

PEGASUS THEATRE TRUST
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2023

Company No: 03038190

Charity No: 1055305

Report of the Trustees

The Trustees present their report and the audited financial statements of the charity for the year ended 31st March 2023. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

The directors of the charitable company are its trustees for the purposes of charity law. The trustees who have served during the year and since the year end were as follows:

J Coller	(Appointed 27 October 2023)
G L Geary	(Resigned 28 June 2022)
E Havard	(Resigned 26 October 2022)
R Jones	(Appointed 27 October 23)
B J Joshua	
N Lloyd	
E MacDonald	
T Page	(Appointed 8 December 2022)
R Price	
S Sansom	(Resigned 26 October 2022)

Reference and Administrative Details

Chief Executive Officer	AH Cole
Company Number	03038190
Charity Number	1055305
Registered Office & Business address	Pegasus Theatre Trust Magdalen Road Oxford OX4 1RE
Principal bankers	Co-operative Bank plc P O Box 250 Skelmersdale WN8 6WT
Independent examiners	Joshua Kingston BSc ACA Burton Sweet Limited Chartered Accountants The Clock Tower 5 Farleigh Court Old Weston Road Flax Bourton Bristol BS48 1UR

Report of the Trustees (continued)

Objectives and activities

The objects of the company, as stated in its memorandum of association, are to advance the education of the public in the practice and appreciation of the arts, in particular, but not exclusively, for the benefit of children and young people.

Mission

Young people are the life force of Pegasus.

We provide the inspiration for journeys filled with creative opportunity, aspiration and imagination. Through listening and responding to the needs, ideas and energy of all those who find a home within it, Pegasus is a pioneering force creating the present, challenging and shaping the future and making an enduring impact on the vitality of the performing arts locally, regionally and nationally.

Vision

We will be recognised as a pioneering force in the performing arts with our work for, by and with young people providing outstanding opportunities for them to experience and create in the present, challenge and shape the future and make an enduring impact on the vitality of the performing arts locally, regionally and nationally.

The continual development of our artistic and organisational ambition will be shaped by listening and responding to the needs, ideas and energy of all those who find a home with us and informed by the creativity, skills and talents we will nurture in young people and staff alike.

Whilst recognising the needs and expectations of each young person who engages with us will vary, we will provide the space and support to enable young people to embark on individual journeys of personal growth filled with creative opportunity, aspiration and imagination.

We will be bold in our approach to securing a sustainable future for the organisation, reach out to partners who can support us, be nimble and adaptable to the ever-changing environment that surrounds us and ensure the choices we make enable us to work in innovative, viable and inspiring ways.

We will be at the heart of the communities we serve and foster a sense of belonging that encourages people of all ages, backgrounds and cultures to experience together outstanding creative experiences that are vibrant, urgent and exciting.

Public Benefit Statement

The Trustees consider that, having paid due regard to the public benefit guidance published by the Charity Commission, they have complied with the duty placed upon them in section 17(5) of the Charities Act 2011.

Achievements and performance

Continuing our focus on providing creative opportunities for young people and their families we have built on our ability to flex our operating model, gathered wider opinion from our community to develop a programme that is continually responsive to the needs and interests of our audiences. We have over the year worked with project partners with shared ambitions to bring an impactful range of opportunities to our programme. Our staff team continues to adapt with Artistic Director, Georgia Bradley who joined us in July, the establishment the new role of Community Engagement Manager and the restructuring of roles within our front of house team this year.

We have maintained our commitment to providing inspiring and high-quality projects for children, young people and their families. Our weekly classes, projects and young companies offer opportunities for young people to create and share their own work and in-depth support helps their development in performance skills and creative thinking, in turn building confidence, self-esteem, problem solving and communication skills. In the context of shrinking opportunities for arts and culture education in our schools, this role has never been more important.

Our two year-long young companies (11-15 and 16-25) have provided skills development, stage craft and performance opportunities culminating in successful public productions. We have also provided theatre technical skills development and training for young people through a technical young company (14-18s) which worked alongside our other young companies on their annual productions. The 11-15 Young Company

Report of the Trustees (continued)

worked throughout the year towards their production of Heavy Weather with public performances in July 22. The 16-25 Young Company presented The Government Inspector, in December.

We continued to support participation by young people who are experiencing multiple disadvantages and who have little or no access to the arts, through our free to access inclusion programme. This programme offers weekly creative and drama-based sessions for young people who have been referred from schools, social services and early intervention hubs: the Looking Forward programme is geared to the needs of vulnerable young women (11-18s, two groups); and the Acting Out programme is offered to children who are experiencing a range of challenging life circumstances (8-11s). These projects offered creative activities and in-depth support to help participants build confidence and self-esteem, positively interact with their peers, make new friendships, develop new skills and get some respite from their challenging daily lives.

