

COMPANY NO : 02212900
REGISTERED CHARITY NO : 1161081

VOLCANO THEATRE COMPANY LIMITED
(A COMPANY LIMITED BY GUARANTEE)
UNAUDITED FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2016

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COMPANIES HOUSE

Volcano Theatre Company Limited

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Volcano Theatre Company Limited

Report of the Trustees for the Year Ended 31 March 2016

The trustees, who are also the directors of the charitable company for the purposes of the Companies Act 2006, present their annual report together with the audited financial statements of the charitable company the year ended 31 March 2016.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities.

Charity Name: Volcano Theatre Company Limited (trading as Volcano)

Charity registration number: 1161081

Company registration number: 02212900

Registered office: The Iceland Building, 27-29 High Street, Swansea, SA1 1LG

Directors and trustees

The directors of the charitable company (the charity) are its trustees for the purpose of charity law.

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

Professor Keith Robert Lloyd	Chair
Ms Christine Bird-Jones	
Mrs Heather Pudner	
Miss Elen Mair Thomas	Appointed 11 May 2015
Mr Howard Davies	Appointed 16 November 2015
Mr Rhodri Hugh Thomas	
Dr Catrin Webster	Appointed 11 May 2015

Executive Team

Paul Davies	Artistic Director
Claudine Conway	Marketing & Communications Manager
Kay Crowley	Senior Administrator
Erin Rickard	Marketing & Admin Officer
Sarah Dow	Finance Officer

Bankers

National Westminster Bank Plc
Swansea City Centre Branch
14-16A Oxford Street
Swansea
SA1 3AG

Independent Examiner

Ian David Bowen
I D Bowen & Co
Chartered Accountants
19 Alexandra Road
Gorseinon
Swansea
SA4 4NW

Volcano Theatre Company Limited

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Volcano Theatre Company Limited is a charitable company limited by guarantee. The company was incorporated on 21 January 1988 and converted to charitable status by the adoption of the amended Memorandum and Articles of Association on 24 June 2014. The company was registered as a charity by the Charity Commission on 26 March 2015. In the event of the company being wound up the members are required to contribute an amount not exceeding £1. The maximum number of members permitted by the Articles of Association is 10 but the board of trustees may from time to time register an increase in members.

Appointment of trustees

As set out in the Articles of Association the minimum number of trustees is 3 and until otherwise determined by a General Meeting shall not be more than 7. The board of trustees may appoint any member of the charity as a member of the board of trustees, either to fill a casual vacancy or by way of addition to the board of trustees. Any member so elected holds office until the next Annual General Meeting at which time they will be eligible for re-election.

Only members of the company are eligible to hold office as a member of the board of trustees.

The appointment and retiring of trustees, the conduct of business, the proceedings of meetings, the management of risk and the general management of the company all took place during the year in accordance with the provisions of the governing documents.

Trustees induction and training

All new trustees receive an induction pack of information about Volcano and guidance on their responsibilities as charity trustees and company directors. The induction pack provides information on their legal obligations under charity and company law, the Charity Commission guidance on public benefit, and informs them of the content of the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and the recent financial performance of the charity.

Organisation

The board of trustees, which can have up to 7 members, administers the charity. The board normally meets each quarter. An Executive Team is appointed by the trustees to manage the day-to-day operations of the charity. To facilitate effective operations, the Executive Team has delegated authority, within terms of delegation approved by the trustees, for operational matters including finance, employment and artistic performance related activity.

Volcano's trustees take ultimate legal and financial responsibility for the company while the day-to-day running of the charity is delegated to the Executive Team.

Related parties and co-operation with other organisations

None of our trustees receive remuneration or other benefit from their work with the charity. Any connection between a trustee or senior manager of the charity with a production company, contracted actor, performer or exhibitor must be disclosed to the full board of trustees in the same way as any other contractual relationship with a related party. Details of related party transactions in the current year are set out in the notes to the accounts.

