

The Khayaal Theatre Company

Charity No. 1100005

Company No. 03597083

Trustees' Report and Unaudited Accounts

31 July 2022

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The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the unaudited financial statements of the charity for the year ended 31 July 2022.

REFERENCE AND ADMINISTRATIVE DETAILS

Company No. 03597083

Charity No. 1100005

Registered Office

42 Alexandra Avenue

PO Box 2523

Luton

LU3 9BN

Directors and Trustees

The Directors of the charitable company are its Trustees for the purposes of charity law.

The following Directors and Trustees served during the year:

R. Mughal

S.H.H. Naqvi

F. Qureshi

G. Virani

Company Secretary

L.A. Ali

Accountants

Sabat Accountants Ltd t/a Seymour King

Suite G1

Hartsbourne House

Delta Gain

Watford

WD19 5EF

OBJECTIVES AND ACTIVITIES

The objects for which the company is established are to promote, maintain, improve and advance public education particularly through the research, development, production and performance of drama and theatre inspired by and adapted from Muslim literature and the wisdom literature of other faith traditions.

The company's activities typically include touring stage performances (Theatre-without-Walls), running drama workshops, devising and running theatre-in-education programmes, publishing children's books, training, advocacy and consultancy.

ACHIEVEMENTS AND PERFORMANCE

As the pandemic conditions of the past 16 months continued to subside, we continued to transition back to the physical delivery of Theatre-without-Walls's on demand, small-scale and high quality and impact offerings for our multi-sector partners across the country. This transition was made possible by the continued support of the DCMS/Arts Council England Cultural Recovery Fund through the first round of Emergency Resource Support (ERS). We also continued to serve virtual audiences globally with our catalogue of short films (via YouTube, Vimeo, Alchemiya and our social media channels) created during the height of the pandemic in 2020-21 and online performance events using Zoom. Working in this hybrid way proved as demanding as it was gratifying and in many ways the pandemic served to help us fulfil longstanding aspirations to reach wider audiences beyond borders.

Over the period August-December 2021, we delivered 6 online performance events and 15 physical touring events comprising 25 performances/workshops and 10 offerings benefitting national and international audiences numbering 3000 mostly with new partners across six sectors (academia, community, culture, faith/interfaith, education and charity).

The highlights of this period were our successful debut at Cheltenham Literature Festival where we regaled lively and super enthusiastic audiences of primary school children (ages 5-6) with comic tales from our award-winning book for children, 'Riding a Donkey Backwards' and our online streaming event with Institute of Business Administration (IBA) Karachi where we shared our acclaimed 'Edhi Means Love' film telling the inspiring story of the peerless Pakistani humanitarian of the 21st century and Nobel Prize nominee, Abdul Sattar Edhi.

"Having two performers worked really well and the interactive qualities and humour throughout kept our young audience enrapt." – Loraine Evans, Cheltenham Literature Festival

"... The script is so engaging and inspirational. As discussed in the panel discussion, preparing this screenplay in other part of the world proves the universality of Edhi sb. Thank you for this." – Dr Asma Hyder, IBA Karachi

Other partners over this five-month period included Muslim Charity Forum, Iqra Book Festival, Council for World Mission, Cambridge University, Muslim Institute, Newham Borough Council, Luton Culture and Milton Keynes Islamic Art and Culture. Offerings included Riding a Donkey Backwards, Rumi Tales, 1001 Stories, House of Wisdom in the Golden Age of Islam, Multifaith Stories, Muslim Nativity and Muslim Heritage Stories.

"I just wanted to share that the wonderful performance we attended at Stockwood Discovery centre sparked off my girls to perform their much loved gruffalo story play - JzkAllah Khayr for your wonderful story telling session on trees." – mamateachesme

(Instagram Luton Muslim Homeschooling Group 16.7k followers) on Stories from the Trees, Multifaith Stories on the environment

"Thank you once again for your input. Michael of Council of World Mission was very impressed by you which is not a surprise. He will be keen in the future to explore further avenues of involving you at some other national/international platforms ..." – David Jonathan, Luton Council of Faiths & Grassroots on Building Life-flourishing Communities

"Thank you once again for taking the time to visit and for giving these pupils something which I think is a lifetime experience – by bringing engaging and Islamic theatre to school. The performance and workshops were brilliant and I can't thank you enough ..." – Hannah Malik, Preston Girls Muslim High on Muslim Heritage Stories

"Atheist household here (raised Muslim and Christian) - very much enjoyed this and value the perspective. Nice to get multiple perspectives for our child." – Atheist on Muslim Nativity

