

The Khayaal Theatre Company

Charity No. 1100005

Company No. 03597083

Trustees' Report and Unaudited Accounts

31 July 2025

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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 2025.

REFERENCE AND ADMINISTRATIVE DETAILS

Company No. 03597083

Charity No. 1100005

Registered Office

Flat 2
Primrose Close
Luton
LU3 1EU

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:

A.G. Mian
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 the national touring of on-demand, small scale and high-quality stage performances delivered under its Theatre-without-Walls programme; running drama academies; devising and running theatre-in-education programmes; prospecting for and developing artistic talent; publishing children's books; training; advocacy and consultancy.

ACHIEVEMENTS AND PERFORMANCE

Theatre-without-Walls Programme

August – December 2024

Inspired by the sustained growth (10%) of our national network of multisector partners over 23-24, we began our year (24-25) responding with enthusiasm to demand for our unique storytelling theatre performances and workshops. Over the Aug-Dec 2024 period, we delivered 6 physical touring events nationally comprising 10 performances and workshops benefitting diverse and intergenerational audiences numbering 1000 people working with 8 mostly new partners (71%) across culture, community and education sectors in 5 local authorities in the South East of England.

Highlights of this period included a joyously received performance of a beautiful, hope-inspiring tale from Yemen on themes of generosity and ecology by Mohammed Sesay at Senate House in London for a duet of host partners, the Young Muslim Writer's Awards and the Institute of English Studies at the School of Advanced Study (University of London).

"Thank you again for arranging for Mohammed to perform at the Young Muslim Writers Awards (YMWA). We had really great feedback from the audience. It was a pleasure working with him." –

Zainab Chohan, YMWA, Nov '24

To make way for our former landlords' sale of our operating premises of 7 years (2017-2024), we had to find and relocate to new premises over the June-September '24 period resulting in substantial upheaval and disruptions to all of our service lines. Consequently, our Theatre-without-Walls outputs over this period (Aug-Dec '24) dropped by an average of 72% across key performance indicators (number of events, performance/workshop units and beneficiaries/participants) relative to the previous year ('23-24). However, from the start of '25 through to the end of our financial year (31 July) we were able to recover and return to levels of operability, reach and delivery that were comparable to or surpassed the same period of the previous year.

January – July 2025

Despite the substantial, deleterious and disproportionate ongoing impacts of the cost-of-living crisis and the Israel-Gaza war on our main core British Muslim audiences resulting in a discernible overall reduction in cultural activity and engagement, we were fortunately able to leverage relationships and partnerships with Muslim communities cultivated and consolidated over decades in order to continue advancing our mission, extending reach and deepening impact. Past experience with similar conditions left us in no doubt that we'd need to pull on all our levers of imagination, ingenuity and nimbleness in order to remain resilient and relevant. Generally British Muslim communities prioritise subsistence at home and humanitarian aid abroad in response to such contexts leaving less resources available for arts and culture.

Over the course of the seven-month period spanning January-July 2025, we delivered 40 touring events nationally comprising 52 performances and workshops benefitting diverse and intergenerational audiences numbering 4000 people working with 30 mostly new partners (new 60% - repeat 40%) across nine sectors (commercial, charity, community, culture, academia, education, faith/interfaith, health and public civic) in 18 local authorities in the East, East Midlands, West Midlands, South East, South West, Scotland and Greater London regions.

Highlights of this period include a summer performance of our popular biopic of Ibn Khaldun ('*Tea with Tamerlane*') the legendary historiographer and historian widely considered to be one of the fathers of sociology, demographic and economics at the biannual Muslim Charities Forum's Convention in London, one of the most influential civic Muslim forums in the UK; sell-out performances of *Tales till Ramadan* for the third year in The Door Studio at the Birmingham Rep in February; and a trio of successful performances of *Sufi Tales* at the Sufi Festival at the Tramway in Glasgow in July.