OBJECTIVES AND ACTIVITIES

The objects for which the company is established are to advance the arts for the public benefit by the promotion in particular, but not exclusively, of the art of drama.

Volcano is a theatre company based in South Wales that promotes the Arts for the public benefit by creating innovative performances that engage both the local community and the general public throughout the UK and Internationally.

Volcano Theatre Company Limited

We present Arts events and performances of different types and we work in a variety of empty buildings and outdoor spaces (or non-theatre venues) as well as theatres and public venues. We run workshops to introduce the Arts to people who may not have previously thought the Arts were for them.

We create performances that enable the general public to participate in and learn about new ways of thinking and working with the Arts.

We commission work from writers, visual artists and film makers and curate events that enable the different types of artists to work together.

We develop projects that promote well being and creative ways of thinking. We address local community interests within events and contemporary performances that take place on the High Street with open access to the general public as well as local residents. Examples of this have been the redesign of a derelict site to recreate it as an open air rest & play area with free arts events for the general public.

Our work is created from a meanwhile use building in the High Street, an area of Swansea in need of regeneration. This enables us to encourage Arts & Performance to develop in an area where there previously was none.

Volcano have taken over the entire ground floor of the building which incorporates the new Bunker Theatre to the rear. We have created a series of performance/ arts & social spaces within the remainder of the ground floor which will enable increased access and variety of events.

REVIEW OF ACTIVITY AND PERFORMANCE

2015/16 Performances

SEAGULLS | Volcano Theatre, Swansea

SEAGULLS was the second show created by Volcano Theatre especially for the company's new home - the atmospheric Bunker Theatre, deep inside the former disused Iceland freezer-store in Swansea High Street. An impossibly sad, unreasonably funny and ludicrously inventive version of a temperamental Russian classic The Seagull by Anton Chekhov and pilfering from The Cherry Orchard and other plays. The show was produced and rehearsed in 2014/15 and performed for 4 weeks in April 2015.

BLACK STUFF | Edinburgh Festival 2015 | Biscuit Factory, Leith, Edinburgh

First performed in the Bunker Theatre early 2014 this show was adapted for performance in a disused building in Edinburgh as part of the Fringe Festival. Complications with the initial venue resulted in a last minute change of location with days to spare testing our adaptive skills to the limit, but was achieved and marked a huge success for the company. It also was the start of a fruitful new partnership with Edinburgh company Youthjuice who source disused buildings of interest for development into Arts & Performance spaces.

BLACK STUFF is a devised play taking its inspiration from a short story 'The Hangman's Assistant' by the neglected Welsh writer Dai Alexander and the fragmented stories and images that begin in Ystradgynlais and reach out through Tiger Bay to Moscow and beyond.

The production featured aspects of the lives of Josef Herman (an eastern European Jewish artist who emigrated to South Wales to escape persecution) and Betty Rae Watkins (last remaining niece of Dai Alexander) who presented Volcano with the original collection of his short stories. The play is a surreal, funny and spectacular work. Of the unsentimental exploration of life, art, coal and politics.

147 QUESTIONS ABOUT LOVE | Volcano Theatre, Swansea | Chapter Arts, Cardiff | Theatr Ffwrnness, Llanelli

A short play combining text & dance based on 'The Interrogative Mood' by Padgett Powell, (first performed at Dancebase, Edinburgh Festival in 2014).

Autumn 2015 saw performances in a site specific location within Volcano's Iceland building followed by a short tour within South Wales.

2015/16 Creative Projects

ONE LAND MANY FACES |European Partnership | Collaborative writing & performance project with: La Transplanisphère (France) • Institut Français (France) • Bildung und Integration (Germany) • Maison de la Création (Belgium) • Ortzaí Teatro (Spain) • Sin Arts (Hungary).

Volcano Theatre Company Limited

Developed across all partner countries, Volcano hosted the UK final development period | workshops & performances of OLMF in the Bunker Theatre.