It's a great production and she is a wonderful storyteller! It takes a real gift to keep attention with only your person and your voice. I think we could learn something of telling the story contextually from this. It was brilliant how it wove contemporary themes (and Christmas music) into the story ("Chestnuts roasting on an altar fire..."); poverty, injustice. And the haunting use of the melody of "O Come O Come Emmanuel, but contextually changed to an Islamic theme." – Christian on Muslim Nativity

We began 2022 excited by the prospects of our first full calendar year of normal physical touring of Theatre-without-Walls offerings after the pandemic and reaching the incredible milestone of 25 years of service. The 7-month period leading up until our FYE 31st July 2022 proved very busy indeed as we received a surge in demand as both new and existing multisector host partners requested to work with us to reconnect and re-socialise their communities. As a result, output over this period actually surpassed that of the pre-pandemic year of 2019 by 29% in relation to events and by 40% in relation to performance/workshop units delivered. 50% of our host partners were new over the period leading us to work for the first time in Northern Ireland with Sole Purpose Productions as they, like us, were celebrating their 25th anniversary. We were also thrilled to work for the first time with both Cambridge Central Mosque and Cambridge Muslim College. Our artistic collaboration with producer Farokh Marvasti and Eurasia Symphony Orchestra on the stupendous Gathering of the Birds Concert at Central Westminster Hall saw us revisit on a large scale the literary subject of our 1998 debut production, Conference of the Birds, by the Persian Sufi apothecary and sage Fariduddin Attar. Approximately 800 people attended this event, most of whom were of Iranian/Persian heritage.

Other highlights of the Jan-Jul 2022 period included a sell-out third partnership event with Oxford University Islamic Society, a near capacity second engagement with Sufi Festival in Glasgow and a sell-out fifth engagement with the Compass Network at Norton Rose Fulbright in London. We were also fortunate to deliver a co-creational 5-week residency in partnership with Faiths Forum for London and Bilal Education in Romford, E. London during which we worked with 20 young people of Swahili/East African heritage to explore, develop and perform Swahili folktales for their communities supported by The Platinum Jubilee Fund. We ended the year contributing to our local Denbigh High School's Enrichment Week with interactive performances of wisdom tales from E. Africa, Iraq, Iran, China and Rumi for 450 pupils over two days.

Physical Output

Events: 49

Physical Performances & Workshops (units): 79

Multi-Sector Host Partners: 44

Local Authorities Reached: 25

Live Audiences/Beneficiaries: 7,600 (30% of potential audience)

Average Lead Time (from request to delivery): 7 weeks

Artists: 10

Sectors: Education, Academia, Culture, Community, Corporate, Charity, Local Government, Faith/Interfaith

Requests Logged: 146

New Partners/Requests: 84

Repeat Partners/Requests: 62

Estimated Potential Physical Audience: 25,000

Digital Output

(1)

Hosted Online Performances: 7

Multi-Sector Host Partners: 6

Countries Reached: UK, USA, South Africa, Canada, Pakistan, Germany, Spain and beyond

Digital Audiences/Beneficiaries: 1,011

Sectors: Education, Community, Faith/Interfaith, Culture, Academic and Charity

(2)

Digital Content Offerings (Films and Audio): 14

Channels/Platforms: Facebook, Instagram, YouTube, Vimeo, Linked-In, Soundcloud, Alchemiya and Islam Channel

Digital Audiences/Beneficiaries: 100K minimum

Project offerings in order of quantity delivered:

- Muslim Heritage Stories promoting and celebrating humanitarian values from Afghanistan, Saudi Arabia, Iraq, Palestine, China, Pakistan, Iran, India, Tunisia, Bangladesh, Yemen, Mali, Nigeria, Syria, Lebanon, Somalia, Tanzania, Sierra Leone, Turkey, Syria, Uzbekistan, Andalusia, Sudan, etc. 80%
- Other: House of Wisdom in the Golden Age of Islam, Multifaith Stories, Muslim Nativity, Edhi Means Love, Riding a Donkey Backwards and Conference of the Birds 20%

New performances and workshops researched, developed, produced and presented:

