

Company Registration No. 4654393

The People's Theatre Company
(A company limited by guarantee)

Annual Report and Accounts

For the year ended 31 January 2023

Registered Charity No. 1099248
Registered Office: 69 Manor Way, Guildford, Surrey GU2 7RR

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Annual Report of The Board of Directors

The Directors are pleased to submit their annual report and financial statements for the year ended 31 January 2023. The financial statements comply with current statutory requirements, the requirements of the charity's governing document and are in accordance with Accounting and Reporting by Charities: The Statement of Recommended Practice (Charities SORP (FRS 102)).

Legal Structure

The People's Theatre Company is an independent registered charity working with the public to strengthen the arts. The company was incorporated as a company limited by guarantee on January 31, 2003. The company commenced activities from that date.

The Directors have powers to make appointments to the Board. These are ratified by a vote of the guarantor members at the annual general meeting. Directors serve only until the next following AGM when they may be re-elected. The board meets at least three times a year.

Objectives

The objectives of the Charity as set out in its memorandum of Association dated 31 January 2003 are to:

- Advance the education of the public in the arts by encouraging and supporting high standards in particular but not exclusively by the provision of workshops.
- Provide a platform to showcase talent in the form of original new productions.
- To obtain accessible theatre for all.

The directors consider at all times the Charity Commission's guidance on public benefit.

Organisation

The Board delegates responsibility for the day-to-day operation of the Charity to the Chief Executive.

The Charity is organised into two main units of operation:

1. The Arts Team programmes and runs workshops and productions, of which there is at this time two a year.
2. The Administrative Team maintains administrative and financial operations.

Directors

The Directors of the Charitable Company stand in place of the Trustees of the Charity. Those who served as Directors during the period and up to the date of this report were as follows:

Nadeem Naqui - Treasurer

Stuart Lane - Chair

Michael Green

No Director has any beneficial interest in the company. All directors are members of the company and guarantee to contribute £10 in the event of winding up. In accordance with article 28, all the directors retire at the first annual general meeting and, being eligible, offer themselves for re-election.

Volunteers

The People's Theatre Company appreciates the continued support of the volunteers who are involved in both service provision and office support. During the year over 500 volunteer hours were provided. If this is valued conservatively at £10 per hour, the equivalent monetary value is £5000.

Employee Involvement and Employment of Disabled People

The People's Theatre Company is an equal opportunities employer and welcomes applications from all sections of the community. Our staff for projects this year have included people of BAME and continental European background as well as women and the disabled. All would have otherwise been unemployed.

The Charity has a working policy for equal opportunity.

Review of Activities and Future Developments

Major Projects undertaken during the year include:

- Continuation of our Digital Transformation Project which when complete will provide greater accessibility to our on-line presence and further opportunities to interact with us and our work.
- Our production of I Spy With My Little Eye toured from February 2022 and our production of Santa In Love was resident at Theatre Severn.
- Income was received during the financial year from outside the United Kingdom. We presented I Spy With My Little Eye in The UAE and gave associated workshops, presentations and school talks where able. These charitable activities gave rise to receipts during the year of £7,250 by bank transfers from a private company based in the UAE.
- Much of the year was spent adapting to the post covid world where the cultural recovery has not yet come to pre pandemic levels. Cost saving has been critical but we have also supported our artists during the economic crisis by paying them an average 25% more than during the same period last year.
- Plans have been laid for future investment in work that can happen in settings beyond indoor venues including work at Polesden Lacey which we were asked to tender for.

Review of the Financial Position at the end of the Accounting Period

The Company reported a surplus of £21,043 this financial year (2022: £11,275).

At the end of the year unrestricted funds were £52,863 (2022: £31,820).

There was a zero restricted funds balance (2022: £nil) – including £8,000 held in deferred income (2022: £21,482).

Restricted funds are tied to a particular purpose or project within the Charity's work.

Fund Raising

The People's Theatre Company makes applications for grants to charitable bodies, trusts and sponsors and receives donations from the public which we have recently begun to be more proactive about with a link on our website and various social media campaigns.

These funds enable the Charity, which operates on a project-to-project basis, to continue its work and further its charitable objectives.