NOVEMBERFEST | Iceland Building, Swansea

A week of 'Unusual Urban Entertainment' in Swansea High Street, curated by Volcano and comprising small-scale experimental and contemporary work in a variety of genres and styles. Novemberfest has attracted the interest of Swansea Council who wish to support a larger programme of work with future funding for this new and exciting Festival of the Arts.

YOUTH COMPANY WORKSHOPS | Volcano Theatre

Volcano created a series of drama workshops for 13 to 22 year olds to develop skills in young people to devise and perform in new ways.

VOLCANO YOUTH COMPANY | Volcano Theatre & Swansea Town Centre

Volcano developed a series of workshops which culminated in a core group of young people creating a debut performance of 'WeReallyWanttoWinbutWeDon'tWanttoWorkTooHard'. This was performed in Volcano Theatre, programmed within Novemberfest, and in partnership with the British Science Association within Swansea's Quadrant Shopping Centre for British Science Week.

YR ODYN | Ongoing training, mentoring, coaching, advice and practical support scheme awarded to two emerging artists per year.

EMERGENCE- A series of projects created to explore how Artists can use their creative skills to be more sustainable in Arts practice.

2015/16 Community projects

IDEAS PEOPLE PLACES Stage II | FROM THE STATION TO THE SEA

Following the successful Stage I (summer 2014), Volcano, in partnership with Coastal Housing, secured funding from the Arts Council of Wales for the larger Stage II phase.

From the Station to the Sea is a project about Swansea High Street. It is about the idea of the High Street, the lived reality of the place, and the possibilities of its transformation. The programme comprises diverse yet connected projects, each of which addresses particular perceptions or concerns and focusses on the needs and desires of specific constituencies - residents, traders, schools, workers, commuters, visitors and socially excluded people.

Stage II brings artists together with local organisations, schools, residents and traders to produce creative responses to issues identified in the previous phase, making imaginative longer-term transformations of buildings, street features and facilities, and of people's experiences of the High Street. 2015/16 kicked off this two year project with STORYOPOLIS A children's literacy and storymaking initiative intended to increase children's access to high-quality literature experiences through workshops and events with authors and illustrators, and which aims to help make the High Street a more inclusive, family-friendly environment. STORY STREET A digital stories project for residents and local traders, aimed at building relationships, making connections and highlighting the diversity of people and experiences in the street. PEACE WALK in conjunction with Emergence, a talk by the long term peace and environment activist Satish Kumar followed by a walk 'From the Station to the Sea'. Projects in the workshoping stage include THRESHOLDS - creating a sensory leisure space with a local school for children with profound and multiple learning disabilities, and COME RAIN COME SHINE, which will restore traditional shop awnings to the street.

Future Plans

Performances

MACBETH | Director's Cut | A Radical Classic | A new production to tour venues in the autumn of 2016 and beyond.

POLITICS | A THREE-YEAR PLAN | Wild Wales II | A Volcano Original

A sequence of interactive and increasingly unruly partly-scripted dinner-parties, where the conversation is mostly about politics. Set in real time over three years and written/ devised to explore the current political issues of the moment.

SLAUGHTERHOUSE 5 | A new flagship Radical Classic with a part-youth cast.

QUEEN KATE | A Volcano Original | A first Welsh-Language led production in collaboration with Theatr Genedlaethol

Volcano Theatre Company Limited

SPIKED | (As part of Station2Sea) Swansea performance developed with homeless or otherwise socially-excluded persons.

Creative Projects

VOLCANO YOUTH COMPANY | Youth Festival Performances

Following an initial performance during Science week, Volcano Youth Company have been chosen to perform 'WeReallyWanttoWinbutWeDon'tWantToTryTooHard' at Youth Arts Festival, Scotland and RAWFFEST, Youth Festival Wales.

DASH & CREATIVE CONTEMPORARY

Creation of a series of Movement & Dance workshops specialising in devising, physical performance and contemporary movement for 2 younger age groups 4 – 7 and 8 – 12.

