

COMPANY REGISTRATION NUMBER: 3325921  
CHARITY REGISTRATION NUMBER: 1000243

**Stiwt Arts Trust Limited**  
**Company Limited by Guarantee**  
**Unaudited Financial Statements**  
**31 March 2017**



**HASWELL BROTHERS LLP**

Chartered Accountants  
First Floor  
Pembroke House  
Ellice Way  
Wrexham Technology Park  
Wrexham  
LL13 7YT

**Stiwt Arts Trust Limited**  
**Company Limited by Guarantee**  
**Financial Statements**  
**Year ended 31 March 2017**

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# **Stiwt Arts Trust Limited**

## **Company Limited by Guarantee**

### **Trustees' Annual Report (Incorporating the Director's Report)**

**Year ended 31 March 2017**

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The trustees, who are also the directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the year ended 31 March 2017.

#### **Reference and Administrative Details**

|                                               |                                                                           |
|-----------------------------------------------|---------------------------------------------------------------------------|
| <b>Registered charity name</b>                | Stiwt Arts Trust Limited                                                  |
| <b>Charity registration number</b>            | 1000243                                                                   |
| <b>Company registration number</b>            | 3325921                                                                   |
| <b>Principal office and registered office</b> | Stiwt Theatre<br>Broad Street<br>Rhosllanerchrugog<br>Wrexham<br>LL14 1RB |

#### **The Trustees**

|                |                               |
|----------------|-------------------------------|
| Mr G V Thomas  |                               |
| Mr M Davies    |                               |
| Mr W P Hanmer  |                               |
| Mrs SA Bowen   |                               |
| Mr G Lloyd     | (Appointed 4 April 2016)      |
| Mr M A Edwards | (Appointed 16 June 2016)      |
| Mr A R Roberts | (Appointed 14 September 2016) |
| Mr B Jones     | (Appointed 19 October 2016)   |
| Mr J Buck      | (Resigned 5 May 2016)         |
| Mr P E Barnes  | (Resigned 17 September 2016)  |

**Company Secretary** Mr A R Roberts

**Accountants** Haswell Brothers LLP  
Chartered Accountants  
First Floor  
Pembroke House  
Ellice Way  
Wrexham Technology Park  
Wrexham  
LL13 7YT

#### **Structure, Governance and Management**

A board of trustees of up to twelve members who meet monthly administers the Charity. The day to day activities are managed by an operational manager, part time events officer and finance officer, who, in liason with the board, make key decisions on a day to day basis. During the year a part time marketing manager was engaged but this post remains unfilled at the year end. In addition, consultants have been engaged to support the delivery of the Arts Council Wales programme.

# **Stiwt Arts Trust Limited**

## **Company Limited by Guarantee**

### **Trustees' Annual Report (Incorporating the Director's Report) *(continued)***

**Year ended 31 March 2017**

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#### **Objectives and Activities**

##### **The Mission**

The Stiwt Arts Trust Limited works to encourage nurture and develop a dynamic programme of creative activities through the provision of a first class venue for the performing arts. This includes education, training and participation for people of all generations in the local and wider community. There is a particular focus on young people, Welsh language and culture.

##### **Aims**

1. To be a driving force for positive change in the cultural landscape of Wrexham by developing a national profile as a 'centre of excellence' for the arts through the development of a trusted brand and expansion of quality arts provision as vital elements of the social, economic and cultural life of the region.
2. To deliver quality participatory art activities for the County Borough through an educational in-house and out-reach programme of work for key target groups, young people, families, those with learning and physical disabilities, and the older generation
3. To ensure that the Welsh language and culture are an integral part of our arts provision
4. To combine with existing and new partners to host work that reflects talent, quality and innovation with the support of our funders, sponsors and stakeholders to enhance and extend the quality and scope of our arts activities
5. To ensure good management, efficient running and financial viability of the organisation through the development of commercial income streams and the strategic re-investment of profit from the arts activity.

##### **Objectives**

###### **1. Organisation**

- a) Seek to continue to strengthen the board by attracting persons with the required skills and experience to improve performance and level of operation to serve as trustees.
- b) Continue to refresh policies and procedures to improve governance.
- c) Match the jobs needs analysis to skilled staff to fulfil its strategic goals.