Reserves

The Directors have set the short-term objective of retaining a level of unrestricted reserves of approximately £8,000 to use freely for investment or charitable application.

At present the balance of unrestricted funds is designated, having been raised and allocated in advance for projects designed to meet the charitable objectives of the organisation.

Changes in Fixed Assets

The PTC has a van. No assets are held except as detailed in the accounts.

Risk Management and Internal Control

The Directors have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the Charity and are satisfied that systems are in place to mitigate exposure to these risks.

The Board of Directors review the annual budget paying particular attention to the balance between income and expenditure and the amount needed to be retained in reserves. The Board of Directors aim to maintain a system of financial controls, appropriate to the size and nature of the organisation.

The Board of Directors liaised with its external examiners on their recommendations regarding financial controls. The system of financial controls is designed to manage rather than eliminate risk. Thereafter there will be an ongoing process for reviewing financial controls which will also assist in identifying risks and management thereof.

Governance:

At the end of the financial year the Charity had the following policies and procedures in place:

- Internal charity financial controls policy and procedures
- Safeguarding policy and procedures
- Financial reserves policy and procedures
- Complaints policy and procedures
- Serious incident reporting policy and procedures
- Charity financial reserves policy and procedures
- Internal risk management policy and procedures
- Trustee conflicts of interest policy and procedures
- Investing charity funds policy and procedures
- Bullying and harassment policy and procedures

Statement of Directors' Responsibilities.

Company law requires the directors, who are also the charity trustees, to prepare financial statements for each financial year which give a true and fair view of the affairs of the charity and of the surplus or deficit of the charity for that period. In preparing those financial statements, the directors are required to:

- Select suitable policies and apply them consistently.
- Make judgements 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 that are on a going concern basis unless it is inappropriate to assume that the company will continue on that basis.

The directors have overall responsibility for ensuring that the Charity has appropriate systems of control, financial and otherwise. They are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time, the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006 and the Charities Acts. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Board of Directors and signed on its behalf

Date.....

..... Director
Stuart Lane - Chair

..... Director
Nadeem Naqui - Treasurer

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Statement of financial activities (including summary income and expenditure account)
For the year ended 31 January 2023

	Note	2023 Unrestricted funds £	2023 Restricted funds £	2023 Total funds £	2022 Total funds £
Income from:					
Donations		3,417	51,380	54,797	29,556
Charitable activities		64,351	-	64,351	28,916
Total income	3	67,768	51,380	119,148	58,472
Expenditure on:					
Raising funds		3,057	2,110	5,167	2,833
Charitable activities		54,528	38,410	92,938	44,364
Total	5	57,585	40,520	98,105	47,197
Net income/(expenditure)		10,183	10,860	21,043	11,275
Transfers between funds	8	10,860	(10,860)	-	-
Net movement in funds		21,043	-	21,043	11,275
Reconciliation of funds:					
Total funds brought forward		31,820	-	31,820	20,545
Total funds carried forward		52,863	-	52,863	31,820

The Statement of financial activities includes all gains and losses recognised in the year

The Notes form part of these financial statements

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Balance Sheet

As at 31 January 2023

		31 Jan 2023	31 Jan 2023	31 Jan 2023	31 Jan 2022
	Note	Unrestricted funds £	Restricted income funds £	Total this year £	Total last year £
Fixed assets					
Tangible assets	9	-	-	-	-
<i>Total fixed assets</i>		-	-	-	-
Current assets					
Debtors	10	5,773	-	5,773	5,908
Cash at bank and in hand		51,173	13,925	65,098	72,606
<i>Total current assets</i>		56,946	13,925	70,871	78,514
Creditors: amounts falling due within one year	11	4,083	13,925	18,008	46,694
<i>Net current assets</i>		52,863	-	52,863	31,820
<i>Total assets less current liabilities</i>		52,863	-	52,863	31,820
<i>Total net assets</i>		52,863	-	52,863	31,820
Funds of the Charity					
Restricted funds			-	-	-
Unrestricted funds		52,863		52,863	31,820
<i>Total funds</i>		52,863	-	52,863	31,820

The company was entitled to exemption from audit under s477 of the Companies Act 2006 relating to small companies.

