

SHERINGHAM LITTLE THEATRE SOCIETY
(A company limited by guarantee)

UNAUDITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

SHERINGHAM LITTLE THEATRE SOCIETY
(A company limited by guarantee)

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SHERINGHAM LITTLE THEATRE SOCIETY
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2023**

Trustees	M Ashcroft R Batson J Beak, Chair A Munden (appointed 12 May 2022) K Nichols (appointed 18 May 2023) D Ward M Burrows, Chair (resigned 30 November 2022) P Davies (resigned 21 October 2022) R Ellis (resigned 23 July 2022) C Mckay-Haynes (resigned 3 November 2022) A Rees-Myers (resigned 3 November 2022) S Smith (resigned 31 January 2023)
Company registered number	04310613
Charity registered number	1090394
Registered office	2 Station Road Sheringham Norfolk NR26 8RE
Independent examiners	Larking Gowen LLP Chartered Accountants 1st Floor Prospect House Rouen Road Norwich NR1 1RE

SHERINGHAM LITTLE THEATRE SOCIETY
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2023

The Trustees present their annual report together with the financial statements of the group and the company for the 1 April 2022 to 31 March 2023. Since the company and the group qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Objectives and activities

Achievements and performance

a. Review of activities

This year represents the first full year of trading since the COVID pandemic, and the theatre and Hub café were able to offer a full range of events. The limit on numbers and seating was also able to be increased to pre pandemic levels. However, attendance levels remained down on pre-pandemic levels.

In the first quarter of the financial year there were 164 theatre productions including: a youth Musical Theatre concert and a piece of history youth showcase, The Squirrels Big Night Out, touring shows from Eastern Angles, Norfolk and Norwich Festival and The Ink Festival.

In the summer, a summer season of events took place. The summer productions were: Stags and Hens by Willy Russell, Wait until Dark by Frederick Knott and Table Manners by Alan Ayckbourn. We worked with Theatre on the Coast, to produce the musical Summer Holiday.

In the Autumn there was a fundraising amateur production of Talking Heads and Radio Fun performed by the Little Theatre Players. This year's Pantomime was Snow White which returned to pre-pandemic performances. The show was a success, however ticket sales were significantly down on pre pandemic levels.

We were closed during January 2023 while the Theatre and Hub underwent a major refurbishment.

Popular local amateur dramatic groups returned to hire the theatre at the beginning of 2023 with Stage Direct and Cromer and Sheringham Operatic and Dramatic Society performing and The Little Theatre Players performing Hobson's Choice in March 2023. Youth and drama workshops took place during the year again in line with pre pandemic availability levels.

Local authority grant support for the financial year came from – North Norfolk District Council (£41k) and Norfolk County Council (£4.8k).

Other grants and funding have also been obtained including Norfolk County Council Apprenticeship Grants (£6.5k), Norfolk County Council Social infrastructure fund grants (£40k), North Norfolk District Council refurbishment and Energy Grants (£30k), as well as Grants from the lottery and others (£12.5k).

The theatre was extremely fortunate to receive a number of significant donations during the year totalling 112k including donations of £50k from the Joyce Utting Will Trust, £15k from a Legacy from Miss Allard legacy trust and a £25k from Hollands.

A sponsorship programme that was put in place last year, continues to be an important source of income for the Little Theatre and is something which we are looking to develop further.

We continued with a ticketing service to the Sheringham and Cromer Choral Society for their performances at St Peter's Church, Sheringham and Cromer Parish Church and continued our programmes, working with young people. To continue to be able to contribute to the community in this way, it is vital that we continue to seek funding and increase our sponsorship.

SHERINGHAM LITTLE THEATRE SOCIETY
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Achievements and performance (continued)

b. Performance

Income from operational activities increased by 80% (2022: increased by 55%), and total costs increased by 36% (2022: increased by 41.5%). Direct cost of productions were 64% higher (2022: 171% higher) than the previous year, with support costs being 23% higher (13.5% higher) than the previous year, the increase in operational activities being principally due to operating in the first full year post pandemic and the costs increase being a combination of this and a general increase in costs.