"Folk narratives not only inform, teach, entertain and convey morals, they also mould our understanding of the world, foster identity and reconnect us to our true selves." – J Parker on Tales till Ramadan, Feb 2025

"I attended Tales Till Ramadan on Saturday evening with one of my professors visiting from Türkiye. We both loved how you vitalised the stories, gave them spirit, and shared tales from parts of the world where we had never heard a single story before. We felt especially connected as you opened and closed the event with stories from Mevlana Celaleddin Rumi. The decorations were truly inspiring—each object, light, and costume came together in perfect harmony. Heartfelt congratulations on such a meaningful and excellent production." – Hamide Elif Uzumcu, Edinburgh University on Tales Till Ramadan, Birmingham Rep, Feb 2025

"We just had an incredible performance by Khayaal Theatre at#MCC2025! They brought powerful stories to life with heart, faith and creativity." – Muslim Charities Convention, London 5 Jul 25

"Utterly beautiful storytelling! A pleasure to see and hear. Thank you!" – Nina & Friends on Sufi Tales, Sufi Festival, 20 Jul 25

Other noteworthy partnerships over this period include the delivery of 16 weekly drama drop-in sessions for Muslim mental health service users in partnership with Outside Edge Theatre Company funded by The Baring Foundation at The Brady Arts Centre in Tower Hamlets and the staging of Ramadan Tales for the rating agency Moody's Muslim network in Canary Wharf that was live streamed to Moody's offices in New York, Paris, Dubai and Frankfurt.

"Thank you all for coming in and doing the performance we really enjoyed it and had some great feedback. Thank you for staying for the iftar and all your efforts and patients in getting in and out of our building." – Imran, Moody's, Mar 25

Additional partners over this period in chronological order included Luton Culture, An-Nisa Supplementary School, Brent; Hand on Heart and Beta Charitable Trust, Hillingdon; Coombe Hill Junior School, Kingston-upon-Thames; Salaam Centre, Harrow; Bluecoat Bentick Primary Academy, Nottingham; Society of Friends, Luton Council of Faiths and Grassroots, Luton; Cambridge Muslim Community; Queensbridge Primary School, Hackney; Lantern of Light, Watford; Katherine Warrington School, Harpenden; Manor Side and Tudor Primary Schools, Barnet; Wiltshire Ethnic Police Association and Standing Advisory Committee for Religious Education, Luton.

2024-2025 Facts & Figures

Physical Output

Events: 46 (23-24: 61 | 22-23: 53)

Physical Performances & Workshops (units): 62 (23-24: 90 | 22-23: 86)

Multi-Sector Host Partners: 38 (23-24: 48 | 22-23: 53)

Local Authorities Reached: 18 (23-24: 25 | 22-23: 25)

Live Audiences/Beneficiaries: 5,000 (23-24: 8,500) (25% of potential audience based on logged demand)

NB: Drop in outputs and reach this year resulted from premises relocation disruption and upheaval as well as socio-cultural and economic contraction of our core Muslim community audiences (as explained above).

Average Lead Time (from booking to delivery): 6 weeks

Sectors: Academia, Charity, Community, Culture, Education, Health, Faith/Interfaith, Commercial and Civic/Public (Police)

Requests Logged: 101 (23-24: 125 | 22-23: 130)

New Partners/Requests: 23/77 (23-24: 88 | 22-23: 91)

Repeat Partners/Requests: 15/23

Estimated Potential Physical Audience: 20,000

Artists & Staff (core, freelance and volunteers): 16

Kat Ali, Luqman Ali, Mohammed Ali, Yusef Ali, Thomas Gray, Maria Goldrin, Karima Grillo, Nazar Hadi, Ryad Khodabocus, Saida El-Moujahid, Eleanor Martin, Serena Slack-Robins, Bela Romer, Mohammed Sesay, Abbas Shah, Mariam Zaidi, Zeeniya Ziyad (76% from racialised/minoritised communities / 52% female)

Digital Output

Digital Content Offerings (Films and Audios): 14

Channels/Platforms: Facebook, Instagram, YouTube, Vimeo, Linked-In, Tik-Tok, Bluesky, Soundcloud and Amazon Add-on Channel, Alchemiya

