

LANTERN ARTS CENTRE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDING 31 AUGUST 2023

A Company Limited by Guarantee

Company No. 04556232

Charity No. 1098680

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## **1. INTRODUCTION**

### **Report of the Trustees for the Year Ending 31 August 2023**

The Trustees of the Lantern Arts Centre (LAC) are pleased to present our annual report for the Year Ending 31 August 2023, including consolidated financial statements for the Charity. It meets the Companies Act requirements for a director's report and financial accounts.

The financial statements comply with the Charity's Memorandum and Articles of Association, the Charities Act 2011, the Companies Act 2006 and the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP 2015).

### **About the Lantern Arts Centre**

Founded thirty years ago, the Lantern Arts Centre is an established and well-resourced community arts centre run year-round by permanent staff and volunteers.

As a faith-based charity the Lantern welcomes everyone in Raynes Park and beyond to its wide-ranging activities. These include affordably ticketed regular community productions, a thriving youth theatre and children's theatre club, dance, acting and singing classes, a community choir, film clubs, activities for toddlers and much more.

### **Our Supporters**

We are very grateful to all those who support the Lantern Arts Centre.

Our financial supporters in this year were:

- Lantern Angels – our regular givers
- Lantern Arts Centre Community – one off donations
- Merton Giving Fund: Building Resilience – Grant to support the hub
- Wimbledon Community Fund – Grant to support the hub

## **2. CHAIRMAN'S STATEMENT**

### **Chairman's Statement – Martin Welsh**

The last year has been a very busy and exciting time at the LAC. We have offered more activities and events than ever before, which has sometimes been challenging for our small but dedicated team, but also hugely rewarding for our whole community.

Heartfelt thanks go to our Artistic Director, Amy Phillips, and our Operations Manager, Steve Rees, who have worked so effectively over the year. Of course, we couldn't have accomplished all this without our fantastic team of staff and volunteers, so a huge thank you goes to all who have been involved!

Our team has continued to grow this year, with some exciting developments for two of our prized Joint Projects, which are conceived and managed in collaboration with the Lantern Methodist Church (LMC) – The Costume Store and The Lantern Centre Hub. In the Costume Store in February we welcomed the appointment of Georgie Talbot as Costume Lead, working as a contractor to support our wonderful talented team of volunteers in the costume treasure trove every Tuesday. Following a successful grant application to Merton Giving at the end of 2022 we were also able to recruit a Lantern Centre Support Worker, and in May 2023 Hannah Duncan joined the team. Based in the Hub (formerly the Lantern Coffee House) Hannah fulfils a valuable role welcoming people into the building, signposting the events and activities that are available at the Lantern as well as services that are available more widely in Merton. In June we were delighted to be awarded a further grant by the Wimbledon Community Foundation allowing us to extend this role into 2024 and hopefully beyond.

It's great to be able to look to the future with excitement at all that is going on, but it's also important to look back too. In May we heard that our Honorary Patron, the wonderful John Davis, had very sadly passed away. It is no exaggeration to say that without John, the LAC probably wouldn't exist today. The Lantern Methodist Church was John's home for 90 years, and it was where he first set up a theatre group which eventually developed into the Lantern Arts Centre in the 1990s. In 2002 John was one of our founding members as the LAC became a separate charity and he continued to serve faithfully as a trustee for many years before moving away from Raynes Park in 2018. I speak on behalf of everyone at the LAC when I say how very proud we are to continue the great work that he helped to start.

I want to thank all those who support us financially. The loyal support of our regular givers, our Angels, continues to be a real blessing, especially with the cost of living so high at the moment. Thanks too for those organisations that have given us grant funding in the year, and to all involved in the application process. Everyone who has bought a ticket or subscribed to one of our activities, anyone who tapped the machine on the way home – your support is so important to us, and it is very gratefully received. By supporting us in this way you allow us to keep on offering what we do. I also want to thank everybody who has given their time to the LAC this year, in whatever role. Our amazing volunteers are a huge part of what makes this place so special - thank you all so much for being part of our community.

Finally, I would like to thank all the Trustees once again for their help and support given so freely throughout the year.

We look forward to continuing our close collaboration with our friends at the LMC, not least with the exciting plans for the Lantern Centre Project as it continues to develop. And we want to carry on reaching

an even wider group of our community, inviting them to share with us the joy of creative expression in the Arts, in a safe and caring environment where everyone is welcome.

Thank you everyone for helping us to keep the Lantern shining!

Martin Welsh – Chair of Trustees – Lantern Arts Centre

### **3. OPERATIONAL & ARTISTIC REPORTS**

#### **Operational Report – Stephen Rees**

A significant development in the life of the Lantern Arts Centre in Autumn 2022 was the opening of “The Lantern Hub”. This joint project between LMC and LAC provides a safe space for local members of the community to visit. Assisted by a grant from Merton Giving we were able to provide a part-time worker. The Hub serves as a local information centre, a place where various low-cost/free activities take place or just somewhere for people to come and have a cup of tea and a chat.