The Theatre is reporting an increase in funds of £130,191 for the year ending 31 March 2023 (2022 - an increase in funds of £12,045) principally due to the large donations and the relatively short term benefit of theatre tax relief were otherwise we would have operated at around break even. The Charity's interim budget for the new financial year 2023-24 shows a slight deficit for the year, with actions being taken to increase revenue to reduce this.

Financial review

a. Going concern

The Trustees have considered the Charity's position at the time of signing the financial statements. The considerable support received and some difficult choices as to operations means that there are sufficient available funds for the theatre to continue and to set in place plans for 2023/24 that ensure the Theatre can continue to be an essential part of the offering to North Norfolk residents and visitors.

Based on this, the Trustees have concluded that they have a reasonable expectation that the Charity will have adequate resources to continue in operational existence for the foreseeable future, and at least twelve months from the date of signing these financial statements, they therefore continue to adopt the going concern basis of accounting in preparing these financial statements.

b. Reserves policy

The Group reviews its reserves policy annually. This review encompasses the nature of the income and expenditure streams, the need to match variable income with fixed commitments and the nature of the reserves.

The review concluded that, based on its general reserves policy, a general reserve fund of £100,000 should be sought as this reflects the ongoing costs of the charity, on the assumption that the reserves should cover costs if the theatre were forced to suspend its operations for a period of four months. Designated or restricted reserves are for commitments already made or subject to specific designation at the time of donation.

At 31 March 2023, the unrestricted reserves totalled £394,049 (2022: £264,358). This represents the surplus on activities undertaken by the Group and is used to finance future activities. Reserves include £92,234 (2022: £81,482) designated for the redevelopment of the theatre building and £130,658 (£47,388) of designated funds allocated for the depreciation of fixed assets. Restricted reserves were £500 (2022: £nil) at the balance sheet date.

Free reserves, being general funds excluding any such amounts represented by tangible fixed assets, totalled £155,883 (2022: £107,316).

SHERINGHAM LITTLE THEATRE SOCIETY
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Structure, governance and management

a. Constitution

The company and the group is registered as a charitable company limited by guarantee and was set up by a Trust deed.

The company and the group is constituted under a Trust deed and is a registered charity number 1090394.

b. Methods of appointment or election of Trustees

The management of the Group and the charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed. Structure, governance and management.

c. Pay policy for senior staff

Sheringham Little Theatre Society employed an average of 19 staff during the financial year, working on the Front of House, in Technical Services, and in the Hub Cafe, as well as support staff covering the finance and administration functions in the upstairs office.

Sheringham Little Theatre is committed to equality of opportunity for all, whether that be our employees, applicants for employment, volunteers, supporters, or users of our services. We work to ensure that no person is discriminated against, for example by having fair systems in place for recruitment and selection and pay and recognition and believe that everyone has the right to be treated fairly. We understand our responsibilities under the Equality Act 2010, with a no tolerance approach to discrimination on the grounds of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, and sexual orientation.

The Charity is committed to the training and development of all staff and with staff delivering such a variety of work for the Charity, Sheringham Little Theatre Society has a bespoke job evaluation scheme in order to assess each role.

Pay is reviewed annually and as for the key management personnel is benchmarked against pay levels in other provincial theatres of a similar size as well as being mindful of pay levels in the local area.

SHERINGHAM LITTLE THEATRE SOCIETY
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the charity for the purposes of company law) 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).

Company law requires the Trustees to prepare financial statements for each financial . 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 Group and the charity and of their incoming resources and application of resources, including their income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the charity's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the charity 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 Group and the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Trustees and signed on their behalf by:

.....
J Beak
(Trustee)

.....
K Nichols
(Trustee)

Date:

SHERINGHAM LITTLE THEATRE SOCIETY
(A company limited by guarantee)

INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 MARCH 2023

Independent examiner's report to the Trustees of Sheringham Little Theatre Society ('the Group')

I report to the charity Trustees on my examination of the consolidated accounts of the Group comprising the Sheringham Little Theatre Society ('the parent charity') and its subsidiary undertakings for the year ended 31 March 2023.

