

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

**Report of the Trustees and  
Financial Statements  
for the Year Ended 31 March 2023  
for  
Torch Theatre Company Limited(The)**

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



**Torch Theatre Company Limited(The)**

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for the Year Ended 31 March 2023**

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**Torch Theatre Company Limited(The)**

**Report of the Trustees  
for the Year Ended 31 March 2023**

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 2023. 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).

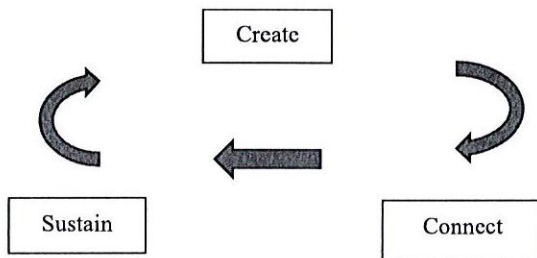
**OBJECTIVES AND ACTIVITIES**

The arrival of our new Artistic Director in October 2022 has provided fresh impetus and rigour in how the vision, mission and values of the Torch Theatre Company Ltd (the Torch) are embedded in and articulated through our programme and engagement with our communities. This has led to a re-evaluated and refocused vision and mission for the Torch, to better represent our position in the current artistic, political and social landscape. Alongside this we have investigated, established and articulated the values that underpin everything we do.

**Vision**

To be the centre for the arts in Pembrokeshire - connecting artists, audiences and communities in our county of creativity and beyond.

**Mission**



**Create** - We create and curate high quality productions, participation experiences and events to inspire, entertain, delight and challenge our audiences and participants in Pembrokeshire and beyond.

**Connect** - We are a creative centre for Pembrokeshire connecting arts organisations, communities, educational establishments and businesses for the benefit of all in the county and act as a bridge to the wider arts ecology.

**Sustain** - Everything we do will be underpinned by our pursuit of financial and environmental sustainability, safeguarding the future for Pembrokeshire, Wales and the wider world.

## **Torch Theatre Company Limited(The)**

### **Report of the Trustees for the Year Ended 31 March 2023**

#### **Values**

Artistic Excellence - creating work by, with and for our communities to the highest standard.

Fair, Ethical and Accessible practices - including anti-racist, anti-ableist and inclusive practices across the organisation.

Diversity as a strength - we recognise the unique perspectives and skills each staff member, volunteer, artist, organisation, audience member and participant brings with them and celebrate their contributions towards creating a vibrant and connected Pembrokeshire.

Collaboration and partnership working - working with a range of organisations across the arts and business to develop best practice, share resources and reach further.

Celebration of our Welsh language and heritage - across our produced work and organisational ethos we honour our language and culture weaving it into the fabric of the Torch.

Transparency - our decision making will be as transparent as possible, including publishing our Business Plan and Policies online.

Stewardship - Ensuring the future of the Torch for the benefit of future generations in Pembrokeshire and across Wales.

Social responsibility and civic duty - as a publicly funded organisation we strive to make our activities and building accessible to all who wish to participate and working to the benefit of our community.

Innovation - we will constantly reflect on and improve our work, our practices and our policies to ensure we deliver against our vision and mission.

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

## **Torch Theatre Company Limited(The)**

### **Report of the Trustees for the Year Ended 31 March 2023**

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;
- 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, c-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 Milford Haven Amateur Operatic Society and Artistic Licence;
- hire of the theatre for events, dance classes, concerts and conferences;
- 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 Schools;

**Torch Theatre Company Limited(The)**

**Report of the Trustees  
for the Year Ended 31 March 2023**

- 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 2022/23 at £70,000pa (2021/22 £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.

**ACHIEVEMENT AND PERFORMANCE**

Following the re-opening of the Torch Theatre to the public in September 2021 after the COVID-19 pandemic, all social distance measures were fully removed in February 2022, therefore year ending March 2023 being the first full year of operating post-pandemic.

Despite a full program of shows (films, bought in productions and Torch Theatre own productions) throughout the year, the café, bar and kiosk had a staggered re-opening aligned to attendance levels, with pre-supper meal offerings being re-introduced from October 2022, following the recruitment of a permanent chef.

In general, attendance levels at shows were relatively low, in particular films, with a noticeable hesitancy from the general public to once again enter relatively confined areas. It was evident at the Torch, and across the cinema industry as a whole, that there was a struggle to return to pre pandemic attendance levels.

