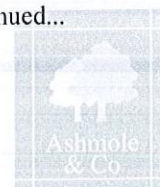
A current year 12 months and prior year 12 months combined position is as follows:

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

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

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

Full details of restricted funds are provided at note 24.



Torch Theatre Company Limited(The)

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2022**

22. RELATED PARTY DISCLOSURES

Torch Theatre Production Company Limited

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

23. FRC ETHICAL STANDARD - PROVISIONS AVAILABLE FOR SMALL ENTITIES

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

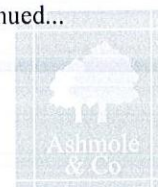
24. RESTRICTED FUNDS

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

Capital Reserve (Main Theatre)

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

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



Torch Theatre Company Limited(The)

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2022**

24. RESTRICTED FUNDS - continued

Capital Re-development Fund

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

Capital Reserve (Studio Theatre)

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

Film Hub Wales Young Film Ambassador Grant

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

25. SUBSIDIARY UNDERTAKINGS

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

Summary profit and loss account:	Year Ended 31.3.22 £	Year Ended 31.3.21 £
Income	169,685	-
Cost of sales	<u>(187,661)</u>	<u>-</u>
Profit or (Loss) on ordinary activities before taxation	(17,796)	-
Tax credit	<u>17,976</u>	<u>-</u>
Profit for the financial period	<u><u>-</u></u>	<u><u>-</u></u>
 The assets and liabilities of the subsidiary were:		
Current assets	187,671	10
Creditors	<u>(187,661)</u>	<u>-</u>
Aggregate share capital and reserves	<u><u>10</u></u>	<u><u>10</u></u>