We aim to ensure that every young person who wants to participate at Pegasus can do so. We have maintained affordable prices across the full range of our activities; and we ensure that our courses and young companies provide supported spaces for participants who face multiple barriers to engaging with the arts, including financial barriers, physical or learning difficulties and social support needs. Some young people we worked with have complex needs, for example autism and cerebral palsy, and required enablers to accompany them to every class or rehearsal so that they can participate fully.

In June 2022, we welcomed our first Community Engagement Manager and increased our capacity to build relationships within our diverse and underserved local communities, identifying currently unmet needs and collaborating with local organisations to widen and deepen engagement. Over the year this has resulted in Pegasus actively participating in local networks, including Oxfordshire Youth's Changemaker Network, increased involvement in local events such as Flo Fest and Oxford City Christmas Lights Festival and building relationships with organisations such as Damascus Rose Kitchen, a social enterprise supporting refugee women, Imperfect Bound, a queer zine collective, and youth clubs in Rose Hill and Barton, areas experiencing multiple disadvantages. We collaborated on a series of "Studio Saturday" pilot sessions in partnership with award-winning Oxford based learning disability charity Yellow Submarine. These creative workshops for young people with learning disabilities included music, dance, drama and puppetry.

The delivery of the Acting Diploma for 16-18s in partnership with Bristol School of Acting and The River Learning Trust continued with a new intake of students in September and saw a production of Her Naked Skin in July 22. Our long-standing partnership with Magdalen College School to support the delivery of their Theatre Academy included productions of Julius Caesar and Porridge this year.

Our creative learning programme has seen attendances of over 6,300 across the year alongside daily attendance by 35 Acting Diploma students.

Over the year we welcomed audiences of over 7,000 to our show programme presenting over 110 performances on Fridays and Saturdays which included some of the most exciting companies producing work for children, young people and families. The programme included increasing representation of work from global majority and disability-led companies sourced through existing relationships with companies such as Tangle Theatre and BLINK dance and new relationships developed through networks such as house and the children and young people programming network.

Financial review

The (£273,309) deficit for the year is reported after charging £170,504 depreciation to the building fund which is a non-cash movement. This year we were successful in securing Arts Council National Portfolio status and funding for the next four years 23-26 period and Oxford City Council Funding for 22-25. However, fundraising from other sources proved difficult and the cash deficit for the year of £97,680 (2022 deficit £52,802) is the result of this.

Reserves Policy

Pegasus Theatre Trust holds reserves in order to provide business stability and to invest in its charitable and artistic activities. The Trustees review the reserve levels of the charity annually. This review encompasses the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees also take into consideration the future of the charity, the uncertainty over future income streams and other key risks identified during the risk review.

Report of the Trustees (continued)

Total current funds are £2,285,301 of which £2,075,688 is the Designated Building Fund and represents the residual value of grants from Arts Council England, Southeast, The Big Lottery Fund and other donations which contributed to the capital project (2010). The fund is reduced annually by the charge for depreciation of the building.

The Trustees have established that in addition to the general free reserves, there would be three additional designated reserve funds - the strategic fund, the asset replacement fund and the Young Companies' production fund.

The designated strategic reserve total at March 2023 is £146,000. This is equivalent to 12 weeks of current gross expenditure which is sufficient to meet contractual liabilities should the organisation have to close or cease trading for any period. This includes redundancy pay, amounts due to creditors and commitments under leases. It is the trustees' intention to maintain this designated strategic fund level at 12 weeks of current gross expenditure.

The designated asset replacement fund total at March 2023 is £22,000 for essential maintenance to the now 10-year-old building.

The Young Companies' production fund currently stands at £10,000. This fund can be used over the period of the current five-year business plan, to underwrite Young Company productions at times when other sources of funding may be difficult to secure.

The current level of free reserves is £8,845 and the trustees believe that this is sufficient to maintain working capital for the foreseeable future. It is the trustees' intention to maintain this reserve between £5,000 and £25,000.

Investment powers and policy

Under the memorandum and articles of association, the trustees of the charity have the power to invest as they see fit in the furtherance of the charity's objectives. The trustees' investment policy is to obtain as high an income as possible with low risk. Such funds should be easily accessible given the requirement to hold liquid funds to meet cash flow demands and unexpected liabilities. The funds are therefore invested with the Co-operative and Virgin Money Banks. The investments provided a return of 0.14% in the year ended 31st March 2023.

Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

Future plans

In the course of the coming year (2023/24) we are planning to invest in an organisation development programme to bring about positive changes in the inclusivity and diversity of the theatre. We aim to embed processes that will ensure that we fully represent and reflect the diversity of the communities we serve into the future. We will ensure we provide value for money by investing our resources, be they time or money, efficiently, continually reviewing where we direct our resources in relation to the needs and expectations of our young audiences and wider community. Ever mindful of our impact on future generations we will continue to implement our environmental action plan.

In recent recruitments the board successfully increased representation of younger people and those directly working in the arts. The next priority is to bring fresh energy to the team by addressing under representation from people of the global majority and local community arts practitioners.

We will relaunch our Youth Advisory Board which will embed the process of young people informing decision-making across the organisation, reflecting the interests and enthusiasm of young people, raising their confidence and aspiration, and deepening their understanding of the impact and cultural capital their voice can have. The programme will include training, mentoring sessions with Board buddies and up to two self-

Report of the Trustees (continued)

determined projects each year with the remit of increasing relevance and widening our reach, for example digital/social media takeovers, open day events and devising and testing a new afterschool activity.

With the aim of reaching more young people with limited opportunities to engage with creative activity within our local communities we will develop new offsite projects that directly respond to an expressed need or interest. We will commission a writer and undertake R&D for a new school touring project. As part of our commitment to support early career opportunities in the arts, in 2021 we established a two-year full-time Trainee Programmer role for school leavers/non university graduates, supporting career development with mentoring, training, skills development and networking. The first post-holder has had a successful two years and we will be recruiting a new Trainee Programmer in 2023/24.

Structure, governance and management

Pegasus Theatre Trust is a company limited by guarantee governed by its memorandum and articles of association dated 27 March 1995 as amended by special resolution dated 7 February 1996 and 21 October 2008. It is registered as a charity with the Charity Commission from 13 May 1996. The liability of members in the event of a winding up is limited by guarantee to an amount not exceeding £1 per member. At the balance sheet date there were 7 members.

In October 2014 the company formed a subsidiary, Pegasus Theatre Productions Ltd.

Appointment of Trustees

Pegasus Theatre Trust as a registered charity is governed by a board of trustees who are also directors of the company. Details of the trustees and directors are given on page 1. Each trustee is expected to remain in office for five years and may be re-elected for one further three-year term but may not be re-elected for a further term in office unless exceptional circumstances apply. Recruitment takes place as required and is also informed by a regular skills audit to ensure the changing needs of the organisation can be supported.

All trustees have a discussion with the chair, other members of the board and executive team prior to appointment which provides a summary of the trust's development to date and its current position. The new trustees have an opportunity to discuss the issues that arise and ask any questions. New trustees also receive a written role description, details of principal responsibilities and duties, recent minutes, some historical information and the current business plan, as well as the memorandum and articles of association and most recent accounts. All trustees receive an induction, which includes meeting the wider staff team, visits to a variety of Pegasus activities, in-house mentoring and training where necessary. Any trustee who will be in unsupervised contact with young people is required to be checked through the Disclosure and Barring Service.

Organisation

The Board of Trustees administer the charity. The board meets four times a year. In November 2018 the chairs' committee was disbanded and there is two sub-committees which allow for more detailed discussion and scrutiny at separate meetings the development committee: and the finance and resources subcommittee meets four times a year prior to board meetings.

The Executive Director as Chief Executive Officer directs the strategic development and day-to-day operations of the charity with the support of the Creative Learning Director and Artistic Director.

Key Management Personnel Remuneration

The Trustees consider the Board of Trustees, Chief Executive Officer, Artistic Director and Creative Learning Director as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day-to-day basis. All trustees give of their time freely and no trustee remuneration was paid in the year. Details of trustee expenses and related party transactions are disclosed in note 7 & 19 to the accounts.

Trustees are required to disclose all relevant interests and in accordance with the Trust's policy withdraw from decisions where a conflict of interest arises. The pay of the key management personnel is reviewed annually by the trustees to ensure that it is fair and not out of line with similar roles.

Related Parties

Report of the Trustees (continued)

Arts Council England, Southeast and Oxford City Council provide essential core funding and have nominated representation on the board as non-voting observers. Details of transactions with these organisations are provided in note 19 to the accounts. The charity has one wholly owned subsidiary which currently does not trade.

The chair of Pegasus Youth Board is co-opted as trustee to the board with full voting rights or as non-voting observer depending on age.

Fundraising Practice

The organisation has signed up to the Fundraising Regulator's Code of Fundraising Practice. Any direct fundraising marketing is undertaken by the executive team to ensure it is not unreasonably intrusive or persistent. All fundraising material includes details of how to unsubscribe from all future mailings or contact. There have been no complaints made regarding fundraising activity during the year.

Risk Management

The trustees are responsible for the management of risks faced by the organisation. The board carries out a formal review of the charity's risk management processes on an annual basis and the charity maintains a risk register which is regularly monitored and reviewed by the board.