The addition of a marketing assistant to the salaried staff has made a big impact; not only helping to ensure that both our Christmas Production and Spring Play were almost full capacity, but also spreading the workload from existing staff while delivering better quality electronic and paper-based marketing resources.

Our annual average donation from regular givers has increased by over 10% in the 2022/23 period. Without the financial grants and generous support we receive, delivering our extensive programme of events and activities would be far more challenging. We remain extremely grateful to all those involved in supporting our work.

The increasing size and complexity of productions meant the need for an upgrade of the sound system. A new sound desk was purchased providing greater flexibility for musicals with large bands and more channels to allow the use of more radio microphones.

A decision was made to create a paid role in The Costume Store to support the increase in both external hiring and costuming in-house productions.

The building project saw a pivotal moment when the President and Vice President of the Methodist Church visited the Lantern Centre. Feedback from the visit was positive and helped identify the availability of grants from the Methodist Conference and determine some of the next steps in establishing a more secure home for the Lantern Arts Centre in a building that is prepared for the future in terms of its infrastructure, layout and facilities.

#### **Artistic Report – Amy Phillips**

The autumn term opened with a fantastic jazz night performed by Irena Serra & Tim Boniface, a patron and long-time performer at the Arts Centre. This was quickly followed by Morgan James with 'Me and George. My stories....His Songs', a talented performer telling his rich life story via the songs of George Michael - heartfelt, funny and fascinating.

As an Arts Centre we are committed to an inclusive programme and our annual pantomime is an excellent example of this. This year's production of 'Cinderella' included a huge cast and crew with performers of all ages and abilities.

It is always great to welcome back performers who have learnt their stage skills in the Children's Theatre Club and so we were delighted to book Daniel Lambert into the Studio Theatre with fellow comedian Daniel Anenou in January 2023 with their show: 'Deaf Daniel, Black Daniel' - a biographical stand-up comedy show if you like - and very funny!

The Spring production of 'Blue Stockings' included a cast and crew of around 60 people and portrayed the plight of female students in the early 1900's striving for equal educational rights and the right to graduate. The emotive subject matter provoked an incredible reaction from audiences including several standing ovations. All five shows were sold out.

Our ever-popular Dessert Lounge took place in February. Tickets for this event sold out within a week of going live. The event provided a wealth of fantastic musicians led by Johnny Keefe, whilst the audience enjoyed delicious patisserie from top chef Martin Powell.

In the summer term, we ran 'First Act', our 10-week acting course for adults with a class of 15 - suitable for complete beginners and more experienced actors. The course ended in a lively and fun showcase as always, this time in the Studio Theatre.

At the end of May once again we hosted 'You Choose', based on the best-selling book by Nick Sharratt and Pippa Goodheart, produced by Nonsense Room productions. This event played to sell-out audiences.

Just before our final production of the year, we hosted an Edinburgh preview, 'Madame Chandelier's Opera Party for Kids' which introduces opera and classical music to the younger generation in a fun way.

Based on the original musical Half a Sixpence, our summer production of 'Kipps - The New Half A Sixpence Musical' took place in July 2023. We had a fantastic band of nine musicians along with another large and talented cast and crew. Audiences numbers were very healthy and the creative team used a thrust stage to great effect.

The Lantern Choir had a strong year with three main concerts including performing at the Lantern Methodist Church Carol Service whilst also giving a rendition of Faure's Requiem at one Sunday Service. Their Spring Concert when 'Opera Meets Broadway' hit a record choir audience of 110 and also included a performance from the Lantern Youth Choir, who have also gone from strength to strength after starting in April 2023.

Our wonderful creative groups, called 'Lantern Lights', continue to be successful and well attended (The Lantern Costume Store, Silver Screen, Children's Theatre Club and Youth Theatre, Lantern Bells, First Act, Lantern Arts Choir, Lantern Youth Choir, Swing Dance, the Lantern Book Club, Once Upon a Storytime and the Lantern Playzone). We have also enjoyed a wonderful rotating gallery of local artists.

Overall, the Lantern Arts Centre continues to bring our community together to enjoy a range of artistic opportunities and high-quality entertainment. We continue to see a big increase in ticket sales as well as interest in all we offer from many different people young and old.

## **4. PURPOSES & ACTIVITIES**

As set out in the LAC Articles of Association updated in July 2013, the purposes of the Charity are to promote the advancement of the arts and culture for the benefit of the public, particularly but not exclusively within the Raynes Park community of Southwest London. Having a strong Christian ethos and working in a mutually beneficial partnership with the Lantern Methodist Church (formerly Raynes Park Methodist Church), the Charity seeks to include members of the local community of all ages and abilities. They participate as cast, crew and audience members in theatre, music, film, dance, exhibitions and other forms of artistic expression.

