

**REPORT OF THE TRUSTEES AND UNAUDITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021
FOR**

N K THEATRE ARTS

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FOR THE YEAR ENDED 31 AUGUST 2021

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**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2021**

The trustees present their report with the financial statements of the charity for the year ended 31 August 2021. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

OBJECTIVES AND ACTIVITIES

Activities

The principal activity of the charity continues to be that of providing the opportunity for people of all ages, irrespective of ability, disability, status or culture to realise their full potential through the exploration of performing arts. This will be undertaken within an environment where individuals are not labelled and all members are given an equal opportunity to grow and enjoy the concept of arts for all. Our aim is to promote self-belief and dispel self-doubt, enabling people to be heard who might otherwise be overlooked.

In deciding which activities to undertake the trustees have paid due regard to the Charity Commission's guidance on public benefit.

Policies and organisation

N K Theatre Arts has a board of Trustees consisting of interested individuals and volunteer representatives. The Trustees bring a broad range of expertise to the organisation covering finance and banking, strategic management, HR, Safeguarding. The Board has specific sub-groups, which are mandated to plan and review certain areas of work, which report to the full board.

ACHIEVEMENT AND PERFORMANCE

Overview

A detailed review of the achievements can be found in the Annual Report September 2020 to August 2021.

As with many other Charitable organisations, the company has been greatly affected by the Covid-19 Pandemic. The Forum Theatre was closed to the public following advice from Stockport Council in March 2020 and did not reopen to the public until June 2021 leaving little trading opportunities for us during the year. We continued to take advantage of the government Furlough Scheme to reduce the burden of payroll pressure and reduced exposure as much as possible placing relevant contracts on hold and ceased with any planned spend. We were also crucially supported by the Culture Recovery Fund, having been successful in both funding rounds.

Without this support, it would have been very difficult for the Charity to continue to operate at the levels we are able to do so with theatres re-opening in the summer.

Membership and workshops

All of our workshops this year took place via zoom, or in a socially distanced environment, which proved most challenging for our artistic team, but we were able to continue to offer regular opportunities for performing arts to our members who, in unique circumstances were still able to learn and share time together. We look forward to welcoming all through our doors again at the start of next season.

Theatre in education

Once again, this area was decimated for us this year. Access to schools has understandably been non-existent with our only project a socially distanced Christmas pantomime in a local school.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2021**

NK Theatre Arts Corporate Supporters

With no operating theatre for the majority of the year, all of our support was essentially parked for the year, with businesses unable to receive any promotion from theatre visits, use tickets, or advertise in programmes. We did receive some support, but we hope to re-engage with our supporters next year when we hope to be operational again.

Forum Theatre

The theatre was only opened to the public in June 2021. We were able to operate two socially distanced events, namely a Murder Mystery Evening and a Comedy Night. We also had two hirers return before our August summer workshops. During the closure, we were able to work on improving facilities behind the scenes with new flooring installed in our Green Room and backstage toilet areas, with LED lighting now in place throughout the building. This will help reduce our carbon footprint as well as lower our energy costs. New signage is also in place as are plans for improvements to external lighting at the theatre.

We have improved the sound in the theatre with a new desk, speakers, and have new screens installed in the auditorium. This will help us attract new hirers moving forwards with facilities able to support live music as well as theatrical events.

We have been supporting the Bredbury and Romiley Community Association during this period of closure, with a new suspended ceiling installed in their main room and LED lighting throughout the centre. We also refurbished the main room to modernise facilities and, when sessions return, this should help promote the association to other local groups who may need a space for their classes and events.

Grants

We continued to receive government furlough funding, together with support from the Culture Recovery Fund and were awarded funding from The Garfield Western Foundation. All of this funding has been used towards the core costs of our organisation allowing us to maintain operation throughout the year.