Digital Events:

23rd Dec 2024: Online screening (1hr) of Muslim Nativity for Al-Manaar, London hosted by Kristiane Backer

14 Jan 2025: Online Storytelling Workshop (45min) for Fitrah Homeschooling Collective, Ottawa, Canada

Digital Audiences/Beneficiaries: 50K minimum

Project offerings in order of quantity delivered:

- Muslim Heritage Stories promoting and celebrating humanitarian values from Afghanistan, Albania, Algeria, Saudi Arabia, Iraq, Palestine, China, Pakistan, Iran, India, Tunisia, Bangladesh, Yemen, Mali, Malaysia, Nigeria, Syria, Lebanon, Somalia, Tanzania, Sierra Leone, Turkey, Syria, Uzbekistan, Andalusia, Yemen, Sudan, East Africa, West Africa, Canada etc. 75%
- Other: House of Wisdom in the Golden Age of Islam, Multifaith Stories, Muslim Nativity, Edhi Means Love, and Riding a Donkey Backwards 25%

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

Storytelling Theatre Performances

- The Spider and the Doves from Saudi Arabia for children ages 3-6 on the themes of trust, confidence and patience – 10mins
- The Stork and the Watermelon from the Uyghur people of China for children ages 3-6 on the themes of kindness and generosity – 8mins
- The Golden Lanterns from Arab cultures for children ages 5-7 on the coming of the month of Ramadan exploring themes of hope, friendship, integrity, connection and community– 12 mins
- Yunus and the Whale from Palestine for children ages 3-6 on the themes of redemption, patience and sincerity – 8mins
- The Farmer's Daughter from Somalia for Tales till Ramadan at Birmingham Rep on the feminine principle, intuition, wisdom, community, unity – 20mins

Total of 58 minutes of new offerings (23-24: 105 minutes)

Drama and Storytelling Training Workshops

- Bespoke Drama and Storytelling Workshops for Adult Mental Health Service Users in Tower Hamlets (Brady Arts Centre) with Outside Edge Theatre Company, 15hrs
- Bespoke Workshop for Year 13 BTEC Students on Performing Arts in the Community at Katherine Warrington School in Harpenden, 2hrs
- Drama Academy Workshops for children ages 3-15 for the Learning Tree, Cambridge, 15hrs

- Khayaal Drama Academy Workshops for children ages 6-12 in Luton and Wimbledon, 8hrs
- Khayaal Drama Academy Workshops for mothers and children ages 3-6 in Luton, 18hrs
- Summer Drama Camp Week with CampOneder in Harrow children ages 6-11, 20hrs
- Bespoke CPD Drama Training Workshop for Professional Muslim Woman Storyteller, 2hrs

Total of 80 hours of new offerings (23-24: 22hrs 30mins)

"I wanted to begin by saying again how valuable your work was with my Year 13 students last academic year. The professional insight and practical approach you brought had a clear impact on both the standard of their practical work and their understanding of community performance practice." – Jacob Church, Katherine Warrington School, Harpenden, May 25

Drama Academy Project

Khayaal continued investing ground-breaking conceptual, pedagogical and dramaturgical creativity in laying the foundations for the development of a culturally sensitive and affirmative drama academy curriculum that brings together character virtues, Muslim heritage stories and drama education for especially Muslim children spanning the ages of 3-16 through 2024-25.

We continued delivery of a monthly drama academy for children each comprising 3 sessions for children aged 3-5, 5-7 and 8-14 respectively for The Learning Tree at CQC on Radegund Road, Cambridge for the fourth year. Over this reporting term, we delivered 10 academy days comprising a total of 30 sessions benefitting 35 children and 20 families.

We continued delivery of a fortnightly drama and storytelling academy for mothers and toddlers ages 3-5 at Friends Meeting House, Luton for a third year completing 20 x 80min sessions. We also continued delivery of a monthly drama academy for Luton children ages 6-12 at the Lyons Community Centre. Over the year, our Luton drama academy sessions benefitted a total of 15 mothers, 40 children and 28 families.