To achieve these objectives, the Charity's activities include the following:

### **For Children & Young People**

Children love stories and '**Once Upon a Storytime**' has become a firm favourite for local children and their parents. Led by our Artistic Director Amy Phillips, up to twenty young children are welcomed each week in term time and participate in captivating stories beautifully read.

The Lantern **Children's Theatre Club** has six age-tiered groups of around 100 participants for ages three to nineteen years old. Usually meeting weekly during term time, classes are designed for all children to feel safe, get involved, have fun, grow in confidence and develop independence and life skills whilst tackling key topics. Each group works towards an end of term performance for friends and family, and school holiday projects are a regular activity.

The Lantern Youth Choir started last year and continues to increase in number. This choir runs every Saturday morning covering a range of genres from favourite musicals to pop, rock and classical. In summer 2023 they performed at the main Lantern Arts Choir.

The Lantern Arts Centre's fully inclusive policy means children with SEND and physical needs, or who are learning English, can take part. Families can also take advantage of the offer of bursaries.

The outlook for the club in the year ahead is very promising with a diverse programme of activities planned. And as always, new participants will be welcomed to join by our enthusiastic and supportive team aided by community volunteers.

### **For Lovers of Drama**

The Lantern Arts Centre's main **house productions** and **studio performances** are keenly anticipated by the local community. Main House productions included Cinderella, Blue Stockings and Kipps. Smaller productions included Deaf Daniel, Black Daniel.

The Free Film Club, **Silver Screen**, continues to run a regular programme of films with between 30 and 40 people per screening. This popular and much needed activity has grown in numbers through word of mouth and our increasingly effective marketing. Attendees continue to express their appreciation for the Club.

Our own long-standing **Costume Store** is run by a dedicated team of volunteers for main house productions and external hire. Usually relied on by many local primary and secondary schools, parents, local amateur and professional theatre groups and individuals, it reopened on a more restricted basis during the pandemic. Offering carefully curated items from a keenly priced collection of more than ten



thousand pieces, the team offers expert advice and guidance and continue to open every Tuesday now with a paid manager.

### **For Lovers of Music**

The **Lantern Community Choir**, our own in-house choir, rehearses on a weekly basis through-out term time and aims to give at least one performance each term. The concerts continue to attract audiences of 80 plus and are now performing regularly with a band. They also sing at special events for the Lantern Methodist Church including a performance of Faure's Requiem and the annual Christmas Carol Service.

The **Lantern Handbell Group** formed in 2017, is much loved by the players and audiences alike and continues to meet every Saturday morning.

The **Lantern Youth Choir** for children aged 13 to 16 continues to increase in numbers. These are planned to be vibrant and fun Saturday morning sessions covering a range of genres from favourite musicals to pop, rock and classical. Providing opportunities to perform at Lantern events, develop vocal technique and make new friends.

Music continues to grow and flourish at the Arts Centre. For example, Dessert Lounge showcases diverse musical ability. Our regular four-piece house band accompanied Cinderella. We were also pleased to accompany this year's production of Kipps with a nine-piece band who were all volunteers. Shows in our Studio Theatre included Morgan James' production of "Me and George" which included songs by George Michael.

Use of acapella singing in some of the CTC productions again showcases our younger members' musical talents, and we look forward to seeing them taking part in future productions at the Arts Centre.

### **For Lovers of Visual Art**

The first-floor landing space around the main stair at the LAC provides a valuable and affordable opportunity for local artists to exhibit their work. We have continued to have a wide range of exhibitions celebrating local talent each of which usually run for about 6-8weeks.

### **For Lovers of Dance**

Swing Dance is a weekly dance class for adults hosted by two very experienced dancers teaching the fundamentals of the lively partnered dance which originated in 1920s in New York's Harlem. Classes of up to 10 people learn authentic steps of Lindy Hop and Charleston.

### **For Visiting Groups using the Lantern Arts Centre**

The Lantern Arts Centre has two studios normally in regular use by many groups. These include theatre companies, dance troupes, orchestras, rehearsing for shows based both in London and around the UK. In addition, regular classes are held including ballet, street dance, swing dance, flamenco, yoga, zumba and pilates. These bring a considerable number of people to the Lantern Arts Centre who then become involved in our other events and activities.

### **Our Volunteers**

The heart of the Lantern Arts Centre is the community it serves. It is from the community that so many people come to support what we do.

