

Charity Number : 1161081
Company Number : 02212900

VOLCANO THEATRE COMPANY LIMITED
A Company Limited by Guarantee
REPORT AND UNAUDITED FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2022

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VOLCANO THEATRE COMPANY LIMITED

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VOLCANO THEATRE COMPANY LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

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 2022 which are also prepared to meet the requirement for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Memorandum and Articles of Association, applicable Accounting Standards in the United Kingdom, the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Charities Act 2011 and the Companies Act 2006.

OUR PURPOSE AND ACTIVITIES

Volcano is a unique investigative arts organisation built on distinctive practice. Whilst the company's activities are various and far-reaching, everything we do depends on the health and integrity of our core creative process. Theatre-making occupies, for us, the centre of a network of practices and relationships that are rooted in the city of Swansea and reach out through Wales, the UK, Europe, and beyond.

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 the development of Arts & Performance in an area where there previously was none.

Volcano have taken over the entire ground floor of the building which incorporates the 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 a variety of events.

STRATEGIC PRIORITIES

DELIVER ARTISTIC EXCELLENCE

- Create outstanding original work and develop new ways of making work.
- Build capacity to maximize creative output.

REACH MORE PEOPLE

- Create quality experiences with tangible benefits for a diverse populace.
- Develop existing audiences and target new ones.

WORK IN PARTNERSHIP

- Develop and strengthen partnerships with venues, promoters, and stakeholders.
- Forge new associations across art forms and between artists.

BE SUSTAINABLE

- Build sustainability and resilience through good leadership, governance, and accountability.
- Be an innovator of good organisational and social practice.

PASS IT ON

- Identify, nurture, and inspire the current and next generation of creators.
- Build legacy and sustainability into the full range of our activities.

WORK IN AND FOR SWANSEA

- Invigorate Swansea as a cultural environment by being an instigator of urban change.
- Make work that is culturally distinctive, and which responds to a sense of place.
- Develop our strand of offsite and community activity within the city.

VOLCANO THEATRE COMPANY LIMITED

REPRESENT WALES

- Develop an authentically bilingual capacity at all levels.
- Be a cultural ambassador for Wales at national and international levels, through artistic practice and dialogue.

ACHIEVEMENTS & PERFORMANCE 2021/22

PERFORMANCES

THE CLOCKWORK CROW

Developed but not able to open to a live audience in 2020, The Clockwork Crow, the first of a trilogy of children's books by Welsh author Catherine Fisher, was adapted to comply with current Covid regulations and opened in December 2021 in Volcano's High Street home. Spread between five different locations within the building, the audience were guided through magical sets created by Icelandic designer Gudny Sigurdar and interpreted by local artist Bourdon Brindille. Members of our two youth groups were given the opportunity to work alongside professional actors for this family Christmas adventure.

SOLO DUETS FOR THE FUTURE *new*

Starting in 2021/22 and extending into 2022/23, Volcano have commissioned a new series of short daytime performances, each around 30 minutes long, crafted by one or two performers to make apt and imaginative use of cupboards, galleries, corridors, bars and even a garage. Aimed at attracting new audiences and giving people the chance to catch a short lunch break or post-work show at an affordable price, Volcano aims to attract people back to live performance in a convenient and low risk way.

SINCERE AS OBJECTS: DEVELOPMENT STAGE *new*

A Volcano/Bourdon Brindille collaboration. This development stage saw the design and the beginnings of the transformation of Volcano's Bunker theatre into a wild and wonderful fantasy landscape. Turning conventional theatre on its head, Paul Davies has been set the challenge of developing ideas from design, rather than design being dictated by an existing script. He will not know what he is working with until the actors arrive, and rehearsals begin in 2022/23.

CREATIVE/COMMUNITY PROJECTS/EDUCATION

THE CLOCKWORK CROW: VOLCANO YOUTH

Seven members from Volcano's youth groups rehearsed and performed alongside professional actors Christopher Elson and Ellie Phillips.