###### **2. Community and Partnerships**

- a) Continue to develop relationships with current strategic partnerships and seek to establish new relationships with providers of the arts where possible.
- b) Implement a community arts policy with particular reference to young people.

###### **3. Building**

- a) Invest time and resources to secure funding towards capital refurbishment costs for the main auditorium, community rooms and customer service areas.
- b) Explore innovate ways to offset the running and maintenance costs of the building.

# **Stiwt Arts Trust Limited**

## **Company Limited by Guarantee**

### **Trustees' Annual Report (Incorporating the Director's Report) *(continued)***

**Year ended 31 March 2017**

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#### **4. Programme**

- a) Continue to develop fully accessible professional programme of events that are of high quality in a wide variety of art forms.
- b) Develop a community focused programme of events.
- c) Develop new marketing techniques and procedures to increase audience figures by 25% over three years.

#### **5. Marketing, Promotion and Awareness**

- a) Implement a marketing strategy and brand awareness campaign working within a limited budget.
- b) Raise the level of marketing investment and improve audience data capture for increased marketing efficiency and effectiveness.

#### **6. Finance**

- a) Operate to strict financial control and guidelines with robust quarterly budget (income and expenditure), cash management and bi-annual capital investment plan.
- b) Seek to secure sponsorship of events and maintenance tasks from local and regional business through vibrant and innovative partnerships.

#### **Public Benefit Statement**

The trustees believe that the services provided by Stiwt Arts Trust Limited are compliant with the Charity Commission guidance on Public Benefit and the public benefit is further exemplified in the following Statement of Achievement and Performance and Plans for the Future.

#### **Risk Management**

Periodically, the Trustees, normally through the management committee, identify and review the major risks which may affect the stability and successful operation of the Trust. Action is then planned and implemented, as far as possible, to minimise or remove the identified risk.

# **Stiwt Arts Trust Limited**

## **Company Limited by Guarantee**

### **Trustees' Annual Report (Incorporating the Director's Report) *(continued)***

**Year ended 31 March 2017**

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#### **Achievements and Performance**

The background for arts funding continues to be challenging but the Trust continued to attract Arts Council of Wales funding for its programme. Audiences grew during the year in question and the increase in community activities also meant that the Trust's financial position and cash flow improved. Steps taken to reduce expenditure in the previous year continued and provided greater financial stability.

The Trust has received support over the last twenty years from various sources including Wrexham County Borough Council, Arts Council of Wales (ACW) and Rhos Community Council. It also receives generous support from the Friends of the Stiwt and the local community. Sponsorship and grants from commercial organisations are also being attracted and we need to continue to build our own income streams as the grant from Wrexham County Borough Council is being reduced by 60% in total with the final 20% reduction being implemented in 2018/19.

Profits generated from income are used to support running the venue and investing in and supporting the work of the Trust. In the current challenging economic climate, our main priority will be to match our offer to customers which is of high quality, well thought out and relevant to them. There are emerging positive developments which include new partnerships and a programme of events which include Welsh cultural events.

We aim to provide a rich programme of high quality arts activity for all age groups at an affordable rate for the community. Over the last seven years, schools have attended Christmas productions. We are in our eighth year of working with LHK Productions to deliver a family friendly pantomime. We offer a number of excellent projects for schools and are at the forefront of arts provision for the schools in North East Wales.

We have been supported for the last eleven years by Arts Council of Wales, successfully securing funding for the current year and have continued to make successful applications for programme support in 2017/18.

#### **Financial Review**

Full details of the financial accounts are included in the accounts to follow. Measures continue to be taken to improve our financial position -

- Careful management of the wage bill.
- Increase in number of attendees for events
- Increase in marketing and PR activity.
- Additional grant funding for capital equipment
- Scrutiny of all contracts to obtain better returns.
- Continuing pressure on all suppliers to reduce costs.
- Robust management of programme and associated costs

# **Stiwt Arts Trust Limited**

## **Company Limited by Guarantee**

### **Trustees' Annual Report (Incorporating the Director's Report) *(continued)***

**Year ended 31 March 2017**

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#### **Financial Review *(continued)***

##### **Staffing**

|                         |               |
|-------------------------|---------------|
| Theatre                 | 1             |
| Administration          | 1             |
| Management              | 1             |
| Bar and café            | 2 (part time) |
| Caretaking and cleaning | 2 (part time) |

##### **Plans for Future Periods**

There are a number of key priorities:

Continuing to build programmes which address key educational objectives in conjunction with local schools and colleges.