Today, more than fifty volunteers from across Southwest London are making an irreplaceable difference. They generously commit their time and skills to help run our busy community arts centre, and clearly relish the challenges. Many are involved in our theatre productions on stage, or by supporting the choreography and direction, or for musical production. Then there's their contribution to technical delivery, including stage management, set construction, costuming, props, lighting, and sound. While behind the scenes our volunteers provide essential day in, day out support for building maintenance, marketing, fund raising and disability access.

The Trustees and staff are immensely grateful to everyone who is part of what we do and each year welcome new volunteers to join us as we grow. They are an essential part of making the Lantern Arts Centre what it is today and for its future development.

### **Feedback from our Community**

*"The Lantern Arts Centre has earned a special place in the community. Lovely to have a local theatre with a variety of entertainment."*

*"Fantastic space for community arts."*

*"Ideal venue to host events with medium sized audience. Great acoustics and comfortable cushion chairs appropriately sized stage and good visibility from all angles!"*

*"It was such a great experience - I really appreciated being allowed to do it and learned so much."*

*"A really positive experience...It definitely made me more confident about performing in musicals which is something I never thought I'd get into. The team have been great and it felt like a safe space to do and try anything. I'll definitely be back...not least for the new friends made along the way."*

*"The opportunity to challenge myself - mentally and physically - and to work with a group of committed like-minded people. It exceeded my expectations."*

*"Fantastic costume hire facility run by really helpful and friendly staff."*

*"The Lantern Arts Centre is a very special place."*

## **5. STRUCTURE, GOVERNANCE AND MANAGEMENT**

The Trustees are responsible for governance, compliance, strategy, risk management and setting headline objectives. To this end, Trustees receive regular updates, including full reports on activities and financial information and monthly management accounts. Business planning and strategic plans are discussed and agreed by the Trustees at Board meetings. The Trustees convene at least 6 times per year.

The Management Reference Group is a supporting committee for the Board, consisting of four Trustees, that meets annually at least three times. The purpose of the Management Reference Group is to ensure the adequate management of staff on behalf of the Board, including monitoring performance, and to oversee Trustee recruitment. To this end the Management Reference Group acts as the line management function for employed staff.

All Trustees give their time voluntarily and receive no benefits from the Charity.

Trustees are appointed by members of the Charity on an annual basis. There is no maximum length of time that a Trustee can serve, subject to an annual rotation of Trustees. On appointment Trustees sign a register of interests, which is renewed annually.

When a Trustee retires from the Board a full recruitment process is overseen by the Management Reference Group, with appointments decided by the Board. Recruitment is undertaken on a skills basis, with skills gaps amongst existing Trustees identified and sought out within new Trustees. Trustees' induction and ongoing involvement includes visits to the activities delivered by the Charity, engagement with company members, meetings with staff and volunteers and undertaking fundraising activities for the Charity.

To facilitate effective operations, the Trustees employ an Artistic Director and the services of an Operations Manager to whom they have delegated authority for the operational matters of the Charity. Working together, the Artistic Director and Operations Manager have responsibility for the management of all other employees, contractors and volunteers to ensure that the Charity's activities are delivered and upheld against the plans and priorities of the Board. During the financial year ending 31 August, the Charity also employed a Marketing & Arts Centre Assistant.

The Trustees retain and exercise their responsibility for setting pay for all employed posts and for the services of the Operations Manager. Pay is reviewed on an annual basis.

There are a number of risks and uncertainties that can impact on the performance of the Charity, some of which are beyond the control of Trustees.

The Trustees retain and exercise their responsibility to assess the major risks to which the Charity is exposed, in particular those related to its finances and operations and are satisfied that systems are in place to mitigate exposure to major risks.

Funds are raised principally through the Charity's own classes, productions and lettings as well as individual donors, known as Friends, and local business support. The Charity is indebted to its supporters and in particular its Angels (regular givers) for the financial stability they offer. The Charity is committed to acting with honesty, integrity, respect and transparency with its donors. Its policy is not to use the services of professional fundraisers nor solicit funds directly from the public. No complaints were received in the year in relation to our fundraising activities.

## **Trustees / Members**

Changes to the Board of Trustees that took place within the reporting period are identified below.

Martin Welsh (Chair)	appointed as Trustee 14/05/2014 - Chairman since 2019
Michael Fuller (Secretary)	appointed as Trustee 24/06/2009 - Secretary since 2010
Alan Brown	appointed as Trustee 09/01/2008
Patricia Rutter	appointed as Trustee 18/02/2009
Kay Wingate	appointed as Trustee 09/03/2013
Andrew McBride	appointed as Trustee 01/03/2018
Deacon Dawn Canham	appointed as Trustee 01/03/2019
Gwen Elliot	appointed as Trustee 11/09/2019
Nina Van Gessel	appointed as Trustee 11/09/2019
James Hebbourn	appointed as Trustee 11/09/2019
William Ostrom	appointed as Trustee 29/03/2022
Stephen Humphrys	appointed as Trustee 01/09/2022 - Treasurer