OUR HERITAGES *new*

Funded by National Lottery Awards for All, Our Heritages saw a partnership between Volcano and local School of Sanctuary St Joseph's. Children from St Joseph's school worked alongside members of Volcano's 'The Mighty New', connecting the children to their own heritages and culminating in a joint performance at Volcano's Bunker Theatre.

WE ARE KASPER HAUSER *new*

Volcano's youth group explores the tyranny of language within the confines of a traditionally constructed Bavarian sitting room.

THE MIGHTY NEW

Weekly term-time movement classes for ages 5 – 9.

GLOBETROTTERS *new*

Part funded by City & County of Swansea's Summer of Fun, for four Saturdays in August Volcano was turned over to children's activity days set in various world locations. A desert, a jungle and a polar ice cap were created as settings for craft and movement activities open to all, but targeting local children from Swansea's more deprived SA1 communities.

CROW WORKSHOPS/EXHIBITION *NEW*

To complement the Clockwork Crow performance, a new Crow based gallery exhibition from November to January celebrating all things corvid. Members of the public were invited to submit their own exhibits, with prizes for best adult/youth contributions yielding an inventive offering ranging from paintings and sculptures to a prize winning Lego crow. A workshop for 5-9 year olds was also held where their own 'take home' crows were created.

Our Station to Sea legacy project STORYOPOLIS, working in partnership with Cover to Cover Bookshop delivered two new projects.

VOLCANO THEATRE COMPANY LIMITED

YOUR STORY OUR STORY *new*

Working with local school Birchgrove Secondary, an exciting pilot project Your Story Our Story designed to help year 7 pupils integrate into their new school environment. A personal and social document of life and lockdown focussing on self-expression and amplification of young people's voices.

CHANGEMAKERS FESTIVAL

Storyopolis in partnership with Elysium gallery participated in this year's Swansea Changemakers Festival, exploring activism and social change through exhibitions, workshops, text and visual digital arts. Children from Sketty Park and Blaenymaes Primary Schools participated in class-based workshops culminating in a physical display at Volcano Theatre and an online short video of their work.

UNIVERSITY OF WEST LONDON *new*

Students from Drama Studio London visited Volcano for a week of Improvisation workshops with Volcano's Artist Director Paul Davies, followed by a return week at the University of West London.

POVERTY POWER & RESISTANCE *new*

Funded by Arts Council of Wales, a new research and development project focusing on the cultural ecology of Swansea. In partnership with Glynn Vivian, Taliesin, Oxfam and Teatro el Extranjero of Buenos Aires. Volcano recruited a team of 'Olympians' to make interventions in public spaces in the city based on the conceit that Swansea was applying to host the Olympics.

BURSARIES/PHOTOGRAPHY COMPETITIONS

A number of bursaries and photography competitions leading to physical exhibitions exploring our local communities lockdown experiences throughout 2020 and 2021.

THIS IS NOT WORK: QUEERNESS & CREATIVE *new*

Devised by Volcano youth graduate Gabe Patterson. A series of workshops aimed at the LBGQT community to give expression to their lockdown experiences and hopes for the future.

VOLCANO VENUE

A busy year for the Volcano venue as community access became possible once more, including a series of gallery exhibitions, workshops by Plattform4YP, Swansea Asylum Seekers Support, YMCA and author Dan Goodchild, events run by Pride, Crisis, S4C, Swansea University, Open University, Pathways to work, refugee groups and filming/interviews with Volcano Youth by BBC.

THE BOOTROOM *new*

Volcano venue became a Bootroom drop off point. A local community initiative looking to ensure the community's young footballers are not prevented from participating in the game they love due to lack of equipment.

INTERNATIONAL

HAMLET IN YEMEN *new*

Funded by British Council, in collaboration with director Amr Gamal and Kkaleejo Aden Company, Volcano's Paul Davies served as mentor for a site-specific Yemeni-dialect adaptation of Hamlet in the Legislative Council Building in the former church of St Maria in Aden.