Storytelling Theatre Performances

- The Magical Pear Tree, a Taoist tale from China, 10mins, for Luton Culture
- Fruits of the Future, Now, a tale from Iran, 10mins, for Luton Culture
- Animal Lawsuit Against Humanity, a parabolic film by the Brethren of Purity, Iraq, 1min for The Big Green Week, Muslim Charities Forum
- Mulla Nasruddin Exploits x2 for Cheltenham Literature Festival, 25mins
- Aboriginal Dream Creation Myth, a tale from Australia, 7mins, for Building Life-Flourishing Communities, Grassroots and Council for World Mission
- The Tailor's Needle, a Uyghur Tale, 15mins for Oxford University Islamic Society
- The Good Lie, a tale by Sa'adi of Iran, 5mins
- Conference of the Birds, poetry reading for Eurasia Symphony Orchestra, 20mins
- The Tree of Justice, a tale by Jalaluddin Rumi of Turkey, 15mins for Sufi Festival, Glasgow
- The Rainmaker, a tale from the Swahili, 15mins for Sufi Festival, Glasgow
- The Ropemaker, a tale from Iraq from the 1001 Nights, 18mins for Eid Stories at Norton Rose Fulbright
- Suleyman and the Ants, 7mins for the Learning Tree, Cambridge
- The Caliph and the Baker, a tale from Iraq, 17mins for Ramadan Tales at Cambridge Central Mosque
- The Suitors' Contest, a tale by Fariduddin Attar, 15mins for Sadiq Party, Luton

Total of 180mins or 3hrs of new offerings

Drama and Storytelling Training Workshops

- Storytelling in Education, Workshop for Teachers, 1hr for Al-Bayyinah Supplementary School, St Albans
- Ramadan Workshops for Kids Corner at Cambridge Central Mosque, 2hrs
- Swahili Stories workshops x5 for young people at Bilal Education, 10hrs
- We Tell Beautiful Stories, Workshop for Imams and Muslim Community leaders, 3hrs for Mosaic Leadership Programme, The Prince's Trust and Randeree Charitable Trust
- Drama and Storytelling Workshops x9 for Learning Tree Cambridge, 27hours

Total of 43hrs of new offerings

Developments in the Wider Work of Khayaal 2021-2022

- Eleanor Martin, our Associate Director advanced the cultural and artistic advocacy of Khayaal by giving a presentation at the University of Cambridge's Faculty of Education as part of a 3-day workshop on Muslim Women in Education through 24-26th September 2021.
- Luqman Ali, our Artistic Director and CEO, continued to serve as an Advisor/Trustee Director at Amal (www.amal.org.uk). He initially served as the founding convening advisor of the organisation in 2016 and became a Trustee Director in 2020.
- We continued to support students and academics in undergraduate and postgraduate education at academic institutions with their research on Islam and Muslim-related theatre, drama, literature, art and culture including students and faculty at Warwick University, City University, Tufts University USA, University of Manchester, University of Exeter and University of Oxford.
- We continued to leverage our expertise, experience and accrued cultural capital to provide development support and consultancy to both emerging and experienced Muslim artists and arts organisations e.g. Mimar, Birmingham and Alchemy Arts, Manchester.
- We commissioned the acclaimed sculptor and geometer, Adam Williamson, to design and hand carve a custom folding backdrop screen from English oak combining Islamic architectural design features from Andalusia and Rajasthan to serve as the centrepiece of our Theatre-without-Walls touring set.
- We launched a monthly 3-session drama and storytelling academy for 35 children aged 3-15 in Cambridge in partnership with the Learning Tree in September 2021.
- Our work attracted press and media coverage from Islam Channel, Luton Town, Herts Advertiser, This Is Local London and The Alchemiya Journal.
- We continued to provide publicity support to Islam-Muslim related theatre productions including Rumi, The Musical, London Coliseum; Makrooh, Soho Theatre; Mohand and Peter, Southwark Playhouse; and Where Two Oceans Meet, Birmingham.

- We continued to advocate for justice and equity in the UK cultural sector for BAME audiences, artists, cultural practitioners and cultural producers in relation to socio-cultural opportunities, recognition, access to public space, funding and representation. Interlocutors on these issues included Arts Council England, Esmeé Fairbairn Foundation, Paul Hamlyn Foundation, National Lottery Heritage Fund and Amal. Despite public acknowledgements of structural injustice and inequity in the sector and the formulation of new funding policies to address these issues on the part of funders and development agencies in the wake of George Floyd, Windrush and the disproportionate impact of Covid on minority communities, we continued to experience exclusion and a lack of understanding of the society-wide inequalities and disparities that stifle the aspirations of minority cultural actors. These include but are not limited to unjustifiably high thresholds and inflated expectations on the part of funders when it comes to scale of operation, impact and turnover that can only be based on the erroneous assumption that minority cultural producers benefit from equal access to resources and opportunities and a level playing field. By evidencing the wide socio-economic and socio-cultural disparities that disadvantage BAME communities when it comes to average household wealth, employment prospects, physical and mental health outcomes, acceptance and belonging and multiple deprivation, we endeavoured to convince our interlocutors that real equity means calibrating threshold and expectation criteria for support to the realities of the lived experience of minorities in the round. For example, when the average household wealth of a white British family (£314K) is ninefold that of a black African family (£34K), it is manifestly clear that the socio-economic barriers to socio-cultural inclusion and stake-holding where the arts are concerned are in no way comparable.