Continuing high quality programming including Welsh Language provision, choral concerts which continue to be popular and the high quality and popular pantomime experience.

Securing trust and confidence from funding partners to continue to provide vital financial support to ensure future generations benefit from the work of the Trust.

Actively pursuing opportunities to reduce the cost burden of the maintenance of the Stiwt building.

# **Stiwt Arts Trust Limited**

## **Company Limited by Guarantee**

### **Trustees' Annual Report (Incorporating the Director's Report) *(continued)***

**Year ended 31 March 2017**

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#### **Plans for Future Periods *(continued)***

##### **Responsibilities of the Trustees**

The trustees (who are also the directors of Stiwt Arts Trust Limited for the purposes of company law) are responsible for preparing the Trustees Annual 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 the law, trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 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 then apply them consistently.

Observe the methods and principles in the Charities SORP.

Make judgements and accounting estimates that are reasonable and prudent.

State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

Prepare the financial statements on the going concern basis unless it is appropriate to presume that the charitable company will continue in operation.

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.

##### **Reserves Policy**

In the Trustees' view, the reserves should provide the charity with adequate financial stability and the means for it to meet its charitable objectives for the foreseeable future.

The Trustees regularly review the amount of reserves that are required to ensure that they are adequate to fulfil the charity's continuing obligations.

##### **Small Company Provisions**

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

# **Stiwt Arts Trust Limited**

## **Company Limited by Guarantee**

### **Trustees' Annual Report (Incorporating the Director's Report) *(continued)***

**Year ended 31 March 2017**

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The trustees' annual report was approved on 20 December 2017 and signed on behalf of the board of trustees by:



**Mr A R Roberts**  
**Trustee & Charity Secretary**

# **Stiwt Arts Trust Limited**

## **Company Limited by Guarantee**

### **Independent Examiner's Report to the Trustees of Stiwt Arts Trust Limited**

#### **Year ended 31 March 2017**

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I report on the financial statements for the year ended 31 March 2017, which comprise the statement of financial activities (including income and expenditure account), statement of financial position and the related notes.

#### **Respective Responsibilities of Trustees and Examiner**

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the financial statements. The 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 (ICAEW).

Having satisfied myself that the charity is not subject to audit under company law and is eligible for 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; 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 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 next statement.

# **Stiwt Arts Trust Limited**

## **Company Limited by Guarantee**

### **Independent Examiner's Report to the Trustees of Stiwt Arts Trust Limited** (continued)

**Year ended 31 March 2017**

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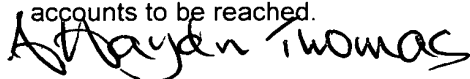
#### **Independent Examiner's Statement**

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

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 386 of the Companies Act 2006, and
  - 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.



**Mr A H Thomas FCA**  
Institute of Chartered Accountants in England and Wales  
Independent Examiner



**HASWELL BROTHERS LLP**  
**Chartered Accountants**

First Floor  
Pembroke House  
Ellice Way  
Wrexham Technology Park  
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20 December 2017