CONNEXIONS: PLACES AND SPACES *new*

A new international project funded by British Council Digital Collaborations whose aim is to achieve a small, diverse, international collective of urban cultural and community practitioners. We are developing an experimental digital platform and commissioning pilot content from partners in Wales, Brazil and Argentina, with a view to producing a collaborative manifesto.

FUTURE PLANS

FUTURE PERFORMANCES

SINCERE AS OBJECTS: Rehearsals, Performance & Exhibition.

SOLO DUETS: Ongoing performances.

VOLCANO THEATRE COMPANY LIMITED

V *new*: Class v Class.

WINTER SHOW *new*: Following the success of The Clockwork Crow, a new site specific piece for December 2022.

FUTURE CREATIVE/COMMUNITY PROJECTS/EDUCATION

LOADED *new*

Volcano Youth Company summer 2022.

GROWING TOGETHER *new*

National Lottery Community Fund project with St Joseph's school of sanctuary.

YOUTH PANEL *new*

IETM Local Journey for Change have funded Volcano to recruit a youth panel to help steer Volcano's youth based activities.

STORYOPOLIS: Your Story Our Story, Summer workshops*new*, Comic book workshop re: Climate Change.

THE MIGHTY NEW

Weekly term time movement classes for ages 5 – 9.

UNIVERSITY OF WEST LONDON

Volcano's relationship with Drama Studio London further develops with a week's workshops on movement in summer 2022, led by Volcano's Freelance Movement Director Catherine Bennett.

MAN-MADE *new*

Men's wellbeing workshops funded by Community Changemakers.

POVERTY POWER & RESISTANCE: Ongoing

VOLCANO VENUE:

Volcano look forward to another year of hosting a range of arts and community events.

FUTURE INTERNATIONAL

HAMLET IN YEMEN – ongoing.

CONNEXIONS: Ongoing

FAIR PAY

Volcano is a an accredited Living Wage Foundation employer.

FUNDRAISING

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/external hire fees/services delivered/Performance fees from tour venues/Sponsorship & additional project funding.

New funding secured in 2021/22.

Garfield Weston (Core funding for 2022/23)	£30,000
People's Postcode (Your Story Our Story)	£ 8,444
City & County of Swansea: Summer of Fun (Globetrotters)	£ 3,000
City & County of Swansea: Covid Recovery Fund	£ 1,500
Community Changemakers Fund (Men's Wellbeing Workshops)	£ 962
IETM Local Journeys for Change (Youth Panel)	€ 1,300

VOLCANO THEATRE COMPANY LIMITED

VOLCANO: HOME & HUB

Volcano's current High Street location is due for major redevelopment, initially planned for 2022/23, works are now expected to commence late 2023/24. The current lease has been extended to the end of March 2023, a further six month extension is likely.

A Viability Report was undertaken on a potential property in Swansea's Strand, however a change in circumstances for the landlord rendered this project unviable. Several other potential locations have been identified and investigations are ongoing.

FINANCIAL REVIEW

The charity's statement of financial activities is shown on page 10 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 £370,408 with expenditure of £336,606 resulting in a surplus for the year before taxation of £33,802.

At the year end the unrestricted funds amounted to £252,223 of which £10,953 were held as fixed assets and investments. Free reserves amount to £81,000 with the remaining £160,270 being designated as follows:

Relocation fund	£97,170
Ongoing productions: Sincere as Objects	£29,620
Ongoing productions: Solo Duets for the Future	£ 8,597
Future productions fund	£19,883
Youth/community development fund	£ 5,000

The restricted funds amounted to £1,682 which is entirely represented by fixed assets.

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 £54,000 - £81,000.

The current level of free reserves stands at £81,000.