Monitoring & Evaluation

Company

- Overall evaluation and risk analysis of the company's activities over the year using internal measurements and indicators and assessment of the satisfaction of staff, volunteers, partners and beneficiaries resulted in the following key findings:
- High levels of satisfaction with Khayaal's products and services both quantitatively and qualitatively relative to human, material and financial resources at our disposal.
- Continuous up-skilling and professional development critical to improving quality and generating innovation and creativity.
- More stable and longer-term financial investment critical to growth and realisation of potential.
- Challenges presented by impact of pandemic and cost-of-living crisis will need to be met with creative and entrepreneurial ingenuity and a highly adaptive business model.

- Our ongoing evaluation of audiences' and partners' responses to our original adaptations of humanitarian values tales and stories from Muslim and multifaith literature led to the following key findings:
- Muslim audiences respond to our work with an increase feeling of belonging, pride and heightened aspiration, all of which contribute to greater awareness of and confidence in the inclusive resources within their cultural traditions that encourage integration and foster contributory citizenship within wider society.
- Audiences from other traditions, both faith and secular, respond to our work with high levels of appreciation and gratitude for the opportunity to experience the aesthetics, wisdom, humour and humanity of Muslim cultures in performance made accessible by our work.
- Both audiences express high levels of commendation and appreciation for the opportunity for intercultural dialogue, engagement and understanding within one of Britain's most important socio-cultural institutions and art forms.

FINANCIAL REVIEW

During the year under review the charity received unrestricted income of £158,422 (2021: £147,106) and restricted income of £18,333 (2021: £16,666) and had an expenditure of £126,592 (2021: £139,736) and £10,029 (2021: £16,235) for unrestricted and restricted respectively. At the Balance Sheet date the charity held unrestricted funds of £91,001 (2021: £59,170) and restricted funds of £8,736 (2021: £431) .

The Trustee Directors have established a reserves policy that holds that unrestricted funds equivalent to a minimum of 12 weeks of the last complete financial year's turnover be held by the theatre company to cover current liabilities, commitments and activities/operations for three calendar months. For the current year, this equates to £29,214.

The purpose of this policy is to ensure that Khayaal TC is able to act in the interests of its charitable purposes and its beneficiaries, as well as protecting and safeguarding its assets and ensuring that due diligence is taken in complying with current legislation and good practice guidance.

The trustees have given due consideration to the ability of the Charity to continue as a going concern. Due to the continued support the charity receives from its donors and the public, the trustees are satisfied that the going concern basis remains appropriate in preparing these financial statements. Furthermore, the charity believes that the level of unrestricted funds held remains sufficient to support the activities of the charity in the foreseeable future.

Financial and risk management objectives and policies

Risk mitigation has been central to the organisational management processes that have ensured that we have alternately survived and flourished for over two decades. We manage and mitigate risk by maintaining a high level of industry awareness and forecasting. This is achieved by monitoring developments in our sector and related sectors in the media and public forums. We also review our organisational SWOT analysis on a regular basis taking into consideration market trends here and abroad affording us continuous tracking across analysis factors. Where financial risk is concerned, we have primarily employed the combined strengths of scalability, commitment, ingenuity and passion in order to adapt to changing circumstances and transform challenges into opportunities. Our core staff and board of directors share responsibility for risk mitigation.

Principal funding source

Over the year 2021-22, our funding came from a mix of sources as follows:

- Grants 75% (Amal, Bedfordshire and Luton Charitable Foundation, DCMS/Arts Council of England, Garfield Weston Foundation, HMRC JRS, National Lottery Community Fund and Safera Foundation)
- Donations & Gift Aid 10% (9% in 20-21)
- Income from sales and services 15% (6.5% in 20-21 due to impact of pandemic / 34% in 18-19)
- Restricted Fund Grants: (1) Amal for Theatre-without-Walls project (2) Bedfordshire and Luton Community Foundation's Community Recovery Fund for Khayaal 25 Luton project.
- In-Kind support and resources in terms of underpaid core staff time relative to multidisciplinary expertise and experience, volunteer time, host partners' contributions of performance spaces, digital channels, staff time, publicity, etc. have been quantified and valued monetarily as equivalent to at least 50% of cash turnover at £88K