Responsibilities and basis of report

As the Trustees of the parent charity (and its directors for the purposes of company law) you are responsible for the preparation of the consolidated accounts of the Group in accordance with the requirements of the Companies Act 2006 ('the 2006 Act') and you have chosen to prepare consolidated accounts for the Group. You are satisfied that the accounts of both parent charity and the Group are not required by either company or charity law to be audited and have chosen instead to have an independent examination.

Having satisfied myself that the consolidated accounts 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 the Group's accounts carried out under section 152 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 152(5)(b) of the 2011 Act.

An independent examination does not involve gathering all the evidence that would be required in an audit and consequently does not cover all the matters that an auditor considers in giving their opinion on the accounts. The planning and conduct of an audit goes beyond the limited assurance that an independent examination can provide. Consequently I express no opinion as to whether the consolidated accounts present a 'true and fair' view and my report is limited to those specific matters set out in the independent examiner's statement.

Independent examiner's statement

Since the Trustees have opted to prepare consolidated accounts for the Group 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:

1. accounting records were not kept in respect of the parent charity and its subsidiaries as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. 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
4. 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.

SHERINGHAM LITTLE THEATRE SOCIETY
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INDEPENDENT EXAMINER'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

This report is made solely to the charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the charity's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the parent charity and the charity's Trustees as a body, for my work or for this report.

Signed:

Dated:

Julie Grimmer

FCA DChA

Larking Gowen LLP
Chartered Accountants
1st Floor Prospect House
Rouen Road
Norwich
NR1 1RE

SHERINGHAM LITTLE THEATRE SOCIETY
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**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2023**

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Income from:					
Donations and legacies:	3				
Total Grants and Donations		111,543	134,208	245,751	119,303
Other donations and legacies		7,553	-	7,553	7,295
Charitable activities	4	260,076	-	260,076	144,145
Other trading activities	5	207,340	-	207,340	175,443
Investments	6	375	-	375	17
Total income		586,887	134,208	721,095	446,203
Expenditure on:					
Raising funds		126,876	-	126,876	90,788
Charitable activities		409,805	54,223	464,028	343,370
Total expenditure		536,681	54,223	590,904	434,158
Net income		50,206	79,985	130,191	12,045
Transfers between funds	17	79,485	(79,485)	-	-
Net movement in funds		129,691	500	130,191	12,045
Reconciliation of funds:					
Total funds brought forward		264,358	-	264,358	252,313
Net movement in funds		129,691	500	130,191	12,045
Total funds carried forward		394,049	500	394,549	264,358

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

The notes on pages 13 to 32 form part of these financial statements.

SHERINGHAM LITTLE THEATRE SOCIETY
(A company limited by guarantee)
REGISTERED NUMBER: 04310613

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	12	145,931	75,559
		<u>145,931</u>	<u>75,559</u>
Current assets			
Stocks	14	2,090	1,524
Debtors	15	59,851	26,676
Cash at bank and in hand		264,694	227,468
		<u>326,635</u>	<u>255,668</u>
Creditors: amounts falling due within one year	16	(78,017)	(66,869)
Net current assets		<u>248,618</u>	<u>188,799</u>
Total net assets		<u><u>394,549</u></u>	<u><u>264,358</u></u>
Charity funds			
Restricted funds	17	500	-
Unrestricted funds	17	394,049	264,358
Total funds		<u><u>394,549</u></u>	<u><u>264,358</u></u>

The charity was entitled to exemption from audit under section 477 of the Companies Act 2006.

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

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

.....
J Beak

.....
K Nichols

Date:

The notes on pages 13 to 32 form part of these financial statements.