During the year, the Torch Theatre performed two in house productions, Of Mice and Men, and Sleeping Beauty as the Christmas pantomime.

## Torch Theatre Company Limited(The)

### Report of the Trustees for the Year Ended 31 March 2023

#### FINANCIAL REVIEW

Total income for the year at £1,465,217 which was 14% up on 2021/22, principally due to it being the first full year of operating since the post-pandemic re-opening of the Theatre, albeit with trading and charitable activities being below expectation during the period. This increase is primarily due to the expansion of trading activities of £133,320 to £191,801 and charitable activities increase of £398,248 to £696,232.

Total income from grants and donations was £535,409, 42% down on 2021/22 mainly due to the cessation of the Arts Council of Wales Cultural Recovery Fund Grant (2021/22 - £393,368). Expenditure for the period increased 31% to £1,823,001, with increases in all areas due mainly to the first full year of operating activities post pandemic.

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 SMT)
- 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 £459,310 a 1.5% increase on the 2021/22 grant.

A positive relationship also continued with PCC although as part of the 2022/23 Service Level Agreement the annual grant was reduced further in 2022/23 to £10,000 a reduction of 50% on 2021/22.

Milford Haven Town Council also provided a grant of £7,000, in line with 2021/22.

The organisation has, since October 2014, taken advantage of the opportunity provided by the Theatre Tax Relief Scheme. As a result of two Torch Theatre Productions taking place during the period; Of Mice and Men and Sleeping Beauty, there will be a claim made this year of £41,000.

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 2023, the charity's free Reserves (unrestricted, undesignated reserves not committed to fixed assets) stood at a surplus of £60,869 (2022 surplus of £319,755).

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

**Torch Theatre Company Limited(The)**

**Report of the Trustees  
for the Year Ended 31 March 2023**

- 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 expenditure over income of £254,150 in Unrestricted Funds in 2022/23 (2021/22 excess of income over expenditure £12,011).

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 £103,634 in 2022/23 and £109,226 in 2021/22.

Going forward our focus remains on The Torch's recovery and re-building of attendance levels post pandemic, through enhanced marketing and funding initiatives. It is hoped the situation at the Torch and across the broader 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 industry.

At the end of March 2023, we submitted our Arts Council Wales (ACW) Investment Review application for continued grant funding from April 2024. This application was supported by a new and ambitious business plan for 2023-2027. We were successful in being awarded an indicative annual grant offer of £650,000. This represented an increase of 43% on 2023/24 (£454,258). The Torch was one of only ten currently funded Arts Portfolio Wales (APW) grant recipients to receive an increase in grant funding out of fifty-seven currently funded APW organisations who were successful in securing continued funding from April 2024.

## **Torch Theatre Company Limited(The)**

### **Report of the Trustees for the Year Ended 31 March 2023**

#### **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 13 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 2023**

**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: Katrina Marsh

Vice-Chair: Nigel Sinnett

Pembrokeshire County Council  
nominees: Councillor Rhys Sinnett  
Councillor Dr Simon Hancock (resigned 21.09.22)  
Councillor David Bryan  
Councillor Alan Dennison (appointed 01.11.22)

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 (resigned 6th January 2023)  
Nigel Sinnett  
Ann Owston  
Joanne Hendy  
Sara McKay (resigned 25th May 2023)  
Adrian Williams  
Max Mackintosh  
Gemma Hicks

Other officials:

Company Secretary: Mr Guy Woodham  
Executive Director: Mr Benjamin Lloyd  
Artistic Director: Mr Peter Doran (until December 2022)  
Ms Chelsey Gillard (from October 2022)  
Senior Manager - Business: Mr Guy Woodham  
Senior Manager - Finance: Miss Rhian Hayes (until July 2023)  
Mr Gary Wilson (from July 2023)  
Arts Council of Wales Observer: Mr Henry Rees

**Torch Theatre Company Limited(The)**

**Report of the Trustees  
for the Year Ended 31 March 2023**

**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 was made at the Annual General Meeting on Wednesday 27th September 2023 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 24th November 2023 and signed on its behalf by:



Katrina Marsh

Chair – Torch Theatre Company Limited Board of Management

## **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 2023 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 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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
  - o 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.
  - o detecting and responding to the risks of fraud and whether there is any knowledge of actual, suspected or alleged fraud.
  - o 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](http://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 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: .....