PLANS FOR FUTURE PERIODS

Future plans for 2022-2023

- We will continue laying the foundations for continuous drama academy provision integrating drama, character virtues and Muslim literature beginning with monthly drama academies for mainly but not solely Muslim children aged 5-15 in Cambridge, Luton and NW London. Once we have established the monthly provision, we will then work to expand to fortnightly and later weekly provision. The Cambridge academy has been up and running for 18 months and the Luton academy for 6 months to date, so this work is well underway.
- Delivering 50-60 physical Theatre-without-Walls performance events nationally with multi-sector partners.
- Leveraging our accrued cultural capital and longstanding, privileged partnerships with BAME/Muslim communities in order to increase our grant funding from public and private funders including trusts/foundations.
- Redeveloping our website and refreshing and enriching our branding across our social media channels.
- Continue work on our 3-year (2021-2024) funded PhD project on British Muslim Engagement with Theatre in partnership with Manchester Metropolitan University, the Arts and Humanities Research Council and North West Consortium Doctoral Training Partnership. The project will be delivered by our successful applicant doctoral student Serena Slack-Robins who returns to Khayaal after working with us 23 years ago on our debut production, Conference of the Birds.
- We will work with emerging partner ETHOX, Oxford University to develop a proposal and fundraise for an applied theatre project to explore attitudes to death and dying in British Muslim communities with a focus on the relationships between these communities and providers of palliative end-of-life care.

- We will work with existing partner, Alchemy Arts, to deliver the theatre strand of the inaugural Muslim Artists Academy in Manchester comprising 6 weekly workshops for Muslims wishing to develop skills in drama and theatre. The project is supported by Arts Council England.
- We will work with new partner, Birmingham Repertory Theatre, to develop a long-term working relationship in order to serve the socio-cultural and arts education needs of the largest Muslim community in the UK.
- We will work to re-track our developing partnership with new partner, The Little Angel in Islington, with a view to co-producing a children's theatre adaptation of our award-winning 'Riding a Donkey Backwards' book. This work began in 2018-19 but was put into suspended animation by the pandemic.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The charity is controlled by its governing document, a deed of trust and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. The Trustees are also responsible for safeguarding the assets of the charity and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The above report has been prepared in accordance with the provisions applicable to companies subject to the small companies regime as set out in Part 15 of the Companies Act 2006 and in accordance with the Charities SORP (FRS 102).

Signed on behalf of the board

F. Qureshi
Trustee
17 March 2023

Independent Examiner's Report to the trustees of The Khayaal Theatre Company

I report to the charity trustees on my examination of the financial statements of The Khayaal Theatre Company for the year ended 31 July 2022 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes.

Responsibilities and basis of report

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

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

Independent examiner's statement

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

- accounting records were not kept in accordance with section 386 of the 2006 Act ; or
- the financial statements do not accord with those records; or
- the financial statements do not comply with the accounting requirements under section 396 of the 2006 Act other than any requirement that the financial statements give a 'true and fair' view which is not a matter considered as part of an independent examination; or
- the financial statements have not been prepared in accordance with the Charities SORP (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 financial statements to be reached.

Sajjad Tejani
FCCA
Sabat Accountants Ltd t/a Seymour King
Suite G1
Hartsbourne House
Delta Gain
Watford
WD19 5EF
17 March 2023

The Khayaal Theatre Company
Statement of Financial Activities
for the year ended 31 July 2022

		Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
	Notes				
Income and endowments from:					
Donations and legacies	4	36,932	-	36,932	25,757
Charitable activities	5	111,250	18,333	129,583	138,015
Investments	6	31	-	31	-
Other	7	10,209	-	10,209	-
Total		158,422	18,333	176,755	163,772
Expenditure on:					
Other	8	126,592	10,029	136,620	155,971
Total		126,592	10,029	136,620	155,971
Net gains on investments		-	-	-	-
Net income	9	31,831	8,305	40,135	7,801
Transfers between funds		-	-	-	-
Net income before other gains/(losses)		31,831	8,305	40,135	7,801
Other gains and losses					
Net movement in funds		31,831	8,305	40,135	7,801
Reconciliation of funds:					
Total funds brought forward		59,170	431	59,601	51,800
Total funds carried forward		91,001	8,736	99,736	59,601

The Khayaal Theatre Company
Summary Income and Expenditure Account
for the year ended 31 July 2022

	2022 £	2021 £
Income	176,724	163,772
Interest and investment income	31	-
Gross income for the year	<u>176,755</u>	<u>163,772</u>
Expenditure	133,458	153,209
Depreciation and charges for impairment of fixed assets	3,162	2,762
Total expenditure for the year	<u>136,620</u>	<u>155,971</u>
Net income before tax for the year	<u>40,135</u>	<u>7,801</u>
Net income for the year	<u><u>40,135</u></u>	<u><u>7,801</u></u>