SHERINGHAM LITTLE THEATRE SOCIETY
(A company limited by guarantee)
REGISTERED NUMBER: 04310613

CHARITY BALANCE SHEET
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	12	145,931	75,559
Investments	13	100	100
		<u>146,031</u>	<u>75,659</u>
Current assets			
Debtors	15	24,828	19,516
Cash at bank and in hand		250,047	217,827
		<u>274,875</u>	<u>237,343</u>
Creditors: amounts falling due within one year	16	(153,859)	(125,682)
Net current assets		<u>121,016</u>	<u>111,661</u>
Total assets less current liabilities		<u>267,047</u>	<u>187,320</u>
Total net assets		<u><u>267,047</u></u>	<u><u>187,320</u></u>
Charity funds			
Restricted funds	17	500	-
Unrestricted funds	17	266,547	187,320
Total funds		<u><u>267,047</u></u>	<u><u>187,320</u></u>

SHERINGHAM LITTLE THEATRE SOCIETY
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REGISTERED NUMBER: 04310613

CHARITY BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2023

The charity's net movement in funds for the year was £79,727 (2022 - £9,232).

The charity was entitled to exemption from audit under section 477 of the Companies Act 2006.

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

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

.....
J Beak

.....
K Nichols

Date:

The notes on pages 13 to 32 form part of these financial statements.

SHERINGHAM LITTLE THEATRE SOCIETY
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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	2023	2022
	£	£
Cash flows from operating activities		
Net cash used in operating activities	144,424	56,989
Cash flows from investing activities		
Dividends, interests and rents from investments	375	17
Proceeds from the sale of tangible fixed assets	3,300	-
Purchase of tangible fixed assets	(110,873)	(11,076)
Net cash used in investing activities	(107,198)	(11,059)
Change in cash and cash equivalents in the year	37,226	45,930
Cash and cash equivalents at the beginning of the year	227,468	181,538
Cash and cash equivalents at the end of the year	264,694	227,468

The notes on pages 13 to 32 form part of these financial statements

SHERINGHAM LITTLE THEATRE SOCIETY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements 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 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

The Statement of financial activities (SOFA) and Balance sheet consolidate the financial statements of the company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements.

1.2 Company status

The company is a company limited by guarantee registered in England and Wales. The registered address is 2 Station Road, Sheringham, Norfolk, NR26 8RE. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

1.3 Going concern

The Trustees have considered the Charity's position at the time of signing the financial statements, and in particular the Trustees have considered the current financial strength of the Charity, together with the range of measures the Trustees can take to mitigate ongoing costs should they need to.

Based on this, the Trustees have concluded that they have a reasonable expectation that the Charity will have adequate resources to continue in operational existence for the foreseeable future, and at least twelve months from the date of signing these financial statements, they therefore continue to adopt the going concern basis of accounting in preparing these financial statements.

1.4 Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

SHERINGHAM LITTLE THEATRE SOCIETY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1. Accounting policies (continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income and those incurred in trading activities that raise funds.

1.6 Basis of consolidation

The financial statements consolidate the accounts of Sheringham Little Theatre Society and all of its subsidiary undertakings ('subsidiaries').

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Income and expenditure account.

1.7 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

1.8 Tangible fixed assets and depreciation

Tangible fixed assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Long-term leasehold property	- 10% Straight line basis
Fixtures and fittings	- 20% Straight line basis

SHERINGHAM LITTLE THEATRE SOCIETY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

1. Accounting policies (continued)

1.9 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

1.10 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the Bank.

1.11 Volunteers

The value of services provided by volunteers and suppliers is not incorporated into the financial statements.

1.12 Operating Leases

Rentals under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

1.13 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.14 Debtors

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

1.15 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.

SHERINGHAM LITTLE THEATRE SOCIETY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1. Accounting policies (continued)

1.16 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated statement of financial activities as a finance cost.