Patrons of the Lantern Arts Centre during the period were:

Fiona Castle, Tim Vine, Steve Price, Stephen Hammond, Michael Arthur MBE, Tim Boniface (Pastoral Patron), John Davis (Honorary Patron)

<b>Company Registration Number</b>	4556232
<b>Registered Charity Number</b>	1098680
<b>Registered Office</b>	Tolverne Road, Raynes Park London, SW20 8RA
<b>Secretary</b>	Michael Fuller
<b>Treasurer:</b>	Stephen Humphrys
<b>Bankers</b>	Co-Operative Bank plc PO Box 101 1 Balloon Street Manchester M60 4EP
<b>Accountants since 01/09/2022</b>	Matthew Hunt Digivolve Accountants Delta House Bridge Road Haywards Heath RH16 1UA

## **Public Benefit**

As a registered charity, the Lantern Arts Centre Trustees give close regard to their obligations to report the public benefit of its charitable purposes as defined by the Charities Act 2011. Our public benefit determines what it means for the LAC to be a charity, providing focus for the Charity's objectives.

How the LAC serves the community is summarised throughout the report. Measuring the difference (impact) that the Charity makes is a focus for the future. In summary of the Charity's purpose, the LAC:

- Carefully consider accessibility options for those on low incomes whether attending classes, events or productions
- Provide a wide range of opportunities for all age ranges to take part in arts activities and to explore their creative powers
- Develop young people in direction, creative and performance skills to foster their ambitions to progress to further education or employment

## **Related Parties**

Since its inception the LAC has had a close relationship with the Lantern Methodist Church (previously Raynes Park Methodist Church) from which it was founded. The church views the Arts Centre as an integral part of its outreach to the local community and at present three of the LAC Trustees are members of this church with two others in regular attendance.

The premises that the LAC occupies, form part of the Lantern Centre (owned by the Lantern Methodist Church). The parties occupying the Lantern Centre are the Lantern Methodist Church (LMC), Lantern Hub (HUB), Lantern Arts Centre (LAC) and Lantern Costume Store (LCS).

The LAC occupies its principal space under license to the church with the facility to use the main church area for large productions three times a year.

## **Internal Controls and Risk Management**

The Trustees have responsibility for ensuring that the Charity has in place an appropriate system of controls, financial or otherwise, to provide reasonable assurance that the Charity is operating effectively and in line with Charity Commission guidelines.

The systems of financial control were continually reviewed and improved where necessary during the year to provide reasonable assurance against material misstatement or loss.

An annual planning and budgeting process is in place and the Charity is developing a risk management plan, which will be regularly reviewed throughout the year. This identifies the most significant risks to the Charity, orders them by likelihood of occurrence and their impact, and indicates what action is in hand or is necessary to manage the risk. These include key areas such as Safeguarding, Health and Safety, Fire Safety and Data Protection.

## **6. OBJECTIVES**

The Trustees have agreed the following objectives.

### **Objective 1:**

Maintain a high-quality programme by providing a community performance venue for the purposes of local artistic expression and skill development. This objective will be met by:

- Providing opportunities for the local community to take part in, in order to explore their own creativity and develop, learn and enhance skills related to all forms of art.
- Actively seeking out professional artists to perform or exhibit their work.
- Presenting and performing work which explores culturally relevant issues alongside family-friendly activities, events, and performances.
- Diversifying and increasing the breadth of our offer across the artistic spectrum with a focus on literature, art, music, dance, and comedy. This also includes expanding our digital and online offer.
- Nurturing talent within our local community by offering opportunities to amateur performers and also a range of local artists.
- Widening our team of directors and technical crew in order to become more sustainable, increase our income and enhance our ability to support more regular programming across a diverse range of culturally expressive performance and for income revenue.

### **Objective 2:**

Deliver a programme of accessible events and activities which reduce isolation and improve wellbeing in young people and adults in Raynes Park and the surrounding community. This objective will be met by:

- A programme which provides hands on, workshop-based opportunities for people at all skill levels to explore their own creativity in a safe environment.
- Offering an inclusive programme which pays particular attention to, and addresses the needs of, minority and disempowered groups.
- Supporting, and working in partnership with, grass roots community initiatives which aim to improve the lives of people in the local area.
- Developing and promoting our approach to inclusion, to ensure that all of our events and activities are accessible to people with a range of needs.
- Using arts engagement to improve the quality of life through arts engagement for those who would not normally be able to access the arts. This involves planning ahead in order to secure funding in time to offer subsidised places.
- Increasing our offer to young people by ensuring that activities are targeted and relevant.
- Ensuring financial accessibility across all of our programme so that access to the arts is not prohibited due to an individual's financial status.
- Strengthening our long-term partnership with the Lantern Methodist Church through active collaboration in order to provide holistic pastoral support and to celebrate our rich Christian heritage.