IGNITION 2016 | Partnership project with Frantic Ignition & East London Dance, Dancebase Edinburgh; West Yorkshire Playhouse, The Core @ Corby Cube, Theatre Royal, Plymouth, Hull Truck, Everyman & Playhouse, Liverpool, Theatre Royal, Stratford East & The Old Rep, Birmingham.

National training programme for men aged between 16 and 20 with a series of training workshops and a public performance in London.

NOVEMBERFEST 2016

We hope to establish a permanent fixture in the calendar of Swansea events.

POLEART A European initiative funded the Erasmus scheme with a Political Agenda

Community Projects

IDEAS PEOPLE PLACES Stage 2 – ongoing until late 2017.

Funding

We are both funded (see *1) and also raise funds (see *2)

*1 Volcano is an Arts Council of Wales revenue funded company so receives annual base funding

*2 Volcano raises funding through ticket income/external hire fees/ services delivered/ performance fees from tour venues/ sponsorship & additional project funding.

Public Benefit

We review our aims, objectives and activities each year. This review looks at what we achieved and the outcomes of our work in the previous 12 months. The review looks at the success of each key activity and the benefits they have brought to those groups of people we are set up to help. The review also helps to ensure our aim, objectives and activities remained focussed on our stated purposes. In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit : running a charity (PB2)'. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

FINANCIAL REVIEW

The charity's statement of financial activities is shown on page 8 and comprises restricted and unrestricted funds, being those provided to assist in furthering the general objects of the charity.

During the year the charity's income was £362,753 with expenditure of £349,066 resulting in a surplus for the year before taxation. of £13,687.

At the year end the unrestricted funds amounted to £83,255 of which £8,898 were held as fixed assets and investments and £74,357 represent free reserves. The restricted funds amounted to £18,097 of which £9,457 are represented by fixed assets and £8,640 is a grant from the People's Postcode Trust.

Volcano Theatre Company Limited

INVESTMENT POLICY

Under the memorandum and articles of association, the charity has the power to make any investment which the trustees see fit. The charity has a policy of keeping surplus liquid funds in short-term deposits which can be accessed readily.

RESERVES POLICY

Reserves are needed to bridge the gap between expenditure and receiving of resources, to cover unplanned repairs or other expenditure and to bridge the gap caused by any loss of funding. The Trustees consider that the level of reserves should be maintained between four and six months basic overheads, a figure of £48,000 - £72,000. The present free reserves of £74,357 are marginally above the required range.

RISK MANAGEMENT

The trustees have examined the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, and are satisfied that systems are in place to mitigate our exposure to the major risks identified.

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The Trustees (who are also directors of Volcano Theatre Company Limited for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they 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 these financial statements, the trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

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



Professor Keith Robert Lloyd
Chair and trustee

21 December 2016

Volcano Theatre Company Limited

Independent examiner's report for the year ended 31 March 2016

I report on the accounts of the company for the year ended 31 March 2016, which are set out on pages 8 to 19.

Respective responsibilities of trustees and examiner

The trustees (who are also directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants in England and Wales.

Having satisfied myself that the company is exempt from audit under company law and is eligible for an independent examination it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act;
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

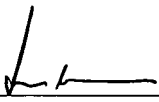
My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable grounds to believe that in any material respect the requirements
 - to keep accounting records in accordance with section 386 of the Companies Act 2006;
 - to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities have not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Name of independent examiner:



Ian David Bowen

Professional body:

Institute of Chartered Accountants in England & Wales

Address:

I D Bowen & Co
Chartered Accountants
19 Alexandra Road
Gorseinon
Swansea
SA4 4NW

Date: 21 December 2016

Volcano Theatre Company Limited

**Statement of financial activities
(incorporating income and expenditure account)
Year ended 31 March 2016**

	<i>Note</i>	<i>Restricted Funds</i>	<i>Unrestricted Funds</i>	<i>Total Funds 2016</i>	<i>Total Funds 2015</i>
		£	£	£	£
Income					
Donations and legacies	3	9,640	267,230	276,870	252,477
<i>Income from charitable activities:</i>					
Operation of theatre company	4	44,554	6,346	50,900	55,990
<i>Income from other trading activities:</i>					
Commercial trading operations	5	-	34,957	34,957	7,238
Other income	6	-	-	-	1,525
Investment income	7	-	26	26	115
Total incoming resources		54,194	308,559	362,753	317,345
Expenditure					
<i>Expenditure on charitable activities:</i>					
Operation of theatre company	8	48,707	300,359	349,066	331,210
Total expenditure		48,707	300,359	349,066	331,210
Net income for the year before taxation	9	5,487	8,200	13,687	(13,865)
Taxation	10	-	9,501	9,501	7,093
Net income and net movement in for the year after taxation		5,487	17,701	23,188	(6,772)
Reconciliation of funds					
Total funds brought forward		12,610	65,554	78,164	84,936
Total funds carried forward		18,097	83,255	101,352	78,164

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derives from continuing activities.

Volcano Theatre Company Limited

Balance sheet as at 31 March 2016

Company no : 02212900

	<i>Note</i>	<i>£</i>	<i>2016 £</i>	<i>£</i>	<i>2015 £</i>
Fixed assets					
Tangible assets	13		18,354		25,243
Investments	14		<u>1</u>		<u>-</u>
			18,355		25,243
Current assets					
Debtors	15	30,970		22,617	
Cash at bank and hand		<u>69,523</u>		<u>57,076</u>	
		100,493		79,693	
Current liabilities					
Creditors: amounts falling due within one year	16	<u>(17,496)</u>		<u>(26,772)</u>	
Net current assets			<u>82,997</u>		<u>52,921</u>
Net assets			<u>101,352</u>		<u>78,164</u>
The funds of the charity	18				
Unrestricted income funds			83,255		65,554
Restricted income funds			<u>18,097</u>		<u>12,610</u>
Total charity funds			<u>101,352</u>		<u>78,164</u>

The accounts are prepared in accordance with the special provisions within Part 15 of the Companies Act 2006 (the 2006 Act) relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

For the financial year ended 31 March 2016 the company was entitled to exemption from audit under Section 477 of the Companies Act 2006 and no notice has been deposited under Section 476.

The trustees acknowledge their responsibilities for:

- (i) ensuring that the company keeps accounting records which comply with Section 386 of the 2006 Act, and
- (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006.

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



Professor Keith Robert Lloyd
Chair and trustee

21 December 2016

Volcano Theatre Company Limited

Notes to the financial statements for the year ended 31 March 2016

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost basis convention and in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015) and the Companies Act 2006.

Consolidation

The charitable company and its subsidiary comprise a small sized group. The charitable company has therefore taken advantage of the exemption provided in sections 398 and 399 of the Companies Act 2006 not to prepare group financial statements and accordingly these financial statements present information about the charitable company as a single undertaking.

Going concern

The charitable company has prepared forecasts which take account of reasonably possible changes in its performance resulting from general economic conditions. After making appropriate enquiries, the directors have a reasonable assumption that the charitable company has adequate resources and should be able to operate for a period of 12 months from the date of approval of these financial statements, and accordingly continue to adopt the going concern basis in preparing these financial statements.

Income recognition policies

Items of income are recognised and included in the accounts when all of the following criteria are met:

- the charity has entitlement to the funds;
- any performance conditions attached to the item(s) of income have been met or are fully within the control of the charity;
- there is sufficient certainty that receipt of the income is considered probable; and
- the amount can be measured reliably.

Income received in advance of theatrical performances or provision of other specified service is deferred until the criteria for income recognition are met.