1.17 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.18 Taxation

The Group is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.19 Pensions

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

SHERINGHAM LITTLE THEATRE SOCIETY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

1. Accounting policies (continued)

1.20 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group 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 Group for particular purposes. The costs 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.

Investment income, gains and losses are allocated to the appropriate fund.

2. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Allocation of expenditure between direct and support costs, and within that to governance and generating funds, is on the basis of staff time calculations compiled by head of operations.

Critical areas of judgment:

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilization and the physical condition of the assets. See note 12 for the carrying amount of property, plant and equipment and note 1.8 for the useful economic lives for each class of assets.

SHERINGHAM LITTLE THEATRE SOCIETY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

3. Income from donations and legacies

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Donations	111,543	-	111,543	19,450
Grants	-	134,208	134,208	99,853
Membership	7,553	-	7,553	7,295
	<u>119,096</u>	<u>134,208</u>	<u>253,304</u>	<u>126,598</u>
<i>Total 2022</i>	<u>82,818</u>	<u>43,780</u>	<u>126,598</u>	

4. Income from charitable activities

	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Operation of Theatre	260,076	260,076	140,754
Coronavirus Job Retention Scheme	-	-	3,391
	<u>260,076</u>	<u>260,076</u>	<u>144,145</u>
<i>Total 2022</i>	<u>144,145</u>	<u>144,145</u>	

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5. Income from non charitable trading activities

Income from non charitable trading activities

	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Subsidiary Income	172,941	172,941	111,544
Tax recoverable	34,399	34,399	7,151
Other income	-	-	56,748
Total 2023	<u>207,340</u>	<u>207,340</u>	<u>175,443</u>
<i>Total 2022</i>	<u>175,443</u>	<u>175,443</u>	

6. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Investment income	375	375	17
<i>Total 2022</i>	<u>17</u>	<u>17</u>	

7. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Operation of Theatre	168,134	295,894	464,028	343,370
<i>Total 2022</i>	<u>102,733</u>	<u>240,637</u>	<u>343,370</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

7. Analysis of expenditure by activities (continued)

Analysis of support costs

	Operation of Theatre 2023 £	Total funds 2023 £	Total funds 2022 £
Staff costs	141,797	141,797	125,308
Depreciation	31,852	31,852	28,024
Rates, light and heat	23,745	23,745	18,957
Theatre and Maintenance	4,995	4,995	9,040
Hire of Equipment	1,047	1,047	497
Cleaning	3,116	3,116	3,102
Insurance	6,296	6,296	4,706
Advertising and Marketing	17,596	17,596	8,135
General Office Equipment	9,664	9,664	6,950
Motor and travelling	3,341	3,341	3,490
Computer maintenance	12,122	12,122	11,957
Subscriptions and licenses	1,266	1,266	415
Bank and credit card charges	5,368	5,368	2,674
Sundry	4,422	4,422	1,606
Non recoverable VAT	8,567	8,567	-
Contract Staff	14,722	14,722	7,848
Legal and professional	25	25	1,000
Governance costs	5,953	5,953	6,928
Total 2023	295,894	295,894	240,637
<i>Total 2022</i>	<i>240,637</i>	<i>240,637</i>	

8. Independent examiner's remuneration

	2023 £	2022 £
Fees payable to the charity's independent examiner for the independent examination of the charity's annual accounts	3,800	3,500

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9. Staff costs

	Group 2023 £	<i>Group 2022 £</i>	Company 2023 £	<i>Company 2022 £</i>
Wages and salaries	197,285	167,649	141,145	123,734
Social security costs	5,282	6,406	5,282	5,399
Contribution to defined contribution pension schemes	3,125	2,510	2,455	2,101
	205,692	176,565	148,882	131,234

The average number of persons employed by the charity during the year was as follows:

Group 2023 No.	<i>Group 2022 No.</i>
19	16

No employee received remuneration amounting to more than £60,000 in either year.