**Torch Theatre Company Limited(The)**  
**Statement of Financial Activities**  
**(Incorporating an Income and Expenditure Account)**  
**for the Year Ended 31 March 2023**

	Notes	Unrestricted fund £	Restricted funds £	31.3.23 Total funds £	31.3.22 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	2	535,409	-	535,409	915,508
<b>Charitable activities</b>					
Theatre	5	696,232	-	696,232	297,984
Other trading activities	3	191,801	-	191,801	58,481
Investment income	4	775	-	775	39
Other income	6	<u>41,000</u>	-	<u>41,000</u>	<u>17,977</u>
<b>Total</b>		<u>1,465,217</u>	-	<u>1,465,217</u>	<u>1,289,989</u>
<b>EXPENDITURE ON</b>					
<b>Raising funds</b>					
Raising donations and legacies	7	1,500	-	1,500	1,500
Other trading activities	8	<u>118,632</u>	-	<u>118,632</u>	<u>59,084</u>
		120,132	-	120,132	60,584
<b>Charitable activities</b>					
Theatre	9	<u>1,599,234</u>	<u>103,634</u>	<u>1,702,869</u>	<u>1,329,821</u>
<b>Total</b>		<u>1,719,366</u>	<u>103,634</u>	<u>1,823,001</u>	<u>1,390,405</u>
<b>NET INCOME/(EXPENDITURE)</b>		(254,150)	(103,634)	(357,784)	(100,416)
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		576,695	3,480,508	4,057,203	4,157,619
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>322,545</u>	<u>3,376,874</u>	<u>3,699,419</u>	<u>4,057,203</u>

The notes form part of these financial statements

**Torch Theatre Company Limited(The)**

**Balance Sheet – Parent Company  
31 March 2023**

		Unrestricted fund £	Restricted funds £	31.3.23 Total funds £	31.3.22 Total funds £
<b>FIXED ASSETS</b>	Notes				
Tangible assets	16	261,676	3,376,874	3,638,550	3,737,448
Investments	26	<u>10</u>	<u>-</u>	<u>10</u>	<u>10</u>
		261,686	3,376,874	3,638,560	3,737,458
 <b>CURRENT ASSETS</b>					
Stocks	17	7,351	-	7,351	2,682
Debtors	18	292,395	-	292,395	276,059
Cash at bank and in hand		<u>237,898</u>	<u>-</u>	<u>237,898</u>	<u>452,260</u>
		537,644	-	537,644	731,001
 <b>CREDITORS</b>					
Amounts falling due within one year	19	(476,785)	-	(476,785)	(411,256)
		<u>60,859</u>	<u>-</u>	<u>60,859</u>	<u>319,745</u>
 <b>NET CURRENT ASSETS</b>					
		322,545	3,376,874	3,699,419	4,057,203
 <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>322,545</u>	<u>3,376,874</u>	<u>3,699,419</u>	<u>4,057,203</u>
 <b>NET ASSETS</b>		<u>322,545</u>	<u>3,376,874</u>	<u>3,699,419</u>	<u>4,057,203</u>
 <b>FUNDS</b>	21				
Unrestricted funds				322,545	576,695
Restricted funds				<u>3,376,874</u>	<u>3,480,508</u>
 <b>TOTAL FUNDS</b>				3,699,419	4,057,203

The notes form part of these financial statements

**Torch Theatre Company Limited(The)**

**Balance Sheet - Consolidated  
31 March 2023**

	Notes	Unrestricted fund £	Restricted funds £	31.3.23 Total funds £	31.3.22 Total funds £
<b>FIXED ASSETS</b>					
Tangible assets	16	261,676	3,376,874	3,638,550	3,737,448
<b>CURRENT ASSETS</b>					
Stocks	17	7,351	-	7,351	2,682
Debtors	18	112,853	-	112,853	106,374
Cash at bank and in hand		<u>237,898</u>	-	<u>237,898</u>	<u>452,260</u>
		358,102	-	358,102	561,316
<b>CREDITORS</b>					
Amounts falling due within one year	19	(297,233)	-	(297,233)	(241,561)
<b>NET CURRENT ASSETS</b>		<u>60,869</u>	-	<u>60,869</u>	<u>319,755</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
		<u>322,545</u>	<u>3,376,874</u>	<u>3,699,419</u>	<u>4,057,203</u>
<b>NET ASSETS</b>					
		<u><u>322,545</u></u>	<u><u>3,376,874</u></u>	<u><u>3,699,419</u></u>	<u><u>4,057,203</u></u>
<b>FUNDS</b>					
Unrestricted funds	21			322,545	576,695
Restricted funds				<u>3,376,874</u>	<u>3,480,508</u>
<b>TOTAL FUNDS</b>				<u><u>3,699,419</u></u>	<u><u>4,057,203</u></u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2023.