# Stiwt Arts Trust Limited

Company Limited by Guarantee

## Statement of Financial Activities (including income and expenditure account)

31 March 2017

|                                                           |      | Unrestricted<br>funds<br>£ | 2017<br>Restricted<br>funds<br>£ | Total funds<br>£ | 2016<br>Total funds<br>£ |
|-----------------------------------------------------------|------|----------------------------|----------------------------------|------------------|--------------------------|
|                                                           | Note |                            |                                  |                  |                          |
| <b>Income and endowments</b>                              |      |                            |                                  |                  |                          |
| Donations and legacies                                    | 5    | 84,122                     | 40,500                           | 124,622          | 112,736                  |
| Other trading activities                                  | 6    | 162,027                    | —                                | 162,027          | 133,041                  |
| <b>Total income</b>                                       |      | <u>246,149</u>             | <u>40,500</u>                    | <u>286,649</u>   | <u>245,777</u>           |
| <b>Expenditure</b>                                        |      |                            |                                  |                  |                          |
| Expenditure on raising funds:                             |      |                            |                                  |                  |                          |
| Costs of raising donations and legacies                   | 7    | 9,654                      | —                                | 9,654            | 9,522                    |
| Expenditure on charitable activities                      | 8,9  | (182,417)                  | (92,091)                         | (274,509)        | (293,341)                |
| <b>Total expenditure</b>                                  |      | <u>192,071</u>             | <u>92,091</u>                    | <u>284,163</u>   | <u>302,863</u>           |
| <b>Net income/(expenditure) and net movement in funds</b> |      | <u>54,078</u>              | <u>(51,591)</u>                  | <u>2,486</u>     | <u>(57,086)</u>          |
| <b>Reconciliation of funds</b>                            |      |                            |                                  |                  |                          |
| Total funds brought forward                               |      | (59,837)                   | 1,675,686                        | 1,615,849        | 1,672,935                |
| <b>Total funds carried forward</b>                        |      | <u>(5,759)</u>             | <u>1,624,095</u>                 | <u>1,618,336</u> | <u>1,615,849</u>         |

The statement of financial activities includes all gains and losses recognised in the year.  
All income and expenditure derive from continuing activities.

The notes on pages 13 to 24 form part of these financial statements.

**Stiwt Arts Trust Limited**  
**Company Limited by Guarantee**  
**Statement of Financial Position**  
**31 March 2017**

|                                                                |    | 2017          |                  | 2016          |                  |
|----------------------------------------------------------------|----|---------------|------------------|---------------|------------------|
|                                                                |    | £             | £                | £             | £                |
| <b>Fixed Assets</b>                                            |    |               |                  |               |                  |
| Tangible fixed assets                                          | 14 |               | 1,721,882        |               | 1,780,179        |
| <b>Current Assets</b>                                          |    |               |                  |               |                  |
| Stocks                                                         |    | 1,000         |                  | 1,000         |                  |
| Debtors                                                        | 16 | 7,804         |                  | 6,096         |                  |
| Cash at bank and in hand                                       |    | 39,413        |                  | 12,377        |                  |
|                                                                |    | <u>48,217</u> |                  | <u>19,473</u> |                  |
| <b>Creditors: amounts falling due within one year</b>          | 17 | <u>50,192</u> |                  | <u>78,191</u> |                  |
| <b>Net Current Liabilities</b>                                 |    |               | 1,975            |               | 58,718           |
| <b>Total Assets Less Current Liabilities</b>                   |    |               | 1,719,907        |               | 1,721,461        |
| <b>Creditors: amounts falling due after more than one year</b> | 18 |               | <u>101,572</u>   |               | <u>105,612</u>   |
| <b>Net Assets</b>                                              |    |               | <u>1,618,335</u> |               | <u>1,615,849</u> |
| <b>Funds of the Charity</b>                                    |    |               |                  |               |                  |
| Restricted funds                                               |    |               | 1,624,095        |               | 1,675,686        |
| Unrestricted funds                                             |    |               | (5,759)          |               | (59,837)         |
| <b>Total charity funds</b>                                     | 20 |               | <u>1,618,336</u> |               | <u>1,615,849</u> |

For the year ending 31 March 2017 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

**Trustees' responsibilities:**

- The shareholders have not required the charity to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

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

**The statement of financial position  
continues on the following page.  
The notes on pages 13 to 24 form part of these financial statements.**

# **Stiwt Arts Trust Limited**

## **Company Limited by Guarantee**

### **Statement of Financial Position** *(continued)*

**31 March 2017**

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These financial statements were approved by the board of trustees and authorised for issue on 20 December 2017, and are signed on behalf of the board by:



**Mr A R Roberts**  
**Trustee**

The notes on pages 13 to 24 form part of these financial statements.

**Stiwt Arts Trust Limited**  
**Company Limited by Guarantee**  
**Notes to the Financial Statements**  
**Year ended 31 March 2017**

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**1. General information**

The charity is a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is Stiwt Theatre, Broad Street, Rhosllanerchrugog, Wrexham, LL14 1RB.

**2. Statement of compliance**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Charities Act 2011.

**3. Accounting policies**

**Basis of Preparation**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

**Going Concern**

The future operational existence of the Charity is dependent on the Charity obtaining further finance in the form of short term loans and/or grants to cover cash flow requirements. As a result of discussions with potential funders, the Trustees are confident of a successful outcome to the negotiations although no firm commitments have been received to date.