The Board considers the key management personnel of the Sheringham Little Theatre Society in charge of directing and controlling the Theatre to comprise the Trustees, the Theatre Director and the Finance Manager. In the previous period the Technical Manager, the Kitchen Manager and the Marketing Manager were also included in Key management personnel. The total employee benefits of the key management personnel were £57,216 (2022: £69,541).

Pay is reviewed annually and in view of the nature of the charity is benchmarked against pay levels in other provincial theatres of a similar size. All trustees give their time freely and no trustee remuneration was paid in the year. Details of trustee expenses and related party transactions are disclosed in note 24.

Support Costs and Trading Activity

	2023 £	<i>2022 £</i>
Salaries and Wages	190,200	161,974
Social security	4,970	6,156
Pension	3,125	2,510
	198,295	170,640

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Performance Costs

	2023 £	<i>2022</i> £
Salaries and Wages	7,085	<i>5,675</i>
Social Security	312	<i>250</i>
	<u>7,397</u>	<u><i>5,925</i></u>

10. Turnover

The whole of the turnover is attributable to the operation of the theatre.

All turnover arose within the United Kingdom.

11. Net income/(expenditure)

This is stated after charging:

	2023 £	<i>2022</i> £
Depreciation of tangible fixed assets	33,978	<i>28,022</i>
Operating lease rental	1,113	<i>1,113</i>

During the year, no Trustees received any remuneration (2022 - £Nil)

During the year, no Trustees received any benefits in kind (2022 - £Nil)

During the year, no Trustees received any reimbursement of expenses (2022 - £Nil)

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**NOTES TO THE FINANCIAL STATEMENTS
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12. Tangible fixed assets

Group

	Long-term leasehold property £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 April 2022	144,385	324,623	469,008
Additions	101,832	9,041	110,873
Disposals	(77,170)	(30,457)	(107,627)
At 31 March 2023	<u>169,047</u>	<u>303,207</u>	<u>472,254</u>
Depreciation			
At 1 April 2022	93,627	299,822	393,449
Charge for the year	21,984	11,994	33,978
On disposals	(72,307)	(28,797)	(101,104)
At 31 March 2023	<u>43,304</u>	<u>283,019</u>	<u>326,323</u>
Net book value			
At 31 March 2023	<u><u>125,743</u></u>	<u><u>20,188</u></u>	<u><u>145,931</u></u>
<i>At 31 March 2022</i>	<u><u>50,758</u></u>	<u><u>24,801</u></u>	<u><u>75,559</u></u>

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12. Tangible fixed assets (continued)

Company

	Long-term leasehold property £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 April 2022	144,385	324,623	469,008
Additions	101,832	9,041	110,873
Disposals	(77,170)	(30,457)	(107,627)
At 31 March 2023	<u>169,047</u>	<u>303,207</u>	<u>472,254</u>
Depreciation			
At 1 April 2022	93,627	299,822	393,449
Charge for the year	21,984	11,994	33,978
On disposals	(72,307)	(28,797)	(101,104)
At 31 March 2023	<u>43,304</u>	<u>283,019</u>	<u>326,323</u>
Net book value			
At 31 March 2023	<u><u>125,743</u></u>	<u><u>20,188</u></u>	<u><u>145,931</u></u>
At 31 March 2022	<u><u>50,758</u></u>	<u><u>24,801</u></u>	<u><u>75,559</u></u>

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13. Fixed asset investments

Company	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2022	100
At 31 March 2023	100
Net book value	
At 31 March 2023	100
At 31 March 2022	100

14. Stocks

	Group 2023 £	<i>Group 2022 £</i>
Bar stock	2,090	<i>1,524</i>

An impairment charge of £Nil (2022: £Nil) was recognised as an expense in the year.