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

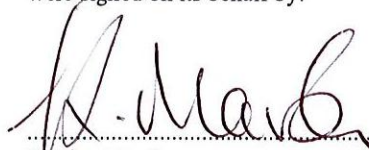
The trustees acknowledge their responsibilities for

- (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.

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 24th November 2023 and were signed on its behalf by:



.....  
Katrina Marsh  
Chair – Torch Theatre Company Limited Board of Management

**Torch Theatre Company Limited(The)**

**Cash Flow Statement  
for the Year Ended 31 March 2023**

	Notes	31.3.23 £	31.3.22 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	<u>(186,214)</u>	<u>90,615</u>
Net cash (used in)/provided by operating activities		<u>(186,214)</u>	<u>90,615</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(28,923)	(16,198)
Interest received		<u>775</u>	<u>39</u>
Net cash used in investing activities		<u>(28,148)</u>	<u>(16,159)</u>
<b>Change in cash and cash equivalents in the reporting period</b>			
		(214,362)	74,456
<b>Cash and cash equivalents at the beginning of the reporting period</b>			
		<u>452,260</u>	<u>377,804</u>
<b>Cash and cash equivalents at the end of the reporting period</b>			
		<u>237,898</u>	<u>452,260</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 2023**

**1. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	31.3.23 £	31.3.22 £
<b>Net expenditure for the reporting period (as per the Statement of Financial Activities)</b>	(357,784)	(100,416)
<b>Adjustments for:</b>		
Depreciation charges	127,822	137,727
Interest received	(775)	(39)
Increase in stocks	(4,669)	-
Increase in debtors	(6,479)	(6,957)
Increase in creditors	<u>55,671</u>	<u>60,300</u>
<b>Net cash (used in)/provided by operations</b>	<u>(186,214)</u>	<u>90,615</u>

**2. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.4.22 £	Cash flow £	At 31.3.23 £
<b>Net cash</b>			
Cash at bank and in hand	<u>452,260</u>	<u>(214,362)</u>	<u>237,898</u>
	<u>452,260</u>	<u>(214,362)</u>	<u>237,898</u>
<b>Total</b>	<u>452,260</u>	<u>(214,362)</u>	<u>237,898</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 2023

#### 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 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 2023**

**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**

	31.3.23	31.3.22
	£	£
Arts Council of Wales	459,310	452,522
Pembrokeshire County Council	10,000	20,000
Milford Haven Town Council	7,000	7,000
Gifts and donations	16,577	15,503
Sponsorship	21,483	-
Covid 19 JRS grant	-	25,615
PCC rates relief grant	-	1,500
ACW cultural recovery fund	-	393,368
Chapter Cardiff	6,800	-
ACW - cost of living award	<u>14,239</u>	<u>-</u>
	<u>535,409</u>	<u>915,508</u>

**3. OTHER TRADING ACTIVITIES**

	31.3.23	31.3.22
	£	£
Cafe sales	31,474	-
Bar sales	47,282	-
Kiosk sales	91,439	43,016
Merchandise sales	3,399	-
Telephone mast rental	<u>18,207</u>	<u>15,465</u>
	<u>191,801</u>	<u>58,481</u>