The Khayaal Theatre Company

Balance Sheet

at 31 July 2022

Company No. 03597083	Notes	2022 £	2021 £
Fixed assets			
Tangible assets	11	10,244	11,647
		<u>10,244</u>	<u>11,647</u>
Current assets			
Cash at bank and in hand		92,578	49,985
		<u>92,578</u>	<u>49,985</u>
Creditors: Amount falling due within one year	12	(3,086)	(2,031)
Net current assets		<u>89,492</u>	<u>47,954</u>
Total assets less current liabilities		<u>99,736</u>	<u>59,601</u>
Net assets excluding pension asset or liability		<u>99,736</u>	<u>59,601</u>
Total net assets		<u><u>99,736</u></u>	<u><u>59,601</u></u>
The funds of the charity			
Restricted funds	13		
Restricted income funds		8,736	431
		<u>8,736</u>	<u>431</u>
Unrestricted funds	13		
General funds		91,001	59,170
		<u>91,001</u>	<u>59,170</u>
Reserves	13		
Total funds		<u><u>99,736</u></u>	<u><u>59,601</u></u>

These accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

For the year ended 31 July 2022 the company was entitled to exemption under section 477 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 2006 with respect to accounting records and the preparation of accounts.

Approved by the board on 17 March 2023

And signed on its behalf by:

F. Qureshi

Trustee

17 March 2023

The Khayaal Theatre Company
Statement of Cash flows
for the year ended 31 July 2022

	2022 £	2021 £
Cash flows from operating activities		
Net income per Statement of Financial Activities	40,135	7,801
Adjustments for:		
Depreciation of property, plant and equipment	3,162	2,762
Dividends, interest and rents from investments	(10,240)	-
Other gains/losses	-	-
Increase/(Decrease) in trade and other payables	1,055	(3,969)
Net cash provided by operating activities	<u>34,112</u>	<u>6,594</u>
Cash flows from investing activities		
Payments for property, plant and equipment	(1,759)	(13,744)
Dividends, interest and rents from investments	10,240	-
Net cash from/(used in) investing activities	<u>8,481</u>	<u>(13,744)</u>
Net cash from financing activities	<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents	42,593	(7,150)
Cash and cash equivalents at the beginning of the year	49,985	57,135
Cash and cash equivalents at the end of the year	<u>92,578</u>	<u>49,985</u>
Components of cash and cash equivalents		
Cash and bank balances	92,578	49,985
	<u>92,578</u>	<u>49,985</u>

1 Accounting policies

Basis of preparation

The financial statements have been prepared 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 and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Change in basis of accounting or to previous accounts

There has been no change to the accounting policies (valuation rules and method of accounting) since last year and no changes have been made to accounts for previous years.

Fund accounting

Unrestricted funds	These are available for use at the discretion of the trustees in furtherance of the general objects of the charity.
Designated funds	These are unrestricted funds earmarked by the trustees for particular purposes.
Revaluation funds	These are unrestricted funds which include a revaluation reserve representing the restatement of investment assets at their market values.
Restricted funds	These are available for use subject to restrictions imposed by the donor or through terms of an appeal.

Income

Recognition of income	Income is included in the Statement of Financial Activities (SoFA) when the charity becomes entitled to, and virtually certain to receive, the income and the amount of the income can be measured with sufficient reliability.
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Income with related expenditure	Where income has related expenditure the income and related expenditure is reported gross in the SoFA.
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Donations and legacies	Voluntary income received by way of grants, donations and gifts is included in the the SoFA when receivable and only when the Charity has unconditional entitlement to the income.
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Tax reclaims on donations and gifts	Income from tax reclaims is included in the SoFA at the same time as the gift/donation to which it relates.
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Donated services and facilities	These are only included in income (with an equivalent amount in expenditure) where the benefit to the Charity is reasonably quantifiable, measurable and material.
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Volunteer help	The value of any volunteer help received is not included in the accounts.
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Investment income	This is included in the accounts when receivable.
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Gains/(losses) on revaluation of fixed assets	This includes any gain or loss resulting from revaluing investments to market value at the end of the year.
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Gains/(losses) on investment assets	This includes any gain or loss on the sale of investments.
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Expenditure

Recognition of expenditure	Expenditure is recognised on an accruals basis. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.
Expenditure on raising funds	These comprise the costs associated with attracting voluntary income, fundraising trading costs and investment management costs.
Expenditure on charitable activities	These comprise the costs incurred by the Charity in the delivery of its activities and services in the furtherance of its objects, including the making of grants and governance costs.
Grants payable	All grant expenditure is accounted for on an actual paid basis plus an accrual for grants that have been approved by the trustees at the end of the year but not yet paid.
Governance costs	These include those costs associated with meeting the constitutional and statutory requirements of the Charity, including any audit/independent examination fees, costs linked to the strategic management of the Charity, together with a share of other administration costs.
Other expenditure	These are support costs not allocated to a particular activity.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Tangible fixed assets and depreciation

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

Plant & Machinery	25% Reducing balance
Motor Vehicle	25% Reducing balance

Trade and other debtors

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

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowings or current liabilities. In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the company's cash management.