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

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

These accounts have been prepared in accordance with the provisions applicable to small companies subject to the small companies regime and in accordance with FRS102 SORP.

The Accounts were approved by the Board
and signed on their behalf by:

			Date
.....	Stuart Lane	Director
.....	Nadeem Naqui	Director

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Notes to the Financial Statements

For the year ended 31 January 2023

1. Basis of Preparation

1.1 Basis of accounting

These accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The accounts have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland FRS 102) and with the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

The ongoing impact of the COVID pandemic continues to adversely affect the company and the whole theatre business. Future cashflow forecasts and budgets have been prepared, which indicate the company will be able to continue beyond the end of the next financial year end.

The directors have assessed that there is a reasonable expectation the company has adequate resources for the foreseeable future and, accordingly, the financial statements have been prepared on a going concern basis.

1.3 Change of accounting policy

The accounts present a true and fair view and no changes have been made to the accounting policies adopted in note 2.

1.4 Changes to accounting estimates

No changes to accounting estimates have occurred in the reporting period.

1.5 Material prior year errors

No material prior year errors have been identified in the reporting period.

2. Accounting Policies

2.1 Income

Income is recognised when:

- the charity becomes entitled to the resources;
- it is more likely than not that the resources will be received
- the monetary value can be measured with sufficient reliability
- any attached performance conditions have been met.

Donations are recognised in the year in which they are received.

Income received, but to which the company is not yet entitled because the expenditure has not yet been recognised, is treated as a Deferred Income liability on the Balance Sheet; for example when a grant has been received with the condition that any unspent amount is to be returned to the donor.

Donated services are included in income when received, at the value of the gift to the charity, provided the value of the gift can be measured reliably. An equivalent amount is recognised as an expense, in the period of receipt, under the appropriate heading.

The value of any voluntary help received is not included in the accounts but is described in the trustees' annual report.

2.2 Expenditure

Expenditure is recognised when it is more likely than not that there is a legal or constructive obligation committing the charity to pay out resources and the amount of the obligation can be measured with reasonable certainty.

Costs of charitable activities are the costs expended by the charity in undertaking its work and achieving its charitable objectives, as opposed to the cost of raising funds to finance those objectives.

Overhead support costs include central functions and have been allocated to activity cost categories in proportion to the direct costs incurred for each category.

2.3 Fund accounting

Unrestricted funds are available to spend for charitable purposes at the discretion of the directors. The directors may choose to designate a part of the unrestricted funds to be used for forthcoming production commitments or to make up the shortfall for restricted fund projects.

Restricted funds are those which the donor has specified be used only for particular areas of the charity's work.

Transfers between funds are analysed in Note 8. below

2.4 Fixed assets

Individual fixed assets costing £500 or more are capitalised at cost and are depreciated over their useful economic lives on a straight line basis.

The charity currently owns a van, which has been depreciated over 3 years.

2.5 Debtors

Debtors are measured on initial recognition at settlement amount after any trade discounts or amount advanced by the charity. Subsequently, they are measured at the cash or other consideration expected to be received.

2.6 Creditors

Liabilities are recognised where it is more likely than not that there is a legal or constructive obligation committing the charity to pay out resources and the amount of the obligation can be measured with reasonable certainty.

3. Income

Analysis of income	2023 Unre- stricted funds £	2023 Restricted funds £	2023 Total funds £	2022 Total funds £
Donations				
Donations and gifts	147	-	147	941
Gift Aid	-	-	-	2,999
General grants provided by gov- ernment/other charities	3,270	50,380	53,650	25,616
Donated services - Digital Trans- formation Project		1,000	1,000	1,000
Total	3,417	51,380	54,797	29,556
Charitable activities				
Production income	64,351	-	64,351	28,684
Other	-	-	-	232
Total	64,351	-	64,351	28,916
Total Income	67,768	51,380	119,148	58,472

All income in the prior financial year was unrestricted.