Consequently, the financial statements have been prepared on the going concern basis and do not contain any adjustments that would be necessary if the required funding could not be sourced.

**Transition to FRS 102**

The entity transitioned from previous UK GAAP to FRS 102 as at 01 April 2015. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 25.

# **Stiwt Arts Trust Limited**

## **Company Limited by Guarantee**

### **Notes to the Financial Statements** *(continued)*

**Year ended 31 March 2017**

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#### **3. Accounting policies** *(continued)*

##### **Judgements and Key Sources of Estimation Uncertainty**

The preparation of the financial statements requires the Trustees and Management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

##### **Support Costs**

Many of the support costs incurred by the Charity such as support staff costs, general office costs and finance costs are shared between activities and funds. The Charity's policy is to allocate these costs on the basis of estimated time spent or consumption of resource.

##### **Fund Accounting**

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

# **Stiwt Arts Trust Limited**

## **Company Limited by Guarantee**

### **Notes to the Financial Statements** *(continued)*

**Year ended 31 March 2017**

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#### **3. Accounting policies** *(continued)*

##### **Incoming Resources**

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

##### **Resources Expended**

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

##### **Tangible Assets**

All fixed assets are initially recorded at cost.

# **Stiwt Arts Trust Limited**

## **Company Limited by Guarantee**

### **Notes to the Financial Statements** *(continued)*

#### **Year ended 31 March 2017**

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#### **3. Accounting policies** *(continued)*

##### **Depreciation**

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

|                                                       |   |                      |
|-------------------------------------------------------|---|----------------------|
| Fixtures, Fittings & Equipment                        | - | 15% reducing balance |
| Freehold Building & Development of Leasehold Property | - | 2% straight line     |

##### **Impairment of Fixed Assets**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

##### **Stocks**

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

##### **Financial Instruments**

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

# Stiwt Arts Trust Limited

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31 March 2017

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#### 3. Accounting policies *(continued)*

##### Financial Instruments *(continued)*

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

##### Defined Contribution Plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

#### 4. Limited by guarantee

The charity is a company limited by guarantee and carries out its objectives in accordance with the memorandum and articles of association.

#### 5. Donations and legacies

|                                     | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total Funds<br>2017<br>£ |
|-------------------------------------|----------------------------|--------------------------|--------------------------|
| <b>Donations</b>                    |                            |                          |                          |
| Donations from Friends of the Stiwt | 15,200                     | –                        | 15,200                   |
| Other Donations                     | 886                        | –                        | 886                      |
| <b>Grants</b>                       |                            |                          |                          |
| Grants Received                     | 68,036                     | 40,500                   | 108,536                  |
|                                     | <u>84,122</u>              | <u>40,500</u>            | <u>124,622</u>           |

# Stiwt Arts Trust Limited

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

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#### 5. Donations and legacies *(continued)*

|                                     | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total Funds<br>2016<br>£ |
|-------------------------------------|----------------------------|--------------------------|--------------------------|
| <b>Donations</b>                    |                            |                          |                          |
| Donations from Friends of the Stiwt | 13,500                     | –                        | 13,500                   |
| Other Donations                     | 2,310                      | –                        | 2,310                    |
| <b>Grants</b>                       |                            |                          |                          |
| Grants Received                     | 65,740                     | 31,186                   | 96,926                   |
|                                     | <u>81,550</u>              | <u>31,186</u>            | <u>112,736</u>           |

#### 6. Other trading activities

|                         | Unrestricted<br>Funds<br>£ | Total Funds<br>2017<br>£ | Unrestricted<br>Funds<br>£ | Total Funds<br>2016<br>£ |
|-------------------------|----------------------------|--------------------------|----------------------------|--------------------------|
| Sale of Theatre Tickets | 93,482                     | 93,482                   | 74,131                     | 74,131                   |
| Theatre Hire            | 33,586                     | 33,586                   | 28,264                     | 28,264                   |
| Catering and Bar Sales  | 8,906                      | 8,906                    | 13,581                     | 13,581                   |
| Sundry Income           | 2,247                      | 2,247                    | 4,295                      | 4,295                    |
| Room & Facilities Hire  | 23,806                     | 23,806                   | 12,770                     | 12,770                   |
|                         | <u>162,027</u>             | <u>162,027</u>           | <u>133,041</u>             | <u>133,041</u>           |