### **Objective 3:**

Safeguard the Lantern Arts Centre so that the Charity can continue to serve the local community and meets its obligations of public benefit into the future. This objective will be met by:

- Developing a 3 to 5-year strategy, alongside a robust risk register, in order to mitigate as far as possible against risks which will impact on the sustainability of the LAC.

- Diversifying our income through increasing our regular donors, our lettings provision and targeting applications for grant funding in line with the Charities objectives.
- Building up and maintaining the Charity's reserves at a robust level and investing in our technical and office infrastructure
- Securing a leasehold tenure from the Lantern Methodist Church on the core premises required by the LAC to undertake its regular activities.
- Developing our online and marketing strategy in order to increase our income.
- Building our volunteer base, seeking to draw in skills particularly in the areas of marketing and technical expertise.

## **7. FINANCIAL REVIEW**

### **Overview**

The Charity's income for the year was £151,928 (2022: £134,700) against expenditure of £148,690 (2022: £125,036) leading to a surplus of £3,238 (2022: £9,664).

In a typical year, the LAC generates the majority of its income through donations and charitable activities, such as its productions and classes.

Expenditure increased by £23,654 compared to the previous year in line with increased activity, as the centre started to return to normal operations.

The Trustees continue to closely monitor the performance of the Charity's activities, particularly in light of the continuously changing government restrictions impacting performing arts and community groups. The Trustees proactively seek to develop a programme of activities that ensures the LAC continues to be accessible to wide audiences on a range of mediums throughout these difficult times.

### **Reserves Policy**

The purpose of the reserves policy is to mitigate against any risk to ongoing activities, which may be caused by an unforeseen increase in expenditure, incoming funds falling short of expectations or a temporary cash shortage due to the periodical nature of the LAC's activities.

The Trustees undertake an annual risk assessment to determine the level of reserves that need to be maintained. Reserves include restricted and unrestricted funds. Only the unrestricted funds can be used at the discretion of the Trustees, i.e. to address the above risks. The restricted funds may only be used for their specific purpose. Total fund balances carried forward are £63,800, made up of £10,300 of restricted funds and £53,500 of unrestricted funds.

It is the policy of the Trustees to maintain at least 6 months operating costs as unrestricted reserves and sufficient funds to meet immediate commitments and to enable a timely reaction to any downturn in activities. The Trustees consider the level of reserves held at Year End to be reasonable.

## **8. STATEMENT OF TRUSTEES' RESPONSIBILITIES**

Company law requires the Trustees to prepare financial statements for each financial year. The financial statements are required by law to give a true and fair view of the state of affairs of the Charity at the end of the financial year and of its surplus or deficit for that period. In preparing the financial statements the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe methods and principles in the Charities SORP
- Make sound judgement and estimates that are reasonable and prudent
- State whether applicable 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 Charity will continue in operation

The Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and which enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. These financial statements have been prepared in accordance with current statutory requirements and requirements of the Charities Commission Statement of Recommended Practice (SORP 2015).

### **Audit**

As noted on the Trustees' statement on the Balance Sheet, the trustees have taken advantage of the exemption from audit applicable to the Charity and these accounts have not been audited.

The Trustees' Report has been prepared in accordance with the special provision of Part 1S of the Companies Act 2006 relating to small entities.

Approved by the Trustees following the meeting on 08.05.2024 and signed on their behalf by:



Martin Welsh  
Chair of Trustees  
Lantern Arts Centre



## 9. STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2023

		Unrestricted	Restricted	2023	2022
	Note	funds	Funds	Total	Total
		£	£	£	£
<b>Incoming Resources</b>					
<b>Incoming Resources from generated funds</b>					
Voluntary income:					
Grants and donations	3	17,421	6,103	23,524	26,574
Other income		197	0	197	9
Services to Lantern Centre		0	0	0	0
Incoming Resources from charitable activities					
Operation of theatre and arts centre	4	128,207	0	128,207	108,117
<b>Investment income</b>					
Bank interest		0	0	0	0
<b>Total Incoming Resources</b>		<b>145,825</b>	<b>6,103</b>	<b>151,928</b>	<b>134,700</b>
Resources Expended					
<b>Costs of generating funds:</b>					
Fundraising costs of grants and donations	5,7	558	0	558	3,141
Charitable activities					
Operation of theatre and centres	6,7	148,132	0	148,132	121,895
<b>Total Resources Expended</b>		<b>148,690</b>	<b>0</b>	<b>148,690</b>	<b>125,036</b>
Transfer Between Funds					
<b>Net Movement In Funds</b>					
Net Incoming/(Outgoing) Resources		(2,865)	6,103	3,238	9,664
Total funds brought forward at 1 September 2022		63,871	0	63,871	54,207
Restatement of reserves		--	--	--	--
<b>Total funds carried forward at 31 August 2023</b>		<b>61,006</b>	<b>6,103</b>	<b>67,109</b>	<b>63,871</b>

The statement of financial activities includes all gains and losses recognised in the year. All incoming resources and resources expended derive from continuing activities.