We launched a new monthly drama academy in Wimbledon in response to long standing demand for children aged 6-12 at Wimbledon Scouts Hut in January '25 and completed 6 sessions over the year benefitting 15 children and 10 families.

Responding to years of sustained demand for a Drama Academy in NW London, we teamed up with Camp ONEder for the second year to deliver a successful 1-week (04-08 Aug '25) summer drama camp in Harrow exploring Muslim heritage tales on the theme of generosity for 12 children ages 7-11. The immersive and intensive week culminated in a showcase performance for participating families and the local community. Participating children not only created their own adaptation of a heritage tale with our supervision and dramaturgical support but also designed and made or curated their own props, costumes, flyers and tickets and programmes. Feedback from both children and parents was superlative and gratifying. Some parents reported that this was the first time that their child(ren) really connected with other children or that this was the first time that they demonstrated sustained enthusiasm for a shared creative process.

Drama Academies

2024-2025 Facts & Figures

4 Locations (23-24: 3)

51 Session Days (23-24: 38)

60 Workshops Developed and Delivered (23-24: 54)

102 Participant Children (23-24: 71)

60 Beneficiary Families (23-24: 46)

"My son has greatly enjoyed your drama sessions and is improving in confidence and communication at the Learning Tree in Cambridge, and we would love for the children to experience something similar on this special occasion." – Eymen Kaya, Sep 24

Developments in the Wider Work of Khayaal 2024-2025

- In recognition of his long, successful and ground breaking track record as Khayaal's chief conceptualist and Artistic Director and Khayaal's extensive and inclusive contributions to the cultural life of Britain, Luqman Ali was recruited to the board of Equi in October, the UK's first Muslim founded and led think tank dedicated to working for a more just and equitable society.
- Luqman Ali served as judge of the Young Muslim Writers Awards 2024 playscript category through November for the third time over the past decade.
- Luqman Ali advanced Khayaal's socio-cultural advocacy by serving as a Spotlight Speaker for Windsor Leadership Emerging Strategic Leaders Programme at St. George's House, Windsor Castle on 19th Nov '24. Shortly thereafter on 4th December, he also accepted an invite to speak at Windsor Leadership's 'In Conversation with ...' Webinar.

"I was very moved by Luqman and some of his insights have really changed my approach and helped me evaluate my own responses to those who are on a different page to me." – Emerging Leader, Nov 24

"One of the most impactful and insightful thought leadership sessions I've experienced in my rich and diverse global leadership journey. Truly a standout opportunity for learning, growth and inspiration!" –Faith Leader on 'In Conversation with Luqman Ali', Dec 24

- Luqman Ali advanced Khayaal's cultural and artistic advocacy by accepting an invitation to contribute to a panel conversation titled 'Breaking the Singing Barrier: Cultural Barriers to Singing' at the Music & Drama Education Expo held at The Business Design Centre, London. Hosted by the Voices Foundation and the ISM Trust, the event focused on cultural barriers to singing in schools, covering religion, family attitudes, cultural legacy of singing and panellists' own experience of music education.
- PhD student Serena Slack-Robins advanced Khayaal's cultural and artistic research and advocacy by attending the launch of 'The Menagerie Project' hosted by Royal Historic Palaces at The Tower of London on 13th May. Shortly thereafter, she represented Khayaal at 'The Muslim Embassy Retrospect' a landmark event hosted by the Royal Central School of Speech and Drama, University of London. The event showcased the rich and dynamic contributions of Muslim artists, performers, writers and creators in theatre, television and film, while critically reflecting on the evolving representation of Muslim identities on stage and screen.
- Luqman Ali advanced Khayaal's cultural and artistic advocacy by contributing to a Sing Up Podcast alongside music psychologist Natasha Hendry on 16th June exploring how inclusive music education arenas are for children and young people from minoritised communities.
- Luqman Ali advanced the mission of Khayaal by accepting an invitation to the Muslim News Awards ceremony in London on 14th July.
- PhD student Serena Slack-Robins continued to work on our 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. Due to multiple impacts of the pandemic and the cost-of-living crisis, the term of the project has had to be extended to late 2026.