#### 7. Costs of raising donations and legacies

|                               | Unrestricted<br>Funds<br>£ | Total Funds<br>2017<br>£ | Unrestricted<br>Funds<br>£ | Total Funds<br>2016<br>£ |
|-------------------------------|----------------------------|--------------------------|----------------------------|--------------------------|
| Coffee shop and Bar purchases | 3,807                      | 3,807                    | 5,365                      | 5,365                    |
| Bar Wages                     | 5,847                      | 5,847                    | 4,157                      | 4,157                    |
|                               | <u>9,654</u>               | <u>9,654</u>             | <u>9,522</u>               | <u>9,522</u>             |

# Stiwt Arts Trust Limited

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

#### 8. Expenditure on charitable activities by fund type

|                     | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total Funds<br>2017<br>£ |
|---------------------|----------------------------|--------------------------|--------------------------|
| Stiwt Running Costs | 147,867                    | 51,591                   | 199,459                  |
| Technical Crew      | 5,332                      | –                        | 5,332                    |
| Support costs       | 29,218                     | 40,500                   | 69,718                   |
|                     | <u>182,417</u>             | <u>92,091</u>            | <u>274,509</u>           |

|                     | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total Funds<br>2016<br>£ |
|---------------------|----------------------------|--------------------------|--------------------------|
| Stiwt Running Costs | 157,549                    | 51,937                   | 209,486                  |
| Technical Crew      | 8,260                      | –                        | 8,260                    |
| Support costs       | 44,409                     | 31,186                   | 75,595                   |
|                     | <u>210,218</u>             | <u>83,123</u>            | <u>293,341</u>           |

#### 9. Expenditure on charitable activities by activity type

|                     | Activities<br>undertaken<br>directly<br>£ | Support<br>costs<br>£ | Total funds<br>2017<br>£ | Total fund<br>2016<br>£ |
|---------------------|-------------------------------------------|-----------------------|--------------------------|-------------------------|
| Stiwt Running Costs | 199,459                                   | 62,361                | 261,820                  | 266,046                 |
| Technical Crew      | 5,332                                     | –                     | 5,332                    | 8,260                   |
| Governance costs    | –                                         | 7,357                 | 7,357                    | 19,035                  |
|                     | <u>204,791</u>                            | <u>69,718</u>         | <u>274,509</u>           | <u>293,341</u>          |

#### 10. Analysis of support costs

|                | Stiwt<br>Running<br>Costs<br>£ | Total 2017<br>£ | Total 2016<br>£ |
|----------------|--------------------------------|-----------------|-----------------|
| Staff costs    | 49,936                         | 49,936          | 42,472          |
| General office | 12,425                         | 12,425          | 14,087          |
| Finance costs  | 7,357                          | 7,357           | 18,687          |
|                | <u>69,718</u>                  | <u>69,718</u>   | <u>75,246</u>   |

#### 11. Net income/(expenditure)

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

|                                       | 2017<br>£     | 2016<br>£     |
|---------------------------------------|---------------|---------------|
| Depreciation of tangible fixed assets | <u>59,964</u> | <u>61,226</u> |

# Stiwt Arts Trust Limited

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31 March 2017

#### 12. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

|                                         | 2017<br>£     | 2016<br>£     |
|-----------------------------------------|---------------|---------------|
| Wages and salaries                      | 60,510        | 54,874        |
| Employer contributions to pension plans | 202           | 16            |
|                                         | <u>60,712</u> | <u>54,890</u> |

The average head count of employees during the year was 5 (2016: 5). The average number of full-time equivalent employees during the year is analysed as follows:

|                                         | 2017<br>No. | 2016<br>No. |
|-----------------------------------------|-------------|-------------|
| Number of theatre staff                 | 1           | 1           |
| Number of bar staff                     | 1           | 1           |
| Number of administrative staff          | 1           | 1           |
| Number of management staff              | 1           | 1           |
| Number of caretaking and cleaning staff | 1           | 1           |
|                                         | <u>5</u>    | <u>5</u>    |

No employee received employee benefits of more than £60,000 during the year (2016: Nil).