Donated services and facilities

Donated services or facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the item is probable and that economic benefit can be measured reliably. On receipt, donated services and facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain the services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Interest receivable

Interest in funds held on deposit is included when receivable and the amount can be measured reliably by the charity, this is normally upon notification of the interest paid or payable by the bank.

Volcano Theatre Company Limited

Fund accounting

Funds held by the charity are either:

- Unrestricted general funds:* these are funds which are available to spend on activities that further any of the purposes of the charity.
- Designated funds:* these are unrestricted funds which the trustees have decided at their discretion to set aside to use for a specific purpose.
- Restricted funds:* these are funds which the donor has specified are to be solely used for particular areas of the charity's work or for specific artistic projects being undertaken by the charity.

Expenditure and irrecoverable VAT

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

Expenditure on charitable activities includes the costs of performances, workshops and other educational activities undertaken to further the purposes of the charity and their associated support costs.

Other expenditure represents those items not falling into any other heading.

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

Allocation of support costs

Support costs are those functions which assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance personnel, payroll and governance costs which support the charity's artistic programmes and activities. These costs have been allocated to expenditure on charitable activities. The bases on which support costs have been allocated are set out on note 8.

Operating leases

The charity classifies the lease of printing, specialist lighting and audio equipment as operating leases: the title to the equipment remains with the lessor. Rental charges are charged on a straight line basis over the term of the lease.

Tangible fixed assets and depreciation

Depreciation is provided on all tangible fixed assets so as to write off their full cost or valuation less estimated residual value over their expected useful lives at the following rates:

Plant and machinery	25% - 33.3% on cost
Motor vehicles	25% on the reducing balance

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Debtors are usually measured at transaction price (which is usually the invoice price), less any impairment losses for bad and doubtful debts.

Prepayments are valued at the amount prepaid after taking account of any trade discounts due.

Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

Volcano Theatre Company Limited

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

2 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. In the event of the charitable company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

3 Income from donations and legacies

	2016 £	2015 £
<i>Unrestricted income</i>		
Arts Council of Wales - Revenue grant	208,380	212,850
City & County of Swansea - In kind support	12,799	12,920
Coastal Housing Group Limited - In kind support	42,320	25,200
Gifts and donations	3,731	1,507
<i>Total unrestricted income from donations and legacies</i>	<i>267,230</i>	<i>252,477</i>
<i>Restricted income</i>		
People's Postcode Trust	8,640	-
British Science Association - Community grant	500	-
Oakdale Trust - Storyopolis	500	-
<i>Total restricted income from donations and legacies</i>	<i>9,640</i>	<i>-</i>
Total income from donations and legacies	276,870	252,477

4 Income from charitable activities

	2016 £	2015 £
<i>Unrestricted income</i>		
Performance fees	5,664	2,686
Project fees	532	5,510
Workshops	150	845
<i>Total unrestricted income from charitable activities</i>	<i>6,346</i>	<i>9,041</i>
<i>Restricted income</i>		
Arts Council of Wales - Ideas People Places	24,779	27,738
Arts Council of Wales - Touring grant	12,000	9,720
European Union - Culture program	5,900	3,034
C & C Swansea - Countryside connections	1,875	6,457
<i>Total restricted income from charitable activities</i>	<i>44,554</i>	<i>46,949</i>
Total income from charitable activities	50,900	55,990

Volcano Theatre Company Limited

5 Income from trading activities

	2016	2015
	£	£
<i>Unrestricted income</i>		
Vehicle hire	2,545	4,310
Premises hire	15,304	2,344
Other income	3,428	584
Management charges	13,680	-
Total income from trading activities	34,957	7,238

6 Income from other sources

	2016	2015
	£	£
<i>Unrestricted income</i>		
Insurance claim	-	57
Profit on disposal of fixed assets	-	1,468
Total income from other sources	-	1,525

7 Investment income

All of the charity's investment income arises from money held in interest bearing deposit accounts.