## BALANCE SHEET AT 31 AUGUST 2023

	Note	2023		2022	
		£	£	£	£
<b>Current Assets</b>					
Other debtors		647		772	
Cash at bank and in hand		81,986		63,264	
		<u>82,633</u>		<u>64,036</u>	
<b>Liabilities</b>					
Creditors falling due within one year	8	<u>15,524</u>		<u>165</u>	
Net Current Assets			67,109		63,871
<b>Total Assets Less Current Liabilities</b>			<u>67,109</u>		<u>63,871</u>
<b>Accumulated Funds</b>					
Restricted funds	11	0		0	
Unrestricted funds	11	<u>67,109</u>		<u>63,871</u>	
Total charity funds			<u>67,109</u>		<u>63,871</u>

## Audit Exemption

For the financial year in question the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

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

Approved by the Trustees following the meeting on 08.05.2024 and signed on their behalf by:



**M Welsh**  
Chairman of Trustees

## **NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 AUGUST 2023**

### **1. Accounting Policies**

#### **(a) Accounting basis and standards**

The financial statements are prepared under the historical cost convention and in accordance with 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 (FRS102)-Charities (SORP 2015) and the Companies Act 2006. The principal accounting policies adopted in the preparation of the financial statements are set out below.

#### **(b) Going Concern**

The Trustees consider that the charity has adequate resources to continue in operational existence for the foreseeable future. The level of reserves held at year end is sufficient to maintain basic office expenditures for a period of 6 —9 months. Ongoing and continuous contingency planning and risk management mean the LAC is well prepared to deal with adversities. The LAC receives a strong level of support from its "Angels" who donate on a regular basis as well as from its wider company who volunteer much of their time to support the activities. In addition, the Trustees have formed a new Fundraising subcommittee to work on further diversifying the LAC's income base. Accordingly, the financial statements have been prepared on a going concern basis.

#### **(c) Incoming Resources**

Voluntary income including donations, gifts and legacies and grants that provide core funding are of a general nature and are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when:

The donor specifies that the grant or donation must only be used in future accounting periods; or The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Income from commercial trading activities is recognised as earned (as the related goods and services are provided). Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions is recognised as earned (as the related goods or services are provided).

Grant income included in this category provides funding to support performance activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Income is deferred when; Admission fees or performance related grants are received in advance of the performances or events to which they relate.

#### **(d) Resources expended**

Expenditure is recognised when a liability is incurred. Contractual arrangements and performance related grants are recognised as goods or services are supplied. Other grant payments are recognised when a constructive obligation arises that result in the payment being unavoidable.

Costs of generating funds are those costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds. Charitable activities include expenditure associated with the staging of

concerts, stage production, art exhibitions and educational programmes and include both the direct costs and support costs relating to these activities.

Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements. Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, e.g. allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

**(e) Irrecoverable VAT**

All resources expended are classified under activity headings that aggregate all costs related to the category. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

**(f) Fund accounting**

Funds held by the charity are either: -

Unrestricted General Funds - This can be used in accordance with the charitable objects at the discretion of the trustees.

Restricted Funds- which may only be used for particular restricted purposes within the objects of the charity.

Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

**(g) Debtors**

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

**(h) Cash at bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments.

**(i) 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 can be measured or estimated reliably.

**2. Constitution**

The company is limited by guarantee and does not have a share capital. Every member of the company undertakes to contribute to the assets of the company in the event of it being wound up while he or she is a member, or within one year after he or she ceases to be a member, for the payment of the debts and liabilities contracted before he or she ceased to be a member, such amount as may be required, not exceeding £10

### 3. Voluntary Income

	Unrestricted	Restricted	Total
	Funds	Funds	2023
	£	£	£
Grants	0	6,103	6,103
Donations	17,421	0	17,421
Gift Aid	0	0	0
Fundraising Activities	0	0	0
	<u>17,421</u>	<u>6,103</u>	<u>23,524</u>

#### Prior Year Comparative (2022)

	Unrestricted	Restricted	Total
	Funds	Funds	2022
	£	£	£
Grants	3,602	7,505	11,107
Donations	15,467	0	15,467
Gift Aid	0	0	0
Fundraising Activities	0	0	0
	<u>19,069</u>	<u>7,505</u>	<u>26,574</u>