#### 13. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity were received by the trustees.

#### 14. Tangible fixed assets

|                        | Fixtures and<br>fittings<br>£ | Freehold<br>Building &<br>Development<br>of Leasehold<br>Property<br>£ | Total<br>£       |
|------------------------|-------------------------------|------------------------------------------------------------------------|------------------|
| <b>Cost</b>            |                               |                                                                        |                  |
| At 1 Apr 2016          | 335,590                       | 2,557,162                                                              | 2,892,752        |
| Additions              | 1,667                         | –                                                                      | 1,667            |
| <b>At 31 Mar 2017</b>  | <u>337,257</u>                | <u>2,557,162</u>                                                       | <u>2,894,419</u> |
| <b>Depreciation</b>    |                               |                                                                        |                  |
| At 1 Apr 2016          | 278,454                       | 834,119                                                                | 1,112,573        |
| Charge for the year    | 8,820                         | 51,144                                                                 | 59,964           |
| <b>At 31 Mar 2017</b>  | <u>287,274</u>                | <u>885,263</u>                                                         | <u>1,172,537</u> |
| <b>Carrying amount</b> |                               |                                                                        |                  |
| <b>At 31 Mar 2017</b>  | <u>49,983</u>                 | <u>1,671,899</u>                                                       | <u>1,721,882</u> |
| At 31 Mar 2016         | <u>57,136</u>                 | <u>1,723,043</u>                                                       | <u>1,780,179</u> |

# Stiwt Arts Trust Limited

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31 March 2017

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#### 14. Tangible fixed assets *(continued)*

The leasehold development is held under terms of a lease with the Wrexham County Borough Council. Although the lease expired on 31 January 2011, confirmation has been received that the authority would renew or continue lease with the company for the next 25 years.

#### 15. Stocks

|                               | 2017         | 2016         |
|-------------------------------|--------------|--------------|
|                               | £            | £            |
| Raw materials and consumables | <u>1,000</u> | <u>1,000</u> |

#### 16. Debtors

|                                | 2017         | 2016         |
|--------------------------------|--------------|--------------|
|                                | £            | £            |
| Trade debtors                  | 6,611        | 4,967        |
| Prepayments and accrued income | 919          | 855          |
| Other debtors                  | <u>274</u>   | <u>274</u>   |
|                                | <u>7,804</u> | <u>6,096</u> |

#### 17. Creditors: amounts falling due within one year

|                                   | 2017          | 2016          |
|-----------------------------------|---------------|---------------|
|                                   | £             | £             |
| Bank loans and overdrafts         | 4,040         | 14,643        |
| Trade creditors                   | 30,677        | 50,945        |
| Social security and other taxes   | 4,859         | 3,862         |
| Other creditors - Commercial Card | 1,413         | 1,852         |
| Other creditors                   | <u>9,203</u>  | <u>6,889</u>  |
|                                   | <u>50,192</u> | <u>78,191</u> |

#### 18. Creditors: amounts falling due after more than one year

|                           | 2017           | 2016           |
|---------------------------|----------------|----------------|
|                           | £              | £              |
| Bank loans and overdrafts | <u>101,572</u> | <u>105,612</u> |

A Rhos Community Council loan with a balance of £75,263 (2016 - £75,263) is secured on a property owned by the company known as Bryn Maelor, Peter Street, Rhosllanerchrugog.

#### 19. Pensions and other post retirement benefits

##### Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £202 (2016: £16).

# Stiwt Arts Trust Limited

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

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#### 20. Analysis of charitable funds

##### Unrestricted funds

|               | At<br>1 Apr 2016<br>£ | Income<br>£    | Expenditure<br>£ | At<br>31 Mar 2017<br>£ |
|---------------|-----------------------|----------------|------------------|------------------------|
| General funds | <u>(59,837)</u>       | <u>246,149</u> | <u>(192,071)</u> | <u>(5,759)</u>         |