VOLCANO THEATRE COMPANY LIMITED

REFERENCE AND ADMINISTRATIVE DETAILS

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

Charity registration number: 1161081

Company registration number: 02212900

Registered office: Volcano Theatre, 27-29 High Street, Swansea, SA1 1LG

Our advisers

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

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

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:

Key management personnel: Trustees and Directors

Elected trustees:	Professor Keith Robert Lloyd	Chair
	Miss Elen Mair Thomas	
	Professor Catrin Elizabeth Webster	
	Mr Gavin David Dudeney	
	Mr Marc Jones	
	Ms Allie Symonds	

Key management personnel: Executive team

Artistic Director	Paul Davies
Executive Producer	Claudine Conway
Digital Media & Marketing	
Manager	Victoria Boobyer
Finance Officer	Sarah Dow

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 2016. 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.

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.

SMALL COMPANIES PROVISIONS

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

VOLCANO THEATRE COMPANY LIMITED

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.

By order of the Board of trustees



GAVIN DAVID DUDENEY, Trustee on behalf of trustees

21 December 2022

VOLCANO THEATRE COMPANY LIMITED

INDEPENDENT EXAMINER'S REPORT TO THE CHARITY TRUSTEES OF VOLCANO THEATRE COMPANY LIMITED

I report on the accounts of the company for the year ended 31 March 2022, which are set out on pages 10 to 22.

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 of the Charities Act 2011 (the Charities 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.

It is my responsibility to:

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

Basis of independent examiner's report

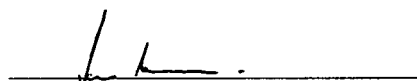
My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the 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 to indicate that:

- accounting records have not been kept in accordance with section 386 of the Companies Act 2006;
- the accounts do not accord with the records;
- where accounts have been prepared on an accruals basis, whether they fail to comply with the relevant accounting requirements under section 396 of the Companies Act 2006 or are not consistent with the Charities SORP (FRS102)
- any matter to which the examiner believes should be drawn to the attention of the reader to gain a proper understanding of the accounts.

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 2022

VOLCANO THEATRE COMPANY LIMITED

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
YEAR ENDED 31 MARCH 2022**

	<i>Note</i>	<i>Unrestricted Funds</i>	<i>Restricted Funds</i>	<i>Total Funds 2022</i>	<i>Unrestricted Funds</i>	<i>Restricted Funds</i>	<i>Total Funds 2021</i>
		£	£	£	£	£	£
INCOME							
Donations and legacies	3	279,385	29,261	308,646	323,788	23,449	347,237
<i>Income from charitable activities:</i>							
Operation of theatre company	4	10,362	-	10,362	1,602	-	1,602
<i>Income from other trading activities:</i>							
Commercial trading operations	5	49,725	-	49,725	28,261	-	28,261
Investment income	6	1,675	-	1,675	645	-	645
TOTAL INCOMING RESOURCES		341,147	29,291	370,408	354,296	23,449	377,745
EXPENDITURE							
<i>Expenditure on charitable activities:</i>							
Operation of theatre company	7	304,041	32,565	336,606	254,679	32,376	287,055
TOTAL EXPENDITURE		304,041	32,565	336,606	254,679	32,376	287,055
NET INCOME FOR THE YEAR BEFORE TAXATION	8	37,106	(3,304)	33,802	99,617	(8,927)	90,690
Taxation	9	-	-	-	-	-	-
NET INCOME AND NET MOVEMENT IN FOR THE YEAR AFTER TAXATION		37,106	(3,304)	33,802	99,617	(8,927)	90,690
RECONCILIATION OF FUNDS							
Total funds brought forward		215,117	4,986	220,103	115,500	13,913	129,413
TOTAL FUNDS CARRIED FORWARD		252,223	1,682	253,905	215,117	4,986	220,103

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

All income and expenditure derives from continuing activities.

The notes on pages 12 to 22 form part of these financial statements.