**Torch Theatre Company Limited(The)**

**Notes to the Financial Statements - continued  
for the Year Ended 31 March 2023**

<b>4. INVESTMENT INCOME</b>		31.3.23	31.3.22
		£	£
Deposit account interest		<u>775</u>	<u>39</u>
The charity's investment income arises wholly from interest bearing cash deposits.			
<b>5. INCOME FROM CHARITABLE ACTIVITIES</b>		31.3.23	31.3.22
	Activity	£	£
Theatre	Theatre	412,030	171,041
Films	Theatre	220,470	91,487
Youth theatre and education	Theatre	12,571	9,557
Hire of theatre	Theatre	15,790	3,202
Sales of programmes etc.	Theatre	2,400	779
Technical hire	Theatre	7,445	4,881
Set construction	Theatre	13,273	7,117
Sundry theatre income	Theatre	<u>12,253</u>	<u>9,920</u>
		<u>696,232</u>	<u>297,984</u>
<b>6. OTHER INCOME</b>			
Entitlement to Theatre Tax Credits £41,000 (2022 - £17,977).			
<b>7. RAISING DONATIONS AND LEGACIES</b>		31.3.23	31.3.22
		£	£
Administration expenses		<u>1,500</u>	<u>1,500</u>
<b>8. OTHER TRADING ACTIVITIES</b>		31.3.23	31.3.22
		£	£
Purchases		78,200	26,929
Staff costs		32,488	11,644
Equipment repairs and renewals		1,606	15,352
Other direct costs		4,807	3,847
Depreciation		<u>1,531</u>	<u>1,312</u>
		<u>118,632</u>	<u>59,084</u>

**Torch Theatre Company Limited(The)**

**Notes to the Financial Statements - continued  
for the Year Ended 31 March 2023**

**9. CHARITABLE ACTIVITIES COSTS**

	Direct Costs £	Support costs (see note 10) £	Totals £
Theatre	<u>1,420,906</u>	<u>281,963</u>	<u>1,702,869</u>

**10. SUPPORT COSTS**

	Management £	Governance costs £	Totals £
Theatre	<u>272,660</u>	<u>9,303</u>	<u>281,963</u>

**11. NET INCOME/(EXPENDITURE)**

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

	31.3.23	31.3.22
	£	£
Auditors' remuneration	2,700	2,600
Auditors' remuneration for non audit work	3,123	2,924
Depreciation - owned assets	<u>127,821</u>	<u>137,726</u>

**12. TRUSTEES' REMUNERATION AND BENEFITS**

Trustees are not remunerated. No trustees received any remuneration during the year (2022 - nil).

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 31 March 2023 nor for the year ended 31 March 2022.

**13. STAFF COSTS**

	31.3.23	31.3.22
	£	£
Wages and salaries	819,866	632,334
Social security costs	49,090	37,593
Other pension costs	<u>10,447</u>	<u>8,593</u>
	<u>879,403</u>	<u>678,520</u>

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

	31.3.23	31.3.22
Theatre and facilities	26	19
Publicity	2	2
Administration	<u>5</u>	<u>6</u>
	<u>33</u>	<u>27</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.

**Torch Theatre Company Limited(The)**

**Notes to the Financial Statements - continued  
for the Year Ended 31 March 2023**

**13. STAFF COSTS - continued**

Employee numbers reflect the average monthly head count of casual and permanent staff which equates to an estimated 26 full-time equivalent staff.

**14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted fund £	Restricted funds £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies	915,508	-	915,508
<b>Charitable activities</b>			
Theatre	297,984	-	297,984
Other trading activities	58,481	-	58,481
Investment income	39	-	39
Other income	<u>17,977</u>	-	<u>17,977</u>
<b>Total</b>	<u>1,289,989</u>	-	<u>1,289,989</u>
<b>EXPENDITURE ON</b>			
<b>Raising funds</b>			
Raising donations and legacies	1,500	-	1,500
Other trading activities	<u>59,084</u>	-	<u>59,084</u>
	60,584	-	60,584
<b>Charitable activities</b>			
Theatre	<u>1,217,395</u>	<u>112,426</u>	<u>1,329,821</u>
<b>Total</b>	<u>1,277,979</u>	<u>112,426</u>	<u>1,390,405</u>
<b>NET INCOME/(EXPENDITURE)</b>	12,010	(112,426)	(100,416)
<b>RECONCILIATION OF FUNDS</b>			
Total funds brought forward	564,685	3,592,934	4,157,619
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u>576,695</u>	<u>3,480,508</u>	<u>4,057,203</u>