##### Restricted funds

|                       | At<br>1 Apr 2016<br>£ | Income<br>£   | Expenditure<br>£ | At<br>31 Mar 2017<br>£ |
|-----------------------|-----------------------|---------------|------------------|------------------------|
| Stiwt Refurbishment   | 1,662,052             | —             | (49,613)         | 1,612,439              |
| Arts Council of Wales | —                     | 40,500        | (40,500)         | —                      |
| Friends of Stiwt      | 151                   | —             | (23)             | 128                    |
| AVOW                  | 3,173                 | —             | (476)            | 2,697                  |
| Cory Grant            | 2,253                 | —             | (415)            | 1,838                  |
| Rhos C C              | 751                   | —             | (113)            | 638                    |
| Seren Nadolig         | 2,956                 | —             | (299)            | 2,657                  |
| Groundwork            | 4,350                 | —             | (652)            | 3,698                  |
|                       | <u>1,675,686</u>      | <u>40,500</u> | <u>(92,091)</u>  | <u>1,624,095</u>       |

# Stiwt Arts Trust Limited

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31 March 2017

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#### 20. Analysis of charitable funds *(continued)*

##### **Stiwt refurbishment**

The restricted fund represents grants and donations received for the restoration and development of the Stiwt.

##### **Arts Council of Wales**

This grant is provided as financial support for the Stiwt. Expenditure allocated against this grant includes salary costs.

##### **Friends of the Stiwt**

The grant was initially provided for new curtains for the theatre. These have been capitalised and the balance carried forward is the net book value amount of the asset.

##### **AVOW Grant**

This funding was to fund the lighting deck for the theatre. The cost of the lighting has been capitalised and the balance carried forward is the net book value amount of the asset.

##### **Cory Grant**

This funding was to fund the cost of the new mixing board for the theatre. The cost of the mixing board has been capitalised and the balance carried forward is the net book value of the asset.

##### **Rhos Community Council - seating contribution**

This funding was to fund the balance of the cost of the new seating for the theatre. The cost of the seating has been capitalised and the balance carried forward is the net book value amount of the asset.

##### **Seren Nadolig**

This funding was to fund the cost of the new sound system for the theatre. The cost of the sound system has been capitalised and the balance carried forward is the net book value amount of the asset.

##### **Groundwork Grant**

This funding was to fund the majority cost of the new seating for the Theatre. The cost of the seating has been capitalised and the balance carried forward is the net book value amount of the asset.

#### 21. Analysis of net assets between funds

|                                     | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total Funds<br>2017<br>£ |
|-------------------------------------|----------------------------|--------------------------|--------------------------|
| Tangible fixed assets               | 97,787                     | 1,624,095                | 1,721,882                |
| Current assets                      | 48,217                     | —                        | 48,217                   |
| Creditors – due less than 1 year    | (50,192)                   | —                        | (50,192)                 |
| Creditors - due greater than 1 year | (101,572)                  | —                        | (101,572)                |
| <b>Net assets</b>                   | <u>(5,760)</u>             | <u>1,624,095</u>         | <u>1,618,335</u>         |

# Stiwt Arts Trust Limited

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31 March 2017

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#### 22. Financial instruments

The carrying amount for each category of financial instrument is as follows:

|                                                                              | 2017<br>£      | 2016<br>£      |
|------------------------------------------------------------------------------|----------------|----------------|
| <b>Financial assets that are debt instruments measured at amortised cost</b> |                |                |
| Financial assets that are debt instruments measured at amortised cost        | <u>46,380</u>  | <u>17,631</u>  |
| <b>Financial liabilities measured at amortised cost</b>                      |                |                |
| Financial liabilities measured at amortised cost                             | <u>146,985</u> | <u>179,951</u> |

#### 23. Operating lease commitments

The total future minimum lease payments under non-cancellable operating leases are as follows:

|                                              | 2017<br>£    | 2016<br>£    |
|----------------------------------------------|--------------|--------------|
| Not later than 1 year                        | 2,555        | 2,444        |
| Later than 1 year and not later than 5 years | <u>1,890</u> | <u>3,115</u> |
|                                              | <u>4,445</u> | <u>5,559</u> |

#### 24. Related parties

Mr M Davies, Mr G Thomas and Mr W P Hanmer (Trustees of the Stiwt Arts Trust Limited) are also members of "Stiwt Friends". Stiwt Friends raised £15,200 in aid of the Stiwt Arts Trust Limited during the year (2016 - £13,500).

#### 25. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The charity transitioned to FRS 102 on 01 April 2015.

No transitional adjustments were required in the retained funds or income or expenditure for the year.