Health and Safety

We continued to review procedures and Risk Assessments in readiness for the return of staff during the Covid Pandemic as well as prepare each for each individual event in its own unique way as we prioritised Health and Safety when reopening the theatre. We continue to provide sanitisation points throughout the building as an ongoing concern and will continue to follow all government advice as and when it changes.

Banking

We took advantage of the Government's Current Account switch scheme and were paid £4,000 to move current account operations from Nat West to The Co-Operative. This switch occurred during the year.

FINANCIAL REVIEW

Investment policy

The charity places any surplus funds on deposit in an interest bearing bank account.

Financial review and reserves

The board of trustees are responsible for the financial management policies. Annual budgets are prepared and approved at the commencement of each year and actual incoming and outgoing resources are monitored at regular intervals.

The charity's funding stream is primarily subscriptions, sponsorship, grants and donations, bar takings, shows and theatre hire.

Income has slightly increased to £343,597 (2020 - £308,093) with Expenditure at £330,397 (2020 - £324,115).

Net surplus resources for the year is £10,641 (2020 – £16,022 Deficit)

Unrestricted funds are £215,825 (2020 - £202,625) and the trustees consider this level needs to be maintained to enable the effective financial management of its activities at their present level.

Given the overall situation regarding Covid-19 and the devastating effect it has had on the nation, the Trustees believe that they have navigated the Charity through this period as best as practicably possible and are pleased to have secured a small surplus this year. The board hope to secure further short term support as the company looks to re-open it's funding streams in a timely manor to pre-pandemic levels. The Trustees would like to place on record their thanks to the staff and volunteers who have supported the company throughout this period of uncertainty.

PLANS FOR FUTURE PERIODS

We continue to request financial support as we look to open up slowly and safely next year. We know that many events will be delayed for us and our visiting producers, which could affect cash flow in the short term, and we hope to address that.

We remain in discussion with Stockport MBC regarding the long-term future of The Forum Theatre and plans beyond our existing lease, which finishes in 2033.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes an unincorporated charity.

Risks

The trustees have identified the major risks that the charity may be exposed to in the next financial year and have established strategies to manage those risks.

N K THEATRE ARTS

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2021**

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number
1049259

Principal address
The Forum Theatre
Compstall Road
Romiley
Stockport
Cheshire
SK6 4EA

Trustees

The Trustees who served during the year were as follows:

Stuart Dean (Chair)
Ann Wrigley (Vice Chair)
Peter Curran (Secretary)
Elizabeth Dunn
Richard Hall
Michael Lamont
Wendy Meikle
Leanne Thorniley
Julian Stafford.

The finances of the company are overseen by a Finance Committee comprising Stuart Dean, Michael Lamont and Darren Stannage.

The day to day management of the Charity is delegated by the charity trustees to Darren Stannage and the Management team.

Approved by order of the board of trustees on and signed on its behalf by:



.....
S Dean (Chair / Trustee)

**STATEMENT OF TRUSTEES RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021**

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which gives a true and fair view of the state of affairs of the charity and of its incoming resources and application of resources for that period. In preparing these financial statements, the trustees are required to:

- (a) select suitable accounting policies and apply them consistently;
- (b) observe the methods and principles in the charities SORP;
- (c) make judgements and estimates that are reasonable and prudent;
- (d) state whether applicable accounting standards have been followed, subject to any departures disclosed and explained in the financial statements;
- (e) prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping accounting records that disclose with reasonable accuracy at any time the financial position of the charity and them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations and the provisions of the rules. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF N K THEATRE ARTS

Independent examiner's report to the trustees of N K Theatre Arts

I report to the charity trustees on my examination of the accounts of N K Theatre Arts (the Trust) for the year ended 31 August 2021.

Responsibilities and basis of report

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I confirm that there are no other matters to which your attention should be drawn to enable a proper understanding of the accounts to be reached.



D Wilson & Co
21, Charnwood Avenue
Denton
Manchester
M34 2WY

Date: 24/11/21

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

The charity has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirement of Section 33 Related Party Disclosure paragraph 33.7.