VOLCANO THEATRE COMPANY LIMITED

**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022**

Company number: 02212900

	<i>Note</i>	£	2022 £	2021 £
FIXED ASSETS				
Tangible assets	12		12,634	16,534
Investments	13		<u>1</u>	<u>1</u>
			12,635	16,535
CURRENT ASSETS				
Stock		520	60	
Debtors	14	8,341	5,916	
Cash at bank and hand		<u>354,229</u>	<u>310,067</u>	
		363,090	316,043	
Creditors: amounts falling due within one year	15	<u>(86,182)</u>	<u>(65,728)</u>	
NET CURRENT ASSETS			<u>276,908</u>	<u>250,315</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			289,543	266,850
Amounts falling due in more than one year	16		<u>(35,638)</u>	<u>(46,747)</u>
TOTAL NET ASSETS			<u>253,905</u>	<u>220,103</u>
CHARITY FUNDS				
Unrestricted income funds	17		252,223	215,117
Restricted income funds			<u>1,682</u>	<u>4,986</u>
TOTAL FUNDS			<u>253,905</u>	<u>220,103</u>

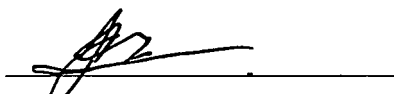
The financial statements have been prepared in accordance with the special provisions within Part 15 of the Companies Act 2006 relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to the members of the company.

The trustees are satisfied that the company is entitled to exemption from the requirements to obtain an audit under Section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

Signed:



Name: GAVIN DAVID DUDENEY, Trustee on behalf of trustees

Approved by the trustees on 21 December 2022

The notes on pages 12 to 22 form part of these financial statements.

VOLCANO THEATRE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1 ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparation

The financial statements have been prepared in accordance with the Charities SORP (FRS102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Volcano Theatre Company Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

Consolidation

The charitable company and its subsidiary comprise a small sized group. The charitable company has therefore taken advantage of the exemption provided in section 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 reported a surplus of £33,802 for the year.

The Trustees and Executive have prepared cash flow forecasts and budgets that support the going concern basis of these financial statements.

The charity has adequate cash reserves which are being actively monitored and managed and the trustees believe that these actions have secured the immediate future of the charitable company for the next 12 to 18 months and that on this basis the charity is a going concern.

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

VOLCANO THEATRE COMPANY LIMITED

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.

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 7.

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	20% - 33.3% on cost
Motor vehicles	25% on the reducing balance

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first in first out method. The carrying amount of stock sold is recognised as an expense in the period in which the related revenue is recognised.

VOLCANO THEATRE COMPANY LIMITED

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

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

	2022 £	2021 £
<i>Unrestricted income</i>		
Arts Council of Wales - Revenue grant	211,505	211,505
In kind support - donated services and facilities	63,253	64,427
Covid business support grants	4,000	45,000
Corona Virus Job Retention Scheme grants	-	2,047
Bounce back loan interest and similar charges subsidy	551	699
Gifts and donations	76	110
<i>Total unrestricted income from donations and legacies</i>	<i>279,385</i>	<i>323,788</i>
<i>Restricted income</i>		
Arts Council of Wales - Covid Support for Arts - Revenue	-	14,660
Arts Council of Wales - Covid Support for Arts - Capital	-	3,379
Arts Council of Wales - Connect & Flourish	6,124	-
Local Giving - Magical Little grants	-	500
WCVA - Third Sector Resilience Fund	5,892	334
National Lottery - Awards for All	5,100	-
British Council - Connexions	4,990	-
des Organismes vivants	-	4,576
C & Swansea - Summer of fun	3,000	-
C & C Swansea - Covid recovery fund	1,500	-
Architectural Heritage Fund - Viability report	2,150	-
Postcode Community Trust - Peoples' postcode	505	-
<i>Total restricted income from donations and legacies</i>	<i>29,261</i>	<i>23,449</i>
<i>Total income from donations and legacies</i>	<i>308,646</i>	<i>347,237</i>

VOLCANO THEATRE COMPANY LIMITED

The charity is grateful to all donors of in kind support including the City & County of Swansea for providing Non-domestic Business Rate relief to the charity in respect of its premises and to Coastal Housing Group Limited for providing a lease on its premises at below market rental.