### 4. Incoming resources from charitable activities

	Unrestricted	Restricted	Total
	Funds	Funds	2023
	£	£	£
Classes	46,031	0	46,031
Productions	43,715	0	43,715
Lettings	29,603	0	29,603
Other	8,458	0	8,458
	<u>128,207</u>	<u>0</u>	<u>128,207</u>

#### Prior Year Comparative (2022)

	Unrestricted	Restricted	Total
	Funds	Funds	2022
	£	£	£
Classes	44,272	0	44,272
Productions	33,492	0	33,492
Lettings	21,673	0	21,673
Other	8,680	0	8,680
	<u>108,117</u>	<u>0</u>	<u>108,117</u>

## 5. Analysis of expenditure on costs of generating funds

The charity allocates 5% of support costs to generate funds in line with actual time spent on this activity.

Activity or Programme	Activities Undertaken Directly	Support Costs	Total 2023
	£	£	£
Fundraising	0	558	558

### Prior Year Comparative (2022)

Activity or Programme	Activities Undertaken Directly	Support Costs	Total 2022
	£	£	£
Fundraising	0	3,141	3,141

## 6. Analysis of expenditure on charitable activities

The charity allocates its support costs between the three activities undertaken as shown in the table below. Support costs are allocated on a basis consistent with the use of resources.

Activity or Programme	Activities Undertaken Directly	Support Costs	Total 2023
	£	£	£
Classes	17,107	19,414	36,521
Productions	26,027	36,487	62,514
Lettings	16,077	25,228	41,305
Other	6,676	1,116	7,792
<b>Total</b>	<b>65,887</b>	<b>82,245</b>	<b>148,132</b>

### Prior Year Comparative (2022)

Activity or Programme	Activities Undertaken Directly	Support Costs	Total 2022
	£	£	£
Classes	18,378	17,631	36,009
Productions	25,530	24,492	50,022
Lettings	17,043	16,350	33,393
Other	1,261	1,210	2,471
<b>Total</b>	<b>62,212</b>	<b>59,683</b>	<b>121,895</b>

## 7. Analysis of Support Costs

	Total	Total
	2023	2022
	£	£
Contractor Fees	19,414	18,515
Salaries	36,487	24,505
Advertising & Promotions	2,928	557
Office Costs	13,300	8,284
Printing, Postage & Stationery	2,307	1,806
Travel & Subsistence	1,633	645
Accountancy Fees	1,440	1,464
Professional Fees		619
Bank Charges	2,160	2,507
Insurance	1,461	1,449
Centre Costs	558	2,773
Sunday Expenses	0	0
	<b>81,688</b>	<b>62,824</b>

During the year, no Trustee received remuneration for their services as Trustee (2022-£Nil) However, A. McBride was paid £Nil for Tech Services provided to the Lantern Arts Centre to support its activities (2022- £Nil).

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

## 8. Creditors

	Total	Total
	2023	2022
	£	£
Wages Payable	1,232	0
Taxes	395	165
Deferred Income	13,897	0

## 9. Support Staff

	Total	Total
	2023	2022
	£	£
Wages and Salaries	35,946	23,764
Social Security	0	0
Pension Costs	541	440

The average monthly number of employees during the year was:

	2023	2022
	Number	Number
administration	2	1

During the year, no employee was paid a salary above £60,000 in 2023 (2022-£Nil). Key management personnel comprise of the Trustees. No remuneration was paid to the Trustees.

## 10. Related Parties

No related party transactions have taken place during the year.

## 11. Analysis of Charitable Funds

### Analysis of unrestricted fund movements

	Balance at September 2022	Incoming resources	Resources expended	(to)/from Reserves funds	Fund at 31 August 2023
	£	£	£	£	£
General Fund	63,871	145,825	148,690	0	61,006

### Analysis of restricted fund movements

	Balance at September 2022	Incoming resources	Resources expended	(to)/from Reserves funds	Fund at 31 August 2023
	£	£	£	£	£
Performance Grant	0	6,103	0	0	6,103
Other	0	0	0	0	0
Total	0	6,103	0	0	6,103

Restricted funds represent grants or donations given to perform or support the expenditure in specific productions or work in the theatrical field.



## 10. INDEPENDENT EXAMINERS REPORT TO THE TRUSTEES OF THE LANTERN ARTS CENTRE

I report on the accounts of the company for the year ended 31 August 2023, which are set out on pages 15 to 22.

### Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 145 of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

examine the accounts under section 145 of the 2011 Act; to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and to state whether particular matters have come to my attention.

### Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

### Independent examiner's statement

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

1. which gives me reasonable cause to believe that in any material respect the requirements:
  - to keep accounting records in accordance with section 386 of the Companies Act 2006, and
  - to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities

have not been met; or

2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Matthew Hunt (FMAAT)  
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