15. Debtors

	Group 2023 £	<i>Group 2022 £</i>	Company 2023 £	<i>Company 2022 £</i>
Due within one year				
Trade debtors	7,946	<i>4,596</i>	7,946	<i>4,578</i>
Other debtors	6,389	<i>2,218</i>	6,376	<i>2,218</i>
Prepayments and accrued income	11,117	<i>12,720</i>	10,506	<i>12,720</i>
Tax recoverable	34,399	<i>7,142</i>	-	<i>-</i>
	59,851	<i>26,676</i>	24,828	<i>19,516</i>

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16. Creditors: Amounts falling due within one year

	Group 2023 £	<i>Group 2022 £</i>	Company 2023 £	<i>Company 2022 £</i>
Trade creditors	29,131	22,060	25,905	19,657
Amounts owed to group undertakings	-	-	84,617	65,592
Other taxation and social security	2,371	2,441	2,371	2,441
Other creditors	1,691	1,379	1,363	1,139
Accruals and deferred income	44,824	40,989	39,603	36,853
	78,017	66,869	153,859	125,682
	Group 2023 £	<i>Group 2022 £</i>	Company 2023 £	<i>Company 2022 £</i>
Deferred income at 1 April 2022	22,909	21,068	22,909	21,068
Resources deferred during the year	28,700	22,909	28,700	22,909
Amounts released from previous periods	(22,909)	(21,068)	(22,909)	(21,068)
	28,700	22,909	28,700	22,909

Deferred income consists of amounts received before the year end relating to performances after the year end.

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**NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds

Statement of funds - current year

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2023 £
Unrestricted funds					
Designated funds					
Future Refurbishments Fund	81,482	-	-	10,752	92,234
Fixed Asset Fund	47,389	-	(19,862)	103,132	130,659
	<u>128,871</u>	<u>-</u>	<u>(19,862)</u>	<u>113,884</u>	<u>222,893</u>
General Funds	<u>135,487</u>	<u>586,887</u>	<u>(516,819)</u>	<u>(34,399)</u>	<u>171,156</u>
Total Unrestricted funds	<u>264,358</u>	<u>586,887</u>	<u>(536,681)</u>	<u>79,485</u>	<u>394,049</u>
Restricted funds					
North Norfolk District Council	-	41,000	(41,000)	-	-
Norfolk County Council	-	11,223	(11,223)	-	-
Momentum Grants - Jungle Book	-	500	-	-	500
Alan Boswell Group Charitable Trust	-	2,000	(2,000)	-	-
Theatre Refurbishment grants	-	79,485	-	(79,485)	-
	<u>-</u>	<u>134,208</u>	<u>(54,223)</u>	<u>(79,485)</u>	<u>500</u>
Total of funds	<u>264,358</u>	<u>721,095</u>	<u>(590,904)</u>	<u>-</u>	<u>394,549</u>

The Future Refurbishment Fund relates to money put aside for the redevelopment of the theatre building in Sheringham. The transfer from general reserves into the Future Refurbishment Fund relates to a further designation of funds for this purpose.

The designated Fixed Asset Fund represents funds spent on the refurbishment of the theatre. The funds carried forwards will cover future years' depreciation on the assets.

The transfer from the restricted Theatre Refurbishment Grants into the designated Fixed Asset Fund represents amounts spent during the year on fixed assets upon whose use there is no further restriction.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

17. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 April 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 March 2022 £</i>
Unrestricted funds					
Designated funds					
Future refurbishments fund	59,979	-	-	21,503	81,482
Fixed Asset Fund	56,808	-	(9,419)	-	47,389
	<u>116,787</u>	<u>-</u>	<u>(9,419)</u>	<u>21,503</u>	<u>128,871</u>
General Funds	89,469	402,423	(334,902)	(21,503)	135,487
Total Unrestricted funds	<u>206,256</u>	<u>402,423</u>	<u>(344,321)</u>	<u>-</u>	<u>264,358</u>
Restricted funds					
North Norfolk District Council	-	38,000	(38,000)	-	-
Norfolk County Council	-	4,780	(4,780)	-	-
Emergency business grant	25,000	-	(25,000)	-	-
Lockdown and local restriction grants	16,057	-	(16,057)	-	-
Theatres Trust	5,000	-	(5,000)	-	-
Other grants	-	1,000	(1,000)	-	-
	<u>46,057</u>	<u>43,780</u>	<u>(89,837)</u>	<u>-</u>	<u>-</u>
Total of funds	<u>252,313</u>	<u>446,203</u>	<u>(434,158)</u>	<u>-</u>	<u>264,358</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	145,931	-	145,931
Current assets	326,135	500	326,635
Creditors due within one year	(78,017)	-	(78,017)
Total	394,049	500	394,549