The value of the rate relief is £13,222 (2021 - £13,234) and the reduced rent £42,360 (2021 - £42,320). The estimated value of these services is recognised within incoming resources as a donation, and an equivalent charge included within premises costs.

4 INCOME FROM CHARITABLE ACTIVITIES

	2022 £	2021 £
<i>Unrestricted income</i>		
Performance fees	2,716	69
Project fees	2,750	-
Workshops	4,896	1,533
<i>Total unrestricted income from charitable activities</i>	10,362	1,602
Total income from charitable activities	10,362	1,602

5 INCOME FROM TRADING ACTIVITIES

	2022 £	2021 £
<i>Unrestricted income</i>		
Vehicle hire	4,150	-
Premises hire	11,073	3,429
Bar sales	3,383	33
Other income	2,777	4,369
Management charges	28,342	20,430
Total income from trading activities	49,725	28,261

6 INVESTMENT INCOME

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

VOLCANO THEATRE COMPANY LIMITED

7 ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	<i>Basis of Allocation</i>	<i>Total 2022 £</i>	<i>Total 2021 £</i>
<i>Costs directly allocated to activities</i>			
New show development	Direct	96	792
Production cost	Direct	89,131	65,106
Salaries and fees for workshop leaders, consultants and performers	Direct	50,191	49,384
Motor, travelling and accommodation	Direct	3,818	3,189
Publicity expenses	Direct	4,563	3,046
Property and costume costs	Direct	4,232	632
Royalties	Direct	84	268
Depreciation	Direct	5,493	7,454
Other workshop costs	Direct	576	-
Total costs directly allocated to activities		158,184	129,871
<i>Support costs allocated to activities</i>			
Premises costs	Direct	73,816	67,068
Repairs and refurbishment	Direct	3,778	3,209
Salaries and statutory contributions	Direct	64,923	53,907
Pension contributions	Direct	1,096	1,090
Telephone	Direct	645	730
Insurances	Direct	2,959	2,805
Printing, postage, stationery and advertising	Direct	411	343
Bank charges and similar costs	Direct	136	304
Sundry expenses	Direct	9,966	10,851
Training	Direct	752	258
Depreciation	Direct	84	100
Loss on disposal of fixed assets	Direct	280	-
Interest and similar charges	Direct	1,143	699
Total support costs allocated to activities		159,989	141,364
<i>Governance costs</i>			
Book keeping	Direct	10,608	10,374
Independent examiner's fee	Direct	1,925	1,750
Other legal & professional fees	Direct	5,900	3,696
Total governance costs		18,433	15,820
Total expenditure		336,606	287,055

Of the £336,606 expenditure in 2022 (2021 - £287,055) £304,041 was charged to unrestricted funds (2021 - £254,679) and £32,565 to restricted funds (2021 - £32,376).

8 NET INCOME FOR THE YEAR

	<i>2022 £</i>	<i>2021 £</i>
This is stated after charging:-		
Operating leases - land and buildings	6,000	6,000
Independent examiner's fee	1,925	1,750
Depreciation of tangible fixed assets	5,577	7,554

VOLCANO THEATRE COMPANY LIMITED

9 TAXATION

	2022	2021
	£	£
United Kingdom corporation tax refund	-	-
	-	-

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.

10 ANALYSIS OF STAFF COSTS AND TRUSTEE REMUNERATION AND EXPENSES

	2022	2021
	£	£
Total wage costs		
Wages and salaries	96,588	88,354
Social security costs	4,534	4,256
Pension costs	2,048	2,005
	103,170	94,615

No employees had emoluments in excess of £60,000 (2021 - £ 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 (2021 - £Nil) neither were they reimbursed expenses during the year (2021 - £Nil). No trustee received payment for professional or other services supplied to the charity.