**Torch Theatre Company Limited(The)**

**Notes to the Financial Statements - continued  
for the Year Ended 31 March 2023**

**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 £41,000 (2022 - £17,977).

**16. TANGIBLE FIXED ASSETS**

	Freehold property £	Theatre refurbishment (1996 - 2000) £	Theatre redevelopment £	Fixtures and fittings £	Totals £
<b>COST</b>					
At 1 April 2022	407,808	28,270	4,638,069	1,431,126	6,505,273
Additions	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,923</u>	<u>28,923</u>
At 31 March 2023	<u>407,808</u>	<u>28,270</u>	<u>4,638,069</u>	<u>1,460,049</u>	<u>6,534,196</u>
<b>DEPRECIATION</b>					
At 1 April 2022	156,050	28,270	1,273,975	1,309,530	2,767,825
Charge for year	<u>8,157</u>	<u>-</u>	<u>92,761</u>	<u>26,903</u>	<u>127,821</u>
At 31 March 2023	<u>164,207</u>	<u>28,270</u>	<u>1,366,736</u>	<u>1,336,433</u>	<u>2,895,646</u>
<b>NET BOOK VALUE</b>					
At 31 March 2023	<u>243,601</u>	<u>-</u>	<u>3,271,333</u>	<u>123,616</u>	<u>3,638,550</u>
At 31 March 2022	<u>251,758</u>	<u>-</u>	<u>3,364,094</u>	<u>121,596</u>	<u>3,737,448</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 25.

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**

	31.3.23	31.3.22
	£	£
Stocks	<u>7,351</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 2023**

**18. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.3.23 £ Group	31.3.22 £ Group	31.3.23 £ Charity	31.3.22 £ Charity
Other debtors	81,999	65,562	261,541	235,247
Prepayments and accrued income	30,854	24,139	30,854	24,139
VAT	<u>-</u>	<u>16,673</u>	<u>-</u>	<u>16,673</u>
	<u>112,853</u>	<u>106,374</u>	<u>292,395</u>	<u>276,059</u>

**19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.3.23 £ Group	31.3.22 £ Group	31.3.23 £ Charity	31.3.22 £ Charity
VAT	17,725	-	17,725	-
Advance receipts	116,678	72,352	116,678	72,352
Deferred income	3,377	1,673	3,377	1,673
Sundry creditors and accruals	<u>159,453</u>	<u>167,536</u>	<u>339,005</u>	<u>337,231</u>
	<u>297,233</u>	<u>241,561</u>	<u>476,785</u>	<u>411,256</u>

Included in sundry creditors and accruals are amounts owing for social security and other taxes of £15,222 (2022 - £16,836).

**20. LEASING AGREEMENTS**

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

	31.3.23 £	31.3.22 £
Within one year	<u>-</u>	<u>5,271</u>

**21. MOVEMENT IN FUNDS**

	At 1.4.22 £	Net movement in funds £	At 31.3.23 £
<b>Unrestricted funds</b>			
General fund	576,695	(254,150)	322,545
<b>Restricted funds</b>			
Restricted funds	<u>3,480,508</u>	<u>(103,634)</u>	<u>3,376,874</u>
<b>TOTAL FUNDS</b>	<u>4,057,203</u>	<u>(357,784)</u>	<u>3,699,419</u>

**Torch Theatre Company Limited(The)**  
**Notes to the Financial Statements - continued**  
**for the Year Ended 31 March 2023**

**21. MOVEMENT IN FUNDS - continued**

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

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	1,465,217	(1,719,366)	(254,149)
<b>Restricted funds</b>			
Restricted funds	-	(103,635)	(103,635)
<b>TOTAL FUNDS</b>	<u>1,465,217</u>	<u>(1,823,001)</u>	<u>(357,784)</u>

**Comparatives for movement in funds**

	At 1.4.21 £	Net movement in funds £	At 31.3.22 £
<b>Unrestricted funds</b>			
General fund	564,685	12,010	576,695
<b>Restricted funds</b>			
Restricted funds	3,592,934	(112,426)	3,480,508
<b>TOTAL FUNDS</b>	<u>4,157,619</u>	<u>(100,416)</u>	<u>4,057,203</u>

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

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

**Torch Theatre Company Limited(The)**  
**Notes to the Financial Statements - continued**  
**for the Year Ended 31 March 2023**

**21. MOVEMENT IN FUNDS - continued**

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

	At 1.4.21 £	Net movement in funds £	At 31.3.23 £
<b>Unrestricted funds</b>			
General fund	564,685	(242,140)	322,545
<b>Restricted funds</b>			
Restricted funds	3,592,934	(216,060)	3,376,874
	<u>4,157,619</u>	<u>(458,200)</u>	<u>3,699,419</u>
<b>TOTAL FUNDS</b>			

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 £
<b>Unrestricted funds</b>			
General fund	2,755,206	(2,997,345)	(242,139)
<b>Restricted funds</b>			
Restricted funds	-	(216,061)	(216,061)
	<u>2,755,206</u>	<u>(3,213,406)</u>	<u>(458,200)</u>
<b>TOTAL FUNDS</b>			

Full details of restricted funds are provided at note 25.