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Tangible fixed assets	75,559	75,559
Current assets	255,668	255,668
Creditors due within one year	(66,869)	(66,869)
Total	264,358	264,358

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2023 £	<i>Group 2022 £</i>
Net income for the year (as per Statement of Financial Activities)	130,191	12,045
Adjustments for:		
Depreciation charges	33,978	28,022
Interest received	(375)	(17)
Loss on the sale of fixed assets	3,223	-
Increase in stocks	(566)	(1,524)
(Increase)/decrease in debtors	(33,175)	15,757
Increase in creditors	11,148	2,706
Net cash provided by operating activities	144,424	56,989

20. Analysis of cash and cash equivalents

	Group 2023 £	<i>Group 2022 £</i>
Cash in hand	264,694	227,468

21. Analysis of changes in net debt

	At 1 April 2022 £	Cash flows £	At 31 March 2023 £
Cash at bank and in hand	227,468	37,226	264,694
	227,468	37,226	264,694

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22. Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £3,170 (2022 - £2,510). Contributions totaling £761 (2022 - £627) were payable to the fund at the balance sheet date and are included in creditors.

23. Operating lease commitments

At 31 March 2023 the Group and the charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2023 £	<i>Group 2022 £</i>	Company 2023 £	<i>Company 2022 £</i>
Amounts payable other				
Not later than 1 year	1,112	1,112	1,112	1,112
Later than 1 year and not later than 5 years	371	1,483	371	1,483
	<u>1,483</u>	<u>2,595</u>	<u>1,483</u>	<u>2,595</u>
	Group 2023 £	<i>Group 2022 £</i>	Company 2023 £	<i>Company 2022 £</i>
Amounts payable Land & Buildings				
Not later than 1 year	1	1	1	1
Later than 1 year and not later than 5 years	2	3	2	3
After more than 5 years	-	-	-	-
	<u>3</u>	<u>4</u>	<u>3</u>	<u>4</u>

24. Related party transactions

Sheringham Hub Limited is a 100% subsidiary of the Charity. During the year, the Charity contracted its Sheringham Hub Limited to carry out theatre production works, totalling £97,280 (2022: £79,100). The Charity charged management fees to Sheringham Hub Limited totalling £30,000 (2022: £25,000). At year end, the Charity owed £84,617 (2022: £65,592) to Sheringham Hub Limited; this balance is included in creditors.

Richard Batson, Trustee of Sheringham Little Theatre Society Limited performed work in the form of freelance publicity services at a rate of £20 per hour totalling £2,890 during the year (2022: £2,870). A creditor balance of £Nil was outstanding at the year end (2022: £Nil).

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25. Principal subsidiaries

The following was a subsidiary undertaking of the charity:

The financial results of the subsidiary for the year were:

26. Principal subsidiaries

Sheringham Hub Limited

Subsidiary name	Sheringham Hub Limited
Company registration number	08133831
Basis of control	Shareholding
Equity shareholding %	100%
Total assets as at 31 March 2023	£136,377
Total liabilities as at 31 March 2023	£8,775
Total equity as at 31 March 2023	£127,602
Turnover for the year ended 31 March 2023	£270,221
Expenditure for the year ended 31 March 2023	£254,156
Tax credit for the year ended 31 March 2023	£34,399
Profit for the year ended 31 March 2023	£50,464