The key management personnel of the charity comprise the trustees, Artistic Director, Executive Producer, Digital Media & Marketing Manager and Finance Officer. The total employee benefits of the key management personnel of the charity were £93,292 (2021 - £91,807).

11 STAFF NUMBERS

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

	2022	2021
Administration staff	3	3
Charitable activities	1	1
	4	4

VOLCANO THEATRE COMPANY LIMITED

12 TANGIBLE FIXED ASSETS

	<i>Plant and machinery</i> £	<i>Motor vehicles</i> £	<i>Total</i> £
Cost			
At 1 April 2021	117,447	42,897	160,344
Additions	1,957	-	1,957
Disposals	(421)	-	(421)
At 31 March 2022	118,983	42,897	161,880
Depreciation			
At 1 April 2021	112,527	31,283	143,810
Charge for year	2,673	2,904	5,577
On disposals	(141)	-	(141)
At 31 March 2022	115,059	34,187	149,246
Net book value			
At 31 March 2022	3,924	8,710	12,634
At 31 March 2021	4,920	11,614	16,534

13 INVESTMENTS

The charity holds the entire share capital of Volcano Trading Company Limited which is incorporated in the United Kingdom (company number 09527257).

	<i>Investment in subsidiary undertakings</i> £
Cost	
At 1 April 2021	1
Purchased in the year	-
At 31 March 2022	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:

	2022 £	2021 £
Turnover	63,173	38,454
Cost of sales and administrative costs	(64,568)	(39,725)
Interest receivable	-	4
Net loss	(1,395)	(1,267)
Taxation	18,030	6,151
Profit after tax	16,635	4,884
Amount gift aided to the charity	-	-
Retained in subsidiary	16,635	4,884
The assets and liabilities of the subsidiary were:		
Current assets	50,392	34,835
Current liabilities	(1,392)	(2,470)
Total net assets	49,000	32,365
Aggregate share of capital and reserves	49,000	32,365

14 **DEBTORS**

	2022 £	2021 £
Trade debtors	494	-
Other debtors	159	121
Prepayments and accrued income	7,688	4,329
Grants receivable	-	1,466
	8,341	5,916

15 **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2022 £	2021 £
Bank loans	9,629	5,833
Trade creditors	3,922	1,095
Other taxes and social security costs	1,832	425
Deferred income	56,225	47,613
Other creditors and accruals	14,574	10,762
	86,182	65,728

16 **CREDITORS: AMOUNTS FALLING DUE IN MORE THAN ONE YEAR**

	2022 £	2021 £
Bank loans	35,638	44,166
Other loans	-	2,581
	35,638	46,747

VOLCANO THEATRE COMPANY LIMITED

17 ANALYSIS OF MOVEMENT IN UNRESTRICTED FUNDS

	<i>Brought Forward</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers</i>	<i>Carried Forward</i>
	£	£	£	£	£
Unrestricted funds					
Designated funds					
Relocation fund	85,946	-	-	11,224	97,170
Ongoing productions: Sincere as Objects	-	-	-	29,620	29,620
Ongoing productions: Solo Duets for the Future	-	-	-	8,597	8,597
Future productions fund	31,879	-	-	(11,996)	19,883
Youth/community development fund	5,000	-	-	-	5,000
Total designated funds	122,825	-	-	37,445	160,270
General fund	92,292	341,147	(304,041)	(37,445)	91,953
Total unrestricted funds	215,117	341,147	(304,041)	-	252,223

Analysis of movement in unrestricted funds - prior year

	<i>Brought Forward</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers</i>	<i>Carried Forward</i>
	£	£	£	£	£
Unrestricted funds					
Designated funds					
Relocation fund	26,188	-	-	59,758	85,946
Future productions fund	5,000	-	-	26,879	31,879
Youth/community development fund	-	-	-	5,000	5,000
Total designated funds	31,188	-	-	91,637	122,825
General funds	84,312	354,296	(254,679)	(91,637)	92,292
Total unrestricted funds	115,500	354,296	(254,679)	-	215,117

Name of unrestricted fund

Description, nature and purposes of the fund

General fund

Designated funds

The 'free reserves' after allowing for all designated funds.