4. Analysis of Grants

Grants received	2023 Unre- stricted funds £	2023 Restricted funds £	2023 Total funds £	2022 Total funds £
Arts Council England - Culture Recovery Fund - Emergency Re- source Support		35,400	35,400	-
Arts Council England - Digital Transformation Project		14,980	14,980	-
Guildford Borough Council - COVID Recovery Grant	3,270	-	3,270	25,616
Total	3,270	50,380	53,650	25,616

5. Expenditure

Analysis of expenditure	2023 Unre- stricted funds £	2023 Restricted funds £	2023 Total funds £	2022 Total funds £
Raising funds				
Advertising, marketing and publicity	2,754	2,050	4,804	2,625
Overhead support costs	303	60	363	208
Total	3,057	2,110	5,167	2,833
Charitable activities				
Production costs - artists professional fees	8,197	12,186	20,383	7,690
Production costs - travel and accommodation	7,106	3,430	10,536	4,665
Production costs - other	1,187	1,100	2,287	658
Royalties	6,050	-	6,050	2,490
Professional fees	26,590	3,410	30,000	25,602
Digital Transformation Project	-	17,700	17,700	-
Overhead support costs	5,398	584	5,982	3,259
Total	54,528	38,410	92,938	44,364
Total Expenditure	57,585	40,520	98,105	47,197

All expenditure in the prior financial year was unrestricted.

6. Analysis of Overhead Support Costs

	2023 Unre- stricted funds £	2023 Restricted funds £	2023 Total funds £	2022 Total funds £
Vehicle repairs and expenses	2,155	441	2,596	871
Telephone and office expenses	655	203	858	691
Insurance	267		267	220
Repairs and renewals	2,624		2,624	1,356
Motor vehicle depreciation	-		-	1,200
Total	5,701	644	6,345	4,338

Support costs cannot be attributed to a single activity. These costs have been allocated between raising funds and charitable activities in proportion to the direct costs incurred for each.

7. Employee and Independent Examiner Cost

The company has no paid employees. (2022: none)

No remuneration or expenses were paid to the Independent Examiner. (2022: none)

8. Analysis of Fund transfers

	2023 Unre- stricted funds £	2023 Restricted funds £	2023 Total funds £	2022 Total funds £
Analysis of expenditure				
Company contribution to Digital Transformation Project	(1,720)	1,720	-	-
Emergency Resource Support contribution towards payment of creditors brought forward	12,580	(12,580)	-	-
Total	10,860	(10,860)	-	-

During the year The People's Theatre Company made a contribution to the Digital Transformation Project costs funded by Arts Council England.

The Arts Council England - Culture Recovery Fund - Emergency Resource Support restricted grant received in this financial year was to fund designated items of the company's cashflow - as such, it contributed towards payment for artistic fees and royalties shown in unrestricted creditors as at 31 January 2022.

9. Tangible Fixed Assets

Motor Vehicle	Cost £	Accumulated Depreciation £	Net Book Value £
As at 31 January 2022	3,600	3,600	-
Depreciation charge for the year		-	-
As at 31 January 2023	3,600	3,600	-

10. Debtors

	2023 £	2022 £
Trade debtors	1,292	3,400
Prepayments and accrued income	4,481	2,508
Other debtors	-	-
Total	5,773	5,908

11. Creditors**Amounts falling due within one year**

	2023 £	2022 £
Artists' professional fees payable	560	2,720
Professional fees payable	-	7,004
Royalties payable	-	11,831
Printing costs	-	752
Digital Transformation Project	5,925	-
VAT due	3,523	2,905
Accruals and deferred income	8,000	21,482
Other creditors	-	-
Total	18,008	46,694

12. Movement in deferred income account

	2023 £	2022 £
Balance at the start of the reporting period	21,482	-
Amounts added in current period		
Arts Council England Grant for Digital Transformation Project	-	13,482
Guilford Borough Council Grant for Digital Transformation Project	-	8,000
Amounts released to income from previous periods	13,482	-
Balance at the end of the reporting period	8,000	21,482

13. Transactions with Trustees and Related Parties

During the current financial year none of the trustees have been paid any remuneration or received any other benefits or expenses from the charity. (2022: £nil)

The Chief Executive of the charity is a member of the key management personnel and works as Artistic Director, providing professional services under a self-employed agreement with the Peoples' Theatre Company. The amount for professional services and royalties payable amounted to £43,175. (2022: £28,092)