Incoming resources

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy.

Contracts and grants are reflected in the accounts when receivable.

Resources expended

Expenditure has been charged to the income and expenditure account on the accruals basis. The irrecoverable element of VAT is included with the item of expense to which it relates.

Charitable expenditure comprises these costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the fees and costs linked to the strategic management of the charity.

Tangible fixed assets

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

Land and buildings	- Straight line over 5 years
Plant and machinery	- 20% reducing balance basis
Fixtures and fittings	- 10% reducing balance basis

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2021

1. ACCOUNTING POLICIES – continued

Taxation

The organisation is exempt from income tax by reason of its charitable status. Income tax suffered on investment income is reclaimed in full.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Leasing commitments

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

Pension costs

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

N K THEATRE ARTS

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Restricted Funds 2021	Unrestricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
INCOMING RESOURCES					
Sponsorships	2		1,592	1,592	7,086
Grants, donations and fundraising	3		222,854	222,854	85,640
Investment income	4		12	12	357
Income resources from charitable activities	5		81,705	81,705	199,062
Other income resources	6		37,442	37,442	15,948
TOTAL INCOMING RESOURCES		<u>-</u>	<u>343,605</u>	<u>343,605</u>	<u>308,093</u>
RESOURCES EXPENDED					
Cost of generating funds	7		194,069	194,069	202,198
Overheads in furtherance of charitable objectives	8		54,910	54,910	48,301
Costs of activities in furtherance of charitable objectives	9		35,503	35,503	37,883
Support and governance costs	10		9,994	9,994	11,849
Depreciation	13		38,488	38,488	23,884
TOTAL RESOURCES EXPENDED		<u>-</u>	<u>332,964</u>	<u>332,964</u>	<u>324,115</u>
NET INCOME / (EXPENDITURE)			10,641	10,641	(16,022)
RECONCILIATION OF FUNDS					
Total funds brought forward			202,625	202,625	118,647
Contribution Funds to Seating					100,000
TOTAL FUNDS CARRIED FORWARD		<u>-</u>	<u>213,266</u>	<u>213,266</u>	<u>202,625</u>

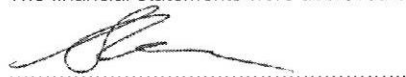
The notes form part of these financial statements

N K THEATRE ARTS

BALANCE SHEET
AT 31 AUGUST 2021

	Notes	2021 £	£	£	2020 £
FIXED ASSETS					
Tangible assets	13		121,548		128,349
CURRENT ASSETS					
Stocks	14	700		341	
Debtors	15	15,946		33,519	
Cash at bank and in hand		118,184		100,303	
		<u>134,830</u>		<u>134,163</u>	
CREDITORS					
Amounts falling due within one year	16	<u>43,112</u>		<u>59,887</u>	
NET CURRENT ASSETS			91,718		74,276
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>213,266</u>		<u>202,625</u>
FUNDS					
Unrestricted funds			213,266		202,625
Restricted funds			-		-
TOTAL FUNDS			<u>213,266</u>		<u>202,625</u>

The financial statements were approved by the Trustees on 25.11.21 and were signed on their behalf by:



Mr S Dean (Chair of Trustee Board)

N K THEATRE ARTS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

2. SPONSORSHIPS

	2021 £	2020 £
Sponsorship income - 1000 Club	1,592	7,086

3. GRANTS, DONATIONS AND FUNDRAISING

	2021 £	2020 £
Grants, donations and fundraising	222,854	85,640

4. INVESTMENT INCOME

	2021 £	2020 £
Interest received	12	357

5. INCOME RESOURCES FROM CHARITABLE ACTIVITIES

	2021 £	2020 £
Subscriptions and memberships	35,413	45,608
Workshops, shows and events	32,927	80,845
Theatre hire	2,988	30,893
Bar sales	9,840	41,229
Merchandising	537	487
	<u>81,705</u>	<u>199,062</u>