Volcano Theatre Company Limited

8 Analysis of expenditure on charitable activities

	<i>Basis of Allocation</i>	<i>Total 2016 £</i>	<i>Total 2015 £</i>
<i>Costs directly allocated to activities</i>			
New show development	Direct	773	5,132
Production cost	Direct	65,601	6,095
Director's remuneration	Direct	-	6,076
Salaries and fees for workshop leaders, consultants and performers	Direct	90,124	123,478
Motor, travelling and accommodation	Direct	5,589	16,233
Publicity expenses	Direct	13,152	10,034
Property and costume costs	Direct	2,235	19,314
Royalties	Direct	128	431
Depreciation	Direct	8,607	12,285
Total costs directly allocated to activities		186,209	199,078
<i>Support costs allocated to activities</i>			
Premises costs	Direct	59,361	40,192
Repairs and refurbishment	Direct	10,372	16,439
Salaries and statutory contributions	Direct	66,529	53,701
Telephone	Direct	671	1,789
Insurances	Direct	1,712	1,269
Printing, postage, stationery and advertising	Direct	848	1,310
Bank charges and similar costs	Direct	620	581
Sundry expenses	Direct	7,834	7,646
Training	Direct	2,160	1,000
Depreciation	Direct	-	166
Sponsorship	Direct	3,500	-
Total support costs allocated to activities		153,607	124,093
<i>Governance costs</i>			
Book keeping	Direct	7,500	6,000
Independent examiner's fee	Direct	1,750	1,750
Legal and professional fees	Direct	-	289
Total governance costs		9,250	8,039
Total expenditure		349,066	331,210

Of the £349,066 expenditure in 2016 (2015 - £331,210) £300,359 was charged to unrestricted funds (2015 - £280,057) and £48,707 to restricted funds (2015 - £51,153).

9 Net income for the year

	<i>2016 £</i>	<i>2015 £</i>
This is stated after charging:-		
Operating leases - land and buildings	6,000	6,000
Directors remuneration (before conversion to charitable status)	-	5,500
Independent examiner's fee	1,750	1,750
Depreciation of tangible fixed assets	8,607	12,451

Volcano Theatre Company Limited

10 Taxation

	2016 £	2015 £
United Kingdom corporation tax refund	9,501	-
Deferred tax	-	(7,093)
	<u>9,501</u>	<u>(7,093)</u>

The charitable company's activities are potentially exempt from taxation under Part 11 of the Corporation Tax Act 2010. No tax charge has arisen in the year. The corporation tax refund is in respect of Theatre Tax Credit claims for the year ended 31 March 2016 - £614 and 31 March 2015 - £8,887.

11 Analysis of staff costs and trustee remuneration and expenses

	2016 £	2015 £
Total wage costs including directors' remuneration		
Wages and salaries	96,688	93,218
Social security costs	6,446	5,479
	<u>103,134</u>	<u>98,697</u>

Directors remuneration (before conversion to charitable status)

	2016 £	2015 £
Salaries	-	5,500
Other emoluments	-	-
	<u>-</u>	<u>5,500</u>

No employees had emoluments in excess of £60,000 (2015 - £ Nil) Pension costs are allocated to activities in proportion to the related staffing costs incurred and are wholly charged to unrestricted funds.

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2015 - £Nil) neither were they reimbursed expenses during the year (2015 - £Nil). No trustee received payment for professional or other services supplied to the charity.

12 Staff numbers

The average number of employees (including casual and part time staff) during the year was:-

	2016	2015
Administration staff	3	3
Charitable activities	1	2
	<u>4</u>	<u>5</u>

There were no employees remunerated at a rate exceeding £60,000 per annum and there were no employees accruing benefits under money purchase or defined benefit pension schemes.