Designated relocation fund to provide against costs of relocating to new premises.

Designated future productions for the creation of future productions.

Designated youth/community development fund for the development of educational and community partnerships - National Volcanic Association.

VOLCANO THEATRE COMPANY LIMITED

Analysis of movement in restricted funds

	<i>Brought Forward</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers</i>	<i>Carried Forward</i>
	£	£	£	£	£
Restricted funds					
Fixed assets	2,243	-	(561)	-	1,682
Storyopolis	2,743	-	(2,743)	-	-
Arts Council of Wales - Connect & Flourish	-	6,124	(6,124)	-	-
WCVA - Third Sector Resilience Fund	-	5,892	(5,892)	-	-
National Lottery - Awards for All	-	5,100	(5,100)	-	-
British Council - Connexions	-	4,990	(4,990)	-	-
C & Swansea - Summer of fun	-	3,000	(3,000)	-	-
C & C Swansea - Covid recovery fund	-	1,500	(1,500)	-	-
Architectural Heritage Fund - Viability report	-	2,150	(2,150)	-	-
Postcode Community Trust - Peoples' postcode	-	505	(505)	-	-
Total restricted funds	4,986	29,261	(32,565)	-	1,682

Analysis of movement in restricted funds - prior year

	<i>Brought Forward</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers</i>	<i>Carried Forward</i>
	£	£	£	£	£
Restricted funds					
Fixed assets	2,991	-	(748)	-	2,243
Storyopolis	9,279	-	(6,536)	-	2,743
Wales EU fund	1,643	-	(1,643)	-	-
Arts Council of Wales - Covid Support for Arts - Revenue	-	14,660	(14,660)	-	-
Arts Council of Wales - Covid Support for Arts - Capital	-	3,379	(3,379)	-	-
Local Giving - Magical Little grants	-	500	(500)	-	-
WCVA - Third Sector Resilience Fund	-	334	(334)	-	-
des Organismes vivants	-	4,576	(4,576)	-	-
Total restricted funds	13,913	23,449	(32,376)	-	4,986

Name of unrestricted fund

Description, nature and purposes of the fund

Storyopolis	Storyopolis fund providing free workshops for schools, and occasional public events for the children's literacy project.
Wales EU fund	Wales EU fund to cover travel for a research & development period of Wales/Spanish/Greek arts group.

VOLCANO THEATRE COMPANY LIMITED

18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	<i>Unrestricted Funds</i>	<i>Restricted Funds</i>	<i>Total</i>
	£	£	£
Tangible fixed assets	10,952	1,682	12,634
Investments	1	-	1
Net current assets	276,908	-	276,908
Creditors falling due in more than 12 months	(35,638)	-	(35,638)
Total	252,223	1,682	253,905

Analysis of net assets between funds - prior year

	<i>Unrestricted Funds</i>	<i>Restricted Funds</i>	<i>Total</i>
	£	£	£
Tangible fixed assets	14,291	2,243	16,534
Investments	1	-	1
Net current assets	247,572	2,743	250,315
Creditors falling due in more than 12 months	(46,747)	-	(46,747)
Total	215,117	4,986	220,103

19 RELATED PARTY TRANSACTIONS

The charity charged Volcano Trading Company Limited, wholly owned subsidiary, £33,612 (2021 - £20,430) in respect of management and other services provided during the year.

The charity paid Volcano Trading Company Limited £63,173 (2021 - £38,454) in respect of theatrical production services received during the year.

20 OPERATING LEASE COMMITMENTS

The total minimum future lease commitments under non cancellable leases are as follows:

	2022	2021
	£	£
Falling due:		
within one year	6,000	6,000
within two to five years	-	6,000
	6,000	12,000

21 CONTROL OF THE CHARITABLE COMPANY

The charitable company is under the control of the board of trustees and no individual is a person of significant control.