6. OTHER INCOME RESOURCES

	2021 £	2020 £
Rent received - Café	11,109	10,148
Management charges - BRCA	0	5,800
Other Sundry Income	26,333	0
	<u>37,442</u>	<u>15,948</u>

7. COSTS OF GENERATING FUNDS

	2021 £	2020 £
Staff salaries, national insurance and pension costs	159,861	162,295
Self employed administrators	28,170	20,965
Freelance practitioners	0	0
BRCA Costs	953	0
Bar purchases	5,007	17,672
Refreshments	0	1,232
Travelling expenses	78	34
	<u>194,069</u>	<u>202,198</u>

8. OVERHEADS IN FURTHERANCE OF CHARITABLE OBJECTIVES

	2021	2020
	£	£
Theatre hire	1,996	4,582
General rates	386	-
Heat, light and water	17,678	22,428
Training	400	-
Repairs and equipment	19,116	11,305
Cleaning	1,147	1,036
Health and safety costs	7,620	2,397
Telephone and internet	3,668	2,123
Sanitation and waste	2,577	3,785
Sundry expenses	322	645
	<u>54,910</u>	<u>48,301</u>

9. COSTS OF ACTIVITIES IN FURTHERANCE OF CHARITABLE OBJECTIVES

	2021	2020
	£	£
Workshops, shows and events	20,121	33,110
Merchandising	1,162	408
Publicity and advertising	13,453	1,467
Auditorium Seating Project	-	-
Sale of Equipment	-	2,700
Fundraising expenses	767	198
	<u>35,503</u>	<u>37,883</u>

10. SUPPORT AND GOVERNANCE COSTS

	2021	2020
	£	£
Insurances	5,304	4,486
Accountancy fees	320	320
Bank interest and charges	564	983
Credit card charges	722	1,070
Office Equipment	351	1,987
Postage, printing and stationery	683	1,025
Licence fees	2,050	1,978
Bad debts	-	-
	<u>9,994</u>	<u>11,849</u>

11. TRUSTEES' REMUNERATION AND BENEFITS

There was no trustees' remuneration paid in year to 31 August 2021 (Y.E. 31 August 2020 was nil)

There were no trustees' expenses paid for the years ended 31 August 2021 and 31 August 2020.

12. STAFF COSTS

The average number of employees during the year was 25 (2020 - 24).

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

13. TANGIBLE FIXED ASSETS

	Land & Buildings £	Plant & Equipment £	Fixtures & Fittings £	Total £
COST				
At 1 September 2020	16,517	176,301	100,000	292,818
Additions	-	27,955	3,733	31,688
Disposals				-
At 31 August 2021	<u>16,517</u>	<u>204,256</u>	<u>103,733</u>	<u>324,506</u>
DEPRECIATION				
At 1 September 2020	9,910	144,560	10,000	164,470
Charge for year	3,303	11,939	23,246	38,488
Disposals				-
At 31 August 2021	<u>13,213</u>	<u>156,499</u>	<u>33,246</u>	<u>202,958</u>
NET BOOK VALUE				
At 31 August 2020	<u>3,304</u>	<u>47,757</u>	<u>70,487</u>	<u>121,548</u>
At 31 August 2021	<u>6,608</u>	<u>31,741</u>	<u>90,000</u>	<u>128,349</u>

14. STOCKS

	2,021 £	2,020 £
Bar	600	200
Merchandising	-	141
ices	100	-
	<u>700</u>	<u>341</u>

15. DEBTORS

	2,021 £	2,020 £
Trade debtors	3,167	3,769
Prepayments and accrued income	6,779	22,000
Gift aid debtor	6,000	7,750
	<u>15,946</u>	<u>33,519</u>

16. CREDITORS

	2,021 £	2,020 £
Trade creditors	38,438	46,111
Social security and other taxes	1,971	991
Accruals and deferred income	2,703	12,785
	<u>43,112</u>	<u>59,887</u>

17. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 August 2021.