- 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 BRIT School, Croydon, UK; University of Edinburgh; University of Warwick; Masaryk University, Brno, Czechia; Arts University, Bournemouth, UK;
- We continued to leverage our expertise, experience and accrued cultural capital to provide development support, consultancy and advice to both emerging and experienced Muslim artists and arts and cultural organisations.
- Our work attracted press and media coverage from Inspire FM Luton, Hyphenonline, Luton News, British Theatre Guide, Awaaz FM and Islam Channel.
- We continued to prospect for and contribute to the development and platforming of emerging and established Muslim performing artists. Over this period, this included Junayd of Islam, Salmaan Shah, Abdul Qualam Aziz, Mariam Yaya and Maryam Sinclair as well as a dozen others through our work on the further development of the Muslim Artists Academy in partnership with Alchemy Arts, Manchester.
- We continued to advocate for justice and equity in the UK cultural sector for minoritized and racialised audiences, artists, cultural practitioners and cultural producers in relation to socio-cultural opportunities, recognition, access to public space, funding and representation. 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.

“For every £1 of White British wealth, Indian households have 90-95p, Pakistani households 50p, Black Caribbean 20p, and Black African and Bangladeshi households have 10p.” – Runnymede Trust 2024

“Muslim households have a greater chance of being in poverty than those of any other religious group in the country. Having taken all possible causal factors into account, the team concluded that discrimination and prejudice “are having real and measurable consequences for Muslim groups in British society”. – The Centre for Social Investigation at the University of Oxford’s Nuffield College 2021

“In Britain, evidence suggests that Muslims experience the greatest faith penalty relative to any other religious group even after adjusting for the aforementioned factors (Khattab 2009; Berthoud and Blekesaune 2007; Khattab and Modood 2015). This phenomenon is known as the “Muslim Penalty” (Connor and Koenig 2015, 198). – Samir Swelda-Metwally, 12 July 2022

Training and Continuous Professional Development

5 Nov 24: Luqman Ali participated Charity Digital's AI Training Webinar led by James Shamsi.

08 Jan 25: Luqman Ali and Eleanor Martin participated in Outside Edge Theatre Company's Safeguarding Training Workshop with a focus on working with adult mental health service users.

26 Feb 25: Eleanor Martin upskilled in a puppetry workshop by Little Angel Theatre.

09 July 25: Luqman Ali and Eleanor Martin participated in a workshop on Religious Education hosted by SACRE Luton facilitated by Dr Richard Keuh, RE Lead OFSTED.

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.

Performances & Workshops

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.

"And last but not least, if you're going to have an artistic performance at a conference make it high quality, short and brilliantly delivered. The one-woman performance by ... Khayaal Theatre Company was truly wonderful." – Joe Dobson, Aziz Foundation (formerly National Lottery Community Fund) on Tea with Tamerlane, 3 Jul '25

- 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.

"Stories are powerful but the art of storytelling cannot be underestimated. The way you told us stories was not only engaging and entertaining, it also took us into a state of contemplation. Thank you for awakening the child in us." – Quaker participant in Sufi Stories, Friends House, Luton 5 Apr 25

- 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.

- Over the past year 81% of those polled as part of our evaluation exercises rated their experience of our work as excellent or good. When asked to what extent they believe our work contributes to greater valuation and appreciation of literature, drama, storytelling and culture within Muslim communities 75% said either exceedingly or tremendously. When asked to what extent they believe our work contributes to greater interfaith and intercultural dialogue, engagement and understanding between communities based on this experience 73% said either exceedingly or tremendously.

FINANCIAL REVIEW

During the year under review the charity received unrestricted income of £173,818 (2024: £133,049) and restricted income of £Nil (2024: £Nil) and had an expenditure of £124,035 (2024: £110,143) and £45 (2024: £49) for unrestricted and restricted respectively. At the