Trade and other creditors

Short term creditors are measured at the transaction price. Other creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Pension costs

The charity operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payments obligations. The contributions are recognised as expenses when they fall due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

Receipt of donated goods, facilities and services

All donated goods, facilities and services received are recognised within incoming resources and expenditure at an estimate of the value to the charity.

2 Company status

The company is a private company limited by guarantee and consequently does not have share capital.

3 Statement of Financial Activities - prior year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Income and endowments from:			
Donations and legacies	25,757	-	25,757
Charitable activities	121,349	16,666	138,015
Total	147,106	16,666	163,772
Expenditure on:			
Other	139,736	16,235	155,971
Total	139,736	16,235	155,971
Net income	7,370	431	7,801
Net income before other gains/(losses)	7,370	431	7,801
Other gains and losses:			
Net movement in funds	7,370	431	7,801
Reconciliation of funds:			
Total funds brought forward	51,800	-	51,800
Total funds carried forward	59,170	431	59,601

4 Income from donations and legacies

	Unrestricted	Total 2022	Total 2021
	£	£	£
Donations	8,244	8,244	13,227
Fees receivable	26,563	26,563	10,790
Friends' subscriptions	2,125	2,125	1,740
	<u>36,932</u>	<u>36,932</u>	<u>25,757</u>

5 Income from charitable activities

	Unrestricted	Restricted	Total 2022	Total 2021
	£	£	£	£
Grants	111,250	18,333	129,583	138,015
	<u>111,250</u>	<u>18,333</u>	<u>129,583</u>	<u>138,015</u>

6 Income from investments

	Unrestricted	Total 2022	Total 2021
	£	£	£
Interest income	31	31	-
	<u>31</u>	<u>31</u>	<u>-</u>

7 Other income

	Unrestricted	Total 2022	Total 2021
	£	£	£
Gift Aid	7,760	7,760	-
JRS Grant	2,449	2,449	-
	<u>10,209</u>	<u>10,209</u>	<u>-</u>

8 Other expenditure

	Unrestricted	Restricted	Total 2022	Total 2021
	£	£	£	£
Employee costs	40,544	3,457	44,000	40,571
Motor and travel costs	16,416	656	17,072	7,659
Amortisation, depreciation, impairment, profit/loss on disposal of fixed assets	3,054	108	3,162	2,762
General administrative costs	45,668	3,855	49,523	63,387
Legal and professional costs	20,910	1,953	22,863	41,592
	<u>126,592</u>	<u>10,029</u>	<u>136,620</u>	<u>155,971</u>

9 Net income before transfers

	2022	2021
	£	£
This is stated after charging:		
Depreciation of owned fixed assets	3,162	2,762
Independent Examiner's fee	1,322	1,050

10 Staff costs

	2022	2021
Salaries and wages	43,942	40,455
	<u>43,942</u>	<u>40,455</u>

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

The average monthly number of employees during the year was as follows:

	2022 Number	2021 Number
Administration and production	5	4
	<u>5</u>	<u>4</u>

11 Tangible fixed assets

	Plant & Machinery	Motor Vehicle	Total
	£	£	£
Cost or revaluation			
At 1 August 2021	15,070	18,716	33,786
Additions	1,759	-	1,759
At 31 July 2022	<u>16,829</u>	<u>18,716</u>	<u>35,545</u>
Depreciation and impairment			
At 1 August 2021	3,913	18,226	22,139
Depreciation charge for the year	2,998	164	3,162
At 31 July 2022	<u>6,911</u>	<u>18,390</u>	<u>25,301</u>
Net book values			
At 31 July 2022	<u>9,918</u>	<u>326</u>	<u>10,244</u>
At 31 July 2021	<u>11,157</u>	<u>490</u>	<u>11,647</u>