**22. RELATED PARTY DISCLOSURES**

**Torch Theatre Production Company Limited**

During the year, the Charity made sales of £179,545 (2022 - £169,685) and purchases of £220,542 (2022 - £187,661) to/from its 100% wholly owned subsidiary. At the year-end date, the trading subsidiary owed the Charity the sum of £40,997 (2022 - £17,977).

**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.

**Torch Theatre Company Limited(The)**

**Notes to the Financial Statements - continued  
for the Year Ended 31 March 2023**

**24. POST BALANCE SHEET EVENTS**

At the end of March 2023, the Torch Theatre submitted an Arts Council Wales (ACW) Investment Review application for continued grant funding from April 2024 and were informed in September 2023 that the theatre had been successful in being awarded an indicative annual grant offer of £650,000 for the three years from April 2024.

**25. RESTRICTED FUNDS**

	Balance as at 01.04.22	Movement in Year	Balance as at 31.03.23
	£	£	£
Capital Reserve (Main Theatre)	93,589	(3,757)	89,832
Capital Re-development Fund	3,333,044	(98,377)	3,234,667
Capital Reserve (Studio Theatre)	53,875	(1,500)	52,375
	3,480,508	(103,634)	3,376,874

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 £89,832 (2022 - £93,589).

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 £3,234,667 (2022 - £3,333,044).

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 £52,375 (2022 - £53,875).

**Torch Theatre Company Limited(The)**

**Notes to the Financial Statements - continued  
for the Year Ended 31 March 2023**

**26. 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.

<b>Summary profit and loss account:</b>	Year Ended 31.3.23	Year Ended 31.3.22
	£	£
Income	179,545	169,685
Cost of sales	<u>(220,542)</u>	<u>(187,661)</u>
Profit or (Loss) on ordinary activities before taxation	(40,997)	(17,976)
Tax credit	<u>40,997</u>	<u>17,976</u>
Profit for the financial period	<u><u>-</u></u>	<u><u>-</u></u>
 <b>The assets and liabilities of the subsidiary were:</b>		
Current assets	220,552	187,671
Creditors	<u>(220,542)</u>	<u>(187,661)</u>
Aggregate share capital and reserves	<u><u>10</u></u>	<u><u>10</u></u>

**Torch Theatre Company Limited(The)**

**Detailed Statement of Financial Activities  
for the Year Ended 31 March 2023**

	31.3.23 £	31.3.22 £
<b>INCOME AND ENDOWMENTS</b>		
<b>Donations and legacies</b>		
Arts Council of Wales	459,310	452,522
Pembrokeshire County Council	10,000	20,000
Milford Haven Town Council	7,000	7,000
Gifts and donations	16,577	15,503
Sponsorship	21,483	-
Covid 19 JRS grant	-	25,615
PCC rates relief grant	-	1,500
ACW cultural recovery fund	-	393,368
Chapter Cardiff	6,800	-
ACW - cost of living award	14,239	-
	535,409	915,508
<b>Other trading activities</b>		
Cafe sales	31,474	-
Bar sales	47,282	-
Kiosk sales	91,439	43,016
Merchandise sales	3,399	-
Telephone mast rental	18,207	15,465
	191,801	58,481
<b>Investment income</b>		
Deposit account interest	775	39
<b>Charitable activities</b>		
Theatre	412,030	171,041
Films	220,470	91,487
Youth theatre and education	12,571	9,557
Hire of theatre	15,790	3,202
Sales of programmes etc.	2,400	779
Technical hire	7,445	4,881
Set construction	13,273	7,117
Sundry theatre income	12,253	9,920
	696,232	297,984
<b>Other income</b>		
Theatre Tax Credit	41,000	17,977
<b>Total incoming resources</b>	1,465,217	1,289,989
<b>EXPENDITURE</b>		
<b>Raising donations and legacies</b>		
Administration expenses	1,500	1,500