The key areas of risk where management failure would carry a potential threat to the organisation have been identified as follows: failures in statutory and regulatory compliance regarding the safeguarding of young people, reductions in income generated and failing to respond to changing funding environments, exceeding organisational capacity. The management of risk and the effectiveness of all material internal controls, including operational, financial and compliance controls is ongoing and reviewed and assessed by the senior management team, and is regularly reviewed by the board.

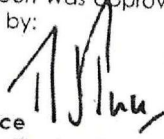
Statement of Trustees responsibilities

The trustees (who are also directors of Pegasus Theatre Trust for the purposes of company law) are responsible for preparing the Trustees' Report (incorporating the strategic report and directors' report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Accepted Accounting Practice). Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the 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 judgments 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 inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that 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.

This report was approved by the Board of Directors and Trustees on **26 September 2023** and signed on its behalf by:


Bob Price
Director/Trustee (Chair)

Independent examiner's report to the trustees of Pegasus Theatre Trust ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31st March 2023.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

Since the Company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

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

- accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
- the accounts do not accord with those records; or
- the accounts do not comply with the accounting requirements of section 396 of the 2006 Act 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; or
- the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.


Joshua Kingston BSc ACA
Burton Sweet Limited
The Clock Tower
5 Farleigh Court
Old Weston Road
Flax Bourton
Bristol BS48 1UR

Date: 26/09/2023

Statement of Financial Activities *(Incorporating an Income and Expenditure Account)*

		Unrestricted	Restricted	2023	2022
	Note	£	£	Total	Total
				£	£
Income from:					
Grants and donations	2	359,422	13,102	372,524	461,310
Charitable activities	3	142,398	-	142,398	117,634
Total income		<u>501,820</u>	<u>13,102</u>	<u>514,922</u>	<u>578,944</u>
Expenditure on:					
Raising funds	4	14,698	-	14,698	39,590
Charitable activities	5	735,361	38,172	773,533	722,664
Total expenditure		<u>750,059</u>	<u>38,172</u>	<u>788,231</u>	<u>762,254</u>
Net income / (expenditure)	6	(248,239)	(25,070)	(273,309)	(183,310)
Transfers	17	-	-	-	-
Net movement in funds	17	(248,239)	(25,070)	(273,309)	(183,310)
Total funds at 1 April 2022	17	2,531,844	26,766	2,558,610	2,741,919
Total funds at 31 March 2023	17	<u>2,283,605</u>	<u>1,696</u>	<u>2,285,301</u>	<u>2,558,610</u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above.

The notes on pages 11 to 22 form part of these financial statements.

Prior year fund comparatives are contained in note 8.

Balance Sheet at 31 March 2023

Company No: 03038190

		£	2023 £	2022 £
Fixed Assets	Note			
Tangible Fixed Assets	10	2,096,759		2,270,842
Investments	11	<u>1</u>		<u>1</u>
			2,096,760	2,270,843
Current Assets				
Debtors	12	36,698		30,483
Stock	13	1,190		1,309
Cash at Bank and in Hand		<u>214,481</u>		<u>312,161</u>
			252,369	343,953
Creditors: Amounts Due Within 1 Year	14		(63,828)	(56,186)
Net Current Assets			188,541	287,767
Net Assets			2,285,301	2,558,610
Funds				
Restricted Funds	18		1,696	26,766
Unrestricted Funds	18		2,283,605	2,531,844
Total Funds			2,285,301	2,558,610

For the year ending 31 March 2023 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476,
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

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

Approved and authorised for issue by the Board of Directors on **26 September 2023** and signed on its behalf by


Bob Price
Director/Trustee

The notes on pages 11 to 22 form part of these financial statements.

Statement of Cash Flows

			2023	2022
			£	£
Net cash inflow from operating activities	Notes	A	(89,349)	(27,975)
Non - operational cashflows:				
Cash flows from investing activities				
Interest received			(71)	(16)
Acquisition of tangible fixed assets			(8,260)	(24,811)
Net cash outflow for the year	Notes	B	<u>(97,680)</u>	<u>(52,802)</u>

Notes to the Cashflow Statement

A. Reconciliation of net movement in funds to net cash inflow from operating activities

			2023	2022
			£	£
Net movement in funds	Notes	C	(273,309)	(183,309)
Interest received			71	16
(Increase)/decrease in debtors			(6,215)	(10,448)
(Increase)/decrease in stock			119	75
Increase/(decrease) in creditors			7,642	(16,520)
Depreciation			182,343	182,211
Net cash inflow from operating activities			<u>(89,349)</u>	<u>(27,975)</u>

B. Analysis of changes in cash during the year

	2023	2022	Change
	£	£	£
Cash at bank and in hand	<u>214,481</u>	<u>312,161</u>	<u>(97,680)</u>

	2022	2021	Change
	£	£	£
Cash at bank and in hand	<u>312,161</u>	<u>364,963</u>	<u>(52,802)</u>

C. Cashflow restrictions

Charity law prohibits the use of net cash inflows on any endowed or other restricted fund to offset net cash outflows on any fund outside its own objects, except on special authority. In practice, this restriction has not had any effect on cashflows for the year.