Volcano Theatre Company Limited

13 Tangible fixed assets

	<i>Plant and machinery</i> £	<i>Motor vehicles</i> £	<i>Total</i> £
Cost			
At 1 April 2015	103,966	49,615	153,581
Additions	1,718	-	1,718
At 31 March 2016	105,684	49,615	155,299
Depreciation			
At 1 April 2015	97,818	30,520	128,338
Charge for year	3,832	4,775	8,607
At 31 March 2016	101,650	35,295	136,945
Net book value			
At 31 March 2016	4,034	14,320	18,354
At 31 March 2015	6,148	19,095	25,243

14 Investments

The charity holds the entire share capital of Volcano Trading Company Limited which is incorporated in the United Kingdom (company number 9527257).

	<i>Investment in subsidiary undertakings</i> £
Cost	
At 1 April 2015	-
Purchased in the year	1
At 31 March 2016	1

The holding is 1 share of £1 which is the only share allotted, called up and fully paid.

The company will pay all of its profits to the charity under the gift aid scheme.

Volcano Trading Company Limited provides theatrical production services to the charity. All commercial trading operations are carried out from the charity's premises.

Volcano Theatre Company Limited

The summary financial performance of the subsidiary is:

	2016 £	2015 £
Turnover	58,606	-
Cost of sales and administrative costs	(59,606)	-
Net loss	(1,000)	-
Taxation	6,417	-
Retained in subsidiary	5,417	-
The assets and liabilities of the subsidiary were:		
Current assets	5,418	-
Current liabilities	-	-
Total net assets	5,418	-
Aggregate share capital and reserves	5,418	-
15 Debtors		
	2016 £	2015 £
Trade debtors	60	434
Other debtors	12,474	4,170
Prepayments and accrued income	18,436	18,013
	30,970	22,617
16 Creditors: amounts falling due within one year		
	2016 £	2015 £
Trade creditors	3,584	16,474
Other taxes and social security costs	4,464	2,569
Other creditors and accruals	9,448	7,729
	17,496	26,772
17 Provisions for liabilities		
Deferred taxation	2016 £	2015 £
At 1 April	-	7,093
Deferred tax charge in profit and loss account	-	(7,093)
At 31 March	-	-

Volcano Theatre Company Limited

18 Analysis of charitable funds

	<i>Brought Forward</i>	<i>Income</i>	<i>Expenditure</i>	<i>Tax</i>	<i>Carried Forward</i>
	£	£	£	£	£
Restricted fund					
Fixed assets	12,610	-	(3,153)	-	9,457
Ideas People Places	-	24,779	(24,779)	-	-
Touring grant - Blackstuff	-	12,000	(12,000)	-	-
People's Postcode Trust	-	8,640	-	-	8,640
European Union - Culture program	-	5,900	(5,900)	-	-
C & C Swansea - Countryside connections	-	1,875	(1,875)	-	-
Community grant	-	500	(500)	-	-
Storyopolis	-	500	(500)	-	-
Total restricted fund	12,610	54,194	(48,707)	-	18,097
Unrestricted fund	65,554	308,559	(300,359)	9,501	83,255
Total Funds	78,164	362,753	(349,066)	9,501	101,352

19 Analysis of net assets between funds

	<i>Unrestricted Funds</i>	<i>Restricted Funds</i>	<i>Total</i>
	£	£	£
Fund balance at 31 March 2016 are represented by:			
Tangible fixed assets	8,897	9,457	18,354
Investments	1	-	1
Current assets	91,853	8,640	100,493
Current liabilities	(17,496)	-	(17,496)
	83,255	18,097	101,352

20 Related party transactions

The charity charged Volcano Trading Company Limited £13,680 in respect of management and other services provided during the year.

The charity paid Volcano Trading Company Limited £58,606 in respect of theatrical production services received during the year.

Volcano Theatre Company Limited

21 Financial commitments

At 31 March 2016 the charity had annual commitments under non-cancellable operating leases as follows:

	2016	2015
	£	£
Land and buildings		
Expiring within one year	6,000	-
Expiring within two to five years	-	6,000
	<hr/>	<hr/>

22 Control of the charitable company

The charitable company is under the control of the Trustees.