This page does not form part of the statutory financial statements

**Torch Theatre Company Limited(The)**

**Detailed Statement of Financial Activities  
for the Year Ended 31 March 2023**

	31.3.23	31.3.22
	£	£
<b>Raising donations and legacies</b>		
<b>Other trading activities</b>		
Cafe purchases	12,010	-
Bar purchases	25,755	-
Shop purchases	40,435	26,929
Wages	29,363	10,896
Social security	3,125	748
Equipment repairs and renewals	1,606	15,352
Other direct costs	4,807	3,847
Fixtures and fittings	<u>1,531</u>	<u>1,312</u>
	118,632	59,084
<b>Charitable activities</b>		
Theatre salaries and fees	574,742	421,049
Employers national insurance	28,435	21,640
Employer pension contributions	10,447	8,593
Rates and water	5,602	6,150
Insurance	47,688	27,718
Light and heat	45,630	44,358
Theatre renewals	22,947	45,082
Youth theatre and education	8,963	8,097
Bought in productions and artists fees	160,591	59,763
Printing and promotion of programmes and publicity	106,790	94,302
Direct production costs	12,227	30,593
Royalties and commissions	23,944	13,458
Travelling	33,781	26,909
Sundry expenses	3,564	3,077
Film hire and carriage	104,984	54,730
Laundry and cleaning	15,415	10,525
Memberships and licences	26,640	23,723
Workshop expenses	12,425	7,686
Motor expenses	12,740	10,464
Box office tickets and charts	26,212	1,252
Credit card charges	10,848	6,877
Depreciation - freehold	8,157	8,157
Depreciation - redevelopment	92,762	92,762
Depreciation - fixtures and fittings	<u>25,372</u>	<u>35,496</u>
	1,420,906	1,062,461
<b>Support costs</b>		
<b>Management</b>		
Administration and publicity salaries	212,281	196,987
Social security	17,530	15,205
Telephone	9,217	8,641
Postage	467	1,364
Office stationery and IT costs	6,824	10,065
Recruitment and training	8,166	17,721
Professional fees	13,322	7,231
Carried forward	267,807	257,214

This page does not form part of the statutory financial statements

**Torch Theatre Company Limited(The)**

**Detailed Statement of Financial Activities  
for the Year Ended 31 March 2023**

	31.3.23	31.3.22
	£	£
<b>Management</b>		
Brought forward	267,807	257,214
Entertainment	2,490	-
Bank charges	<u>2,363</u>	<u>1,220</u>
	272,660	258,434
<b>Governance costs</b>		
Admin salaries	3,480	3,402
Auditors' remuneration	2,700	2,600
Auditors' remuneration for non audit work	<u>3,123</u>	<u>2,924</u>
	<u>9,303</u>	<u>8,926</u>
Total resources expended	<u>1,823,001</u>	<u>1,390,405</u>
<b>Net expenditure</b>	<u>(357,784)</u>	<u>(100,416)</u>

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**Torch Theatre Company Limited**  
**Detailed Statement of Financial Activities**  
**for the Year Ended 31st March 2023**

	31.03.2023				31.03.2022				
	Revenue £	Unrestricted Capital £	Total	Restricted Capital £	Revenue £	Unrestricted Capital £	Total	Restricted Capital £	Total Funds
<b>Support costs Theatre</b>									
Administration and publicity salaries	212,281		212,281			196,987			196,987
Social security	17,530		17,530		15,205				15,205
Telephone	9,217		9,217		8,641				8,641
Postage	467		467		1,364				1,364
Office stationery and IT costs	6,824		6,824		10,065				10,065
Recruitment and training	8,166		8,166		17,721				17,721
Professional fees	13,322		13,322		7,231				7,231
Bank charges	2,363		2,363		1,220				1,220
Entertainment	2,490		2,490						
	272,660	-	272,660	-	258,434	-	-	-	258,434
<b>Governance costs</b>									
Auditors' remuneration	2,700		2,700			2,600			2,600
Auditors' remuneration for non-audit work	3,123		3,123		2,924				2,924
Administration and publicity salaries	3,480		3,480		3,402				3,402
	9,303	-	9,303	-	8,926	-	-	-	8,926
<b>Total resources expended</b>	1,719,364	-	1,719,364	103,634	1,277,977	-	3,200	109,226	112,426
<b>Net income/(expenditure)</b>	(254,150)	-	(254,150)	(103,634)	12,011	-	(3,200)	(109,226)	(100,415)