The notes on pages 11 to 22 form part of these financial statements.

Notes to the financial statements

1. Summary of accounting policies

1.01 General information and basis for preparation

The financial statements have been prepared in accordance with the historical cost convention (except for investments which have been included at fair value) and in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 (or Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2019).

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The charity is a public benefit entity as defined under FRS 102.

1.02 Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.03 Income recognition

All income is included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably, and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained, then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102).

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity where it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

The charity receives government grants via Arts Council England and Oxford City Council. Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received, and the amount can be measured reliably. If entitlement is not met, then these amounts are deferred. Investment income is all earned from cash holdings in bank deposit accounts. Other income includes gains on disposals of tangible fixed assets.

Notes to the financial statements

1.04 Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required, and the amount of the obligation can be measured reliably. It is categorised under the following headings:

Costs of raising grants and donations include salaries, the cost of fundraising events and promotional material.

Expenditure on charitable activity includes production costs, fees paid for received programme, costs in relation to delivery of the participation programme and all other costs directly connected with activity the charity undertakes.

1.05 Support cost allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative and payroll costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings, they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources. Overheads have been allocated on a per capita basis. The analysis of these costs is included in note 5.

1.06 Tangible fixed assets

These are included at cost less accumulated depreciation. All fixed assets over £300 are capitalised. The company has built a new theatre which was commissioned in May 2010. Costs directly connected with the construction of the new theatre including architects' fees, structural engineers' costs and direct project management costs have been capitalised. Depreciation is calculated to write off their cost over their expected useful lives as follows:

Fixtures, fittings and equipment	4 years
Building	25 years

1.07 Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.08 Stock

Stock is included at the lower of cost or net realisable value. Stock consists of purchased goods for resale.

1.09 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.

1.10 Creditors

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.

1.11 Leases

Rentals payable and receivable under operating leases are charged to the SoFA on a straight-line basis over the period of the lease.

Notes to the financial statements

1.12 Pension costs

The company operates a defined contribution pension scheme. The pension costs charged in the SoFA represent the contributions payable by the company during the year.

1.13 Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

1.14 Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

2. Income from grants and donations

Core grants	Unrestricted £	Restricted £	2023 Total £
Oxford City Council	20,000	-	20,000
Arts Council England South-East	305,493	-	305,493
	325,493	-	325,493
Public grants	Unrestricted £	Restricted £	2023 Total £
Oxfordshire County Council	-	6,902	6,902
Oxford City Council	-	1,700	1,700
	-	8,602	8,602
Other grants and donations	Unrestricted £	Restricted £	2023 Total £
Mr and Mrs JA Pye's Charitable Settlement	10,000	-	10,000
Cecil Pilkington Charitable Trust	6,500	-	6,500
The Helen Hamlyn Trust	10,000	-	10,000
The Weinstock Fund	-	2,500	2,500
The Arts Society Oxford	-	2,000	2,000
Donations from Individuals	7,429	-	7,429
	33,929	4,500	38,429
	359,422	13,102	372,524

Notes to the financial statements

2. Income from grants and donations – continued

Prior year comparison (2021-22)

Core grants	Unrestricted £	Restricted £	2022 Total £
Oxford City Council	24,000	-	24,000
Arts Council England South-East	305,493	-	305,493
Covid-19 JRS Scheme Grant	4,608	-	4,608
	334,101	-	334,101

Public grants	Unrestricted £	Restricted £	2022 Total £
Oxfordshire County Council	-	1,695	1,695
Oxford City Council	-	250	250
BBC Children in Need	-	17,876	17,876
Arts Council, Cultural Recovery	-	20,686	20,686
	-	40,507	40,507

Other grants and donations	Unrestricted £	Restricted £	2022 Total £
Garfield Weston Foundation	13,750	-	13,750
PF Charitable Trust	4,167	-	4,167
Mr and Mrs JA Pye's Charitable Settlement	10,000	-	10,000
Cecil Pilkington Charitable Trust	2,500	-	2,500
Doris Field Trust	-	1,000	1,000
The Helen Hamlyn Trust	10,000	-	10,000
The Barnsbury Charitable Trust	-	1,000	1,000
Four Acre Trust	-	3,000	3,000
Lottery Community Fund	-	10,000	10,000
The Weinstock Fund	-	2,500	2,500
The Souldern Trust	500	-	500
The D'Oyly Carte Trust	-	3,000	3,000
Photo Oxford	-	1,265	1,265
Donations – Corporate	290	3,200	3,490
Donations from Individuals	13,160	7,370	20,530
	54,367	32,335	86,702
	388,468	72,842	461,310