12 Creditors:

amounts falling due within one year

	2022	2021
	£	£
Other creditors	3,086	2,031
	<u>3,086</u>	<u>2,031</u>

13 Movement in funds

	At 1 August 2021	Incoming resources (including other gains/losses) £	Resources expended £	At 31 July 2022 £
Restricted funds:				
Restricted income funds:				
Amal - Said Foundation	431	18,333	(10,029)	8,736
<i>Total</i>	<u>431</u>	<u>18,333</u>	<u>(10,029)</u>	<u>8,736</u>
Unrestricted funds:				
General funds	59,170	158,422	(126,592)	91,001
Total funds	<u><u>59,601</u></u>	<u><u>176,755</u></u>	<u><u>(136,620)</u></u>	<u><u>99,736</u></u>

Purposes and restrictions in relation to the funds:

Restricted funds:

Amal - Said Foundation

14 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fixed assets	9,922	322	10,244
Net current assets	89,492	-	89,492
	<u>99,414</u>	<u>322</u>	<u>99,736</u>

15 Reconciliation of net debt

	At 1 August 2021 £	Cash flows £	At 31 July 2022 £
Cash and cash equivalents	49,985	42,593	92,578
	<u>49,985</u>	<u>42,593</u>	<u>92,578</u>
Net debt	<u><u>49,985</u></u>	<u><u>42,593</u></u>	<u><u>92,578</u></u>

16 Related party disclosures

Controlling party

The company is limited by guarantee and has no share capital; thus no single party controls the company.

The Khayaal Theatre Company
Detailed Statement of Financial Activities
for the year ended 31 July 2022

	Unrestricted funds	Restricted funds	Total funds	Total funds
	2022	2022	2022	2021
	£	£	£	£
Income and endowments from:				
Donations and legacies				
Donations	8,244	-	8,244	13,227
Fees receivable	26,563	-	26,563	10,790
Friends' subscriptions	2,125	-	2,125	1,740
	<u>36,932</u>	<u>-</u>	<u>36,932</u>	<u>25,757</u>
Charitable activities				
Grants	111,250	18,333	129,583	138,015
	<u>111,250</u>	<u>18,333</u>	<u>129,583</u>	<u>138,015</u>
Investments				
Interest income	31	-	31	-
	<u>31</u>	<u>-</u>	<u>31</u>	<u>-</u>
Other				
Gift Aid	7,760	-	7,760	-
JRS Grant	2,449	-	2,449	-
	<u>10,209</u>	<u>-</u>	<u>10,209</u>	<u>-</u>
Total income and endowments	158,422	18,333	176,755	163,772
Expenditure on:				
Employee costs				
Salaries/wages	40,544	3,399	43,942	40,455
Staff training	-	58	58	116
	<u>40,544</u>	<u>3,457</u>	<u>44,000</u>	<u>40,571</u>
Motor and travel costs				
Travel and subsistence	16,416	656	17,072	7,659
	<u>16,416</u>	<u>656</u>	<u>17,072</u>	<u>7,659</u>
General administrative costs, including depreciation and amortisation				
Depreciation of Plant & Machinery	2,890	108	2,998	2,598
Depreciation of Motor Vehicle	164	-	164	164
Equipment expensed	950	116	1,066	9,036
Equipment leasing and hire charges	1,795	1,428	3,223	1,388
General insurances	1,579	155	1,733	2,149
Information and publications	1,477	121	1,597	1,877
Stationery and printing	4,641	-	4,641	9,538
Subscriptions	279	-	279	884
Sundry expenses	1,077	232	1,308	1,765
Telephone, fax and broadband	1,055	68	1,122	1,915
Venue hire	32,817	1,737	34,554	34,835

The Khayaal Theatre Company
Detailed Statement of Financial Activities

	<u>48,722</u>	<u>3,963</u>	<u>52,685</u>	<u>66,149</u>
Legal and professional costs				
Audit/Independent examination fees	1,322	58	1,380	1,050
Consultancy fees	12,570	1,895	14,465	40,442
Other legal and professional costs	7,018	-	7,018	100
	<u>20,910</u>	<u>1,953</u>	<u>22,863</u>	<u>41,592</u>
Total of expenditure of other costs	<u>126,592</u>	<u>10,029</u>	<u>136,620</u>	<u>155,971</u>
Total expenditure	126,592	10,029	136,620	155,971
Net gains on investments	-	-	-	-
Net income	<u>31,831</u>	<u>8,305</u>	<u>40,135</u>	<u>7,801</u>
Net income before other gains/(losses)	<u>31,831</u>	<u>8,305</u>	<u>40,135</u>	<u>7,801</u>
Other Gains	-	-	-	-
Net movement in funds	<u>31,831</u>	<u>8,305</u>	<u>40,135</u>	<u>7,801</u>
Reconciliation of funds:				
Total funds brought forward	59,170	431	59,601	51,800
Total funds carried forward	<u>91,001</u>	<u>8,736</u>	<u>99,736</u>	<u>59,601</u>