Notes to the financial statements

3. Income from charitable activities

	Unrestricted	Restricted	2023 Total
<i>Theatre and arts education activity</i>	£	£	£
Ticket sales	43,158	-	43,158
Participation fees	34,589	-	34,589
Facilities hire	2,450	-	2,450
Hire fees (performances)	1,105	-	1,105
Cafe Bar sales	3,197	-	3,197
Miscellaneous	1,590	-	1,590
Sponsorship	50,777	-	50,777
Theatre tax relief	5,532	-	5,532
	<u>142,398</u>	<u>-</u>	<u>142,398</u>

Prior year comparison (2021/2022)

	Unrestricted	Restricted	2022 Total
<i>Theatre and arts education activity</i>	£	£	£
Ticket sales	17,445	-	17,445
Participation fees	29,667	-	29,667
Facilities hire	1,192	-	1,192
Hire fees (performances)	600	-	600
Cafe Bar sales	819	-	819
Miscellaneous	10,416	-	10,416
Sponsorship	51,964	315	52,279
Theatre tax relief	5,216	-	5,216
	<u>117,319</u>	<u>315</u>	<u>117,634</u>

4. Expenditure on raising funds

	2023 Total	2022 Total
	£	£
Direct costs	13,114	37,913
Support costs	1,584	1,677
	<u>14,698</u>	<u>39,590</u>

5. Expenditure on charitable activities

	Direct costs	Support costs	2023 Total
	£	£	£
Programme	99,650	44,742	144,392
Producing	58,028	42,529	100,557
Participation	144,774	41,457	186,231
Administration	66,741	1,945	68,686
Premises/ Front of House	65,839	20,155	85,994
Depreciation	-	182,344	182,344
Governance costs	3,227	2,102	5,329
	<u>438,259</u>	<u>335,274</u>	<u>773,533</u>

Notes to the financial statements

5. Expenditure on charitable activities (continued)

Prior year comparison (2021/2022)	Direct costs £	Support costs £	2022 Total £
Programme	60,969	35,561	96,530
Producing	78,404	35,561	113,965
Participation	110,895	36,725	147,620
Administration	66,457	2,140	68,597
Premises/ Front of House	83,632	21,079	104,711
Depreciation	-	182,211	182,211
Governance costs	6,597	2,433	9,030
	<u>406,954</u>	<u>315,710</u>	<u>722,664</u>

6. Net income/(expenditure)

	2023 £	2022 £
This is stated after charging:		
Independent examiner's fee	2,650	5,600
Depreciation	<u>182,344</u>	<u>182,211</u>

7. Staff costs and numbers

	2023 £	2022 £
Staff costs were as follows:		
Wages and salaries	310,654	287,272
Employer's National Insurance	21,940	20,251
Employer's pension contributions	7,895	7,817
	<u>340,489</u>	<u>315,340</u>

No employee earned more than £60,000 during the year.

	2023 No.	2022 No.
Average number (headcount) of employees	13	13
The total number of staff at the year-end was 13.		

The total amount of employee benefits received by key management personnel is £124,055. (2022: £129,116). The charity considers its key management personnel comprise:

Executive Director - Chief Executive
Artistic Director
Creative Learning Director

No trustee received remuneration or claimed expenses in the current or prior year. Expenses waived during the year were £nil (2022 - £0).

Notes to the financial statements

8. Prior year comparatives – Statement of Financial Activities

	Unrestricted £	Restricted £	2022 Total £
Income from:			
Grants and donations	388,468	72,842	461,310
Charitable activities	117,319	315	117,634
Total income	505,787	73,157	578,944
Expenditure on:			
Raising funds	39,590	-	39,590
Charitable activities	640,704	81,960	722,664
Total expenditure	680,294	81,960	762,254
Net expenditure	(174,507)	(8,803)	(183,310)
Transfers	15,071	(15,071)	-
Net movement in funds	(159,436)	(23,874)	(183,310)
Total funds at 1 April 2021	2,961,280	50,639	2,741,919
Total funds at 31 March 2022	2,531,844	26,765	2,558,610

9. Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

Notes to the financial statements

10. Tangible Fixed Assets

	Building £	Fixtures and new theatre equipment £	Fittings and equipment £	Total £
Cost				
At 1 April 2022	4,262,613	523,443	67,858	4,853,914
Additions	-	-	8,260	8,260
Disposals	-	(124,561)	(3,808)	(128,369)
At 31 March 2023	<u>4,262,613</u>	<u>398,882</u>	<u>72,310</u>	<u>4,733,805</u>
Depreciation				
At 1 April 2022	2,016,421	523,443	43,208	2,583,072
Charge for the year	170,504	-	11,839	182,343
Eliminated on Disposal	-	(124,561)	(3,808)	(128,369)
At 31 March 2023	<u>2,186,925</u>	<u>398,882</u>	<u>51,239</u>	<u>2,637,046</u>
Net Book Value				
At 31 March 2023	<u>2,075,688</u>	<u>-</u>	<u>21,071</u>	<u>2,096,759</u>
At 31 March 2022	<u>2,246,192</u>	<u>-</u>	<u>24,650</u>	<u>2,270,842</u>

The purchase of Pegasus Theatre and the subsequent improvements, which were mainly funded through restricted donations, were discharged on the completion of the building. The remaining value (after depreciation) is reflected in the designated building fund. The Arts Council England (ACE) and the Big Lottery Fund hold charges over the property. The charge in favour of ACE is in accordance with their standard capital funding items.

11. Investments

	Shares in subsidiary undertakings
Cost	
At 1 April 2022	<u>1</u>
At 31 March 2023	<u>1</u>

The investment is made up of 100% of the share capital of Pegasus Theatre Productions Limited. Consolidated accounts have not been prepared as Pegasus Theatre Productions Limited was dormant throughout the whole period.

12. Debtors

	2023 £	2022 £
Trade debtors	-	2,248
Prepayments	12,670	12,218
Other debtors	24,028	16,017
	<u>36,698</u>	<u>30,483</u>

Notes to the financial statements

13. Stock

	2023	2022
	£	£
Goods for resale	1,190	1,309

14. Creditors: Amounts due within 1 year

	2023	2022
	£	£
Trade creditors	20,024	6,582
Accruals	6,541	8,758
Deferred income	14,792	18,292
Amounts owed to group undertakings	1	1
Tax and social security	9,819	8,376
Other creditors	12,651	14,177
	63,828	56,186

15. Operating leases

At 31 March the organisation had no commitments under non-cancellable operating leases.

16. Contingent liabilities

The Charity has provided a legal debenture over the property as valuable security in connection with the £2,700,000 grant from Arts Council, England. No provision has been made in respect of the grant or any other capital grant as the conditions attached are deemed unlikely to occur.

The Charity has provided a legal charge over the property as valuable security in connection with the £1,850,000 grant from the Big Lottery Fund. No provision has been made in respect of the grant or any other capital grant as the conditions attaching are deemed unlikely to occur.

Notes to the financial statements

17. Movement in funds

	At 1 April				At 31 March
	2022	Income	Expenditure	Transfers	2023
	£	£	£	£	£
Restricted funds					
Oxfordshire County (ENB)	-	6,902	(6,902)	-	-
Oxford City Council (DC)	1,488	-	-	-	1,488
Oxford City Council (LF)	-	1,700	(1,700)	-	-
D'Oyle Carte	3,000	-	(3,000)	-	-
Lottery Community Fund	8,000	-	(8,000)	-	-
Weinstock Fund	208	2,500	(2,500)	-	208
The Big Give (Dec 21)	13,070	-	(13,070)	-	-
Doris Field Charitable Trust	1,000	-	(1,000)	-	-
The Arts Society (Oxford)	-	2,000	(2,000)	-	-
	<u>26,766</u>	<u>13,102</u>	<u>(38,172)</u>	<u>-</u>	<u>1,696</u>
Unrestricted funds					
General funds	49,468	501,820	(579,555)	58,184	29,917
Designated funds:					
Strategic reserve	154,184	-	-	(8,184)	146,000
Asset replacement fund	52,000	-	-	(30,000)	22,000
Young Companies'					
Production fund	30,000	-	-	(20,000)	10,000
Building fund	2,246,192	-	(170,504)	-	2,075,688
	<u>2,531,844</u>	<u>501,820</u>	<u>(750,059)</u>	<u>-</u>	<u>2,283,605</u>
Total funds	<u>2,558,610</u>	<u>514,922</u>	<u>(788,231)</u>	<u>-</u>	<u>2,285,301</u>

Restricted funds:

Oxfordshire County (ENB) – Funds to support participant enablers.
Oxford City Council (DC) – funds to support the delivery of Dawn Chorus project.
Oxford City Council (LF) – fund to support Light Festival projects.
D'Oyle Carte Fund – to support the delivery of the creative learning programme.
Lottery Community Fund – to support the delivery of Looking Forward & Acting Out.
Weinstock Fund – funds to support access needs for young participants.
The Big Give (Dec 21) – donations towards the delivery of Looking Forward & Acting Out.
Doris Field Charitable Trust – the creative learning programme.
The Arts Society (Oxford) – to support the delivery of Acting Out Summer project.
Cameron Mackintosh Fund to support the delivery of 16-25 Young Company
Foyle Foundation – funds to support equipment and digital capacity
Clare Foundation – funds to support the delivery of the creative learning programme
Oxfordshire County Council – Funds for the delivery of *Under My Skin* & to support participants needs and core staffing cost (transfers)
Children in Need – funds to support the delivery of *Looking Forward & Acting Out* and core staffing costs (transfers)
Arts Council CRF – funds to support recovery post Covid

17. Movement in funds (continued)

Designated funds:

Notes to the financial statements

Strategic reserve – Stands at £146,000 12 weeks of current gross expenditure sufficient to meet contractual liabilities should the organisation close or cease trading. Transfers of £8,184 represents reduction in annual gross expenditure.

Asset replacement fund – Stands at £22,000 and is designated for the replacement of assets fixtures & fittings.

Young Companies' Production Fund – Stands at £10,000 and has been designated to underwrite young company productions over the period of the current business plan when sources of funding may be difficult to secure. Transfers of £20,000 represents production costs in the year.

Building fund – The Building fund represents the residual value of grants from Arts Council England, Southeast, The Big Lottery Fund and other donations which contributed to the capital project (2010). The fund is reduced annually by the charge for depreciation of the building.

Prior year comparison (2021/22)

	At 1 April 2021 £	Income £	Expenditure £	Transfers £	At 31 March 2022 £
Restricted funds					
Oxfordshire Council (UMS)	16,364	-	(13,883)	(2,481)	-
Oxfordshire County (ENB)	-	1,695	(1,695)	-	-
Children in Need	10,103	17,876	(15,387)	(12,590)	-
Oxford City Council (DC)	1,488	-	-	-	1,488
Oxford City Council (CEP)	2,329	-	(2,329)	-	-
Oxford City Council (SE)	-	250	(250)	-	-
ACE CRF2	-	20,686	(20,686)	-	-
Dominus Project	-	1,500	(1,500)	-	-
We Are Purple	-	150	(150)	-	-
Photo Oxford	-	1,265	(1,265)	-	-
Foyle Foundation	12,500	-	(12,500)	-	-
Clare Foundation	2,857	-	(2,875)	-	-
Cameron Macintosh	5,000	-	(5,000)	-	-
D'Oyle Carte	-	3,000	-	-	3,000
Lottery Community Fund	-	10,000	(2,000)	-	8,000
Weinstock Fund	-	2,500	(2,292)	-	208
The Big Give (Dec 21)	-	13,070	-	-	13,070
Doris Field Charitable Trust	-	1,000	-	-	1,000
	<u>50,639</u>	<u>73,157</u>	<u>(81,959)</u>	<u>(15,071)</u>	<u>26,766</u>
Unrestricted funds					
General funds	46,400	505,787	(509,790)	7,071	49,468
Designated funds:					
Strategic reserve	154,184	-	-	-	154,184
Asset replacement fund	44,000	-	-	8,000	52,000
Young Companies' Production fund	30,000	-	-	-	30,000
Building fund	2,416,696	-	(170,504)	-	2,246,192
	<u>2,691,280</u>	<u>505,787</u>	<u>(680,294)</u>	<u>15,071</u>	<u>2,531,844</u>
Total funds	<u>2,741,919</u>	<u>578,944</u>	<u>(762,254)</u>	<u>-</u>	<u>2,558,610</u>

18. Analysis of net assets between funds

	Fixed	Net Current	Total
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Notes to the financial statements

	Assets £	Assets £	Funds £
Restricted Funds	-	1,696	1,696
Unrestricted Funds			
Designated funds	2,075,688	178,000	2,253,688
General fund	21,072	8,845	29,917
Total funds as at 31 March 2023	2,096,760	188,541	2,285,301
Prior year comparison (2021/2022)		Net	
	Fixed Assets £	Current Assets £	Total Funds £
Restricted Funds	-	26,766	26,766
Unrestricted Funds			
Designated funds	2,246,192	236,184	2,482,376
General fund	24,650	24,818	49,468
Total funds as at 31 March 2022	2,270,842	287,768	2,558,610

19 Related party transactions

Information about related party transactions and outstanding balances is outlined below:
There were no related party transactions during the year or outstanding balances at 31 March 2023.
(2022: £Nil)

In aggregate, Trustees made donations totalling £256 to the charity in the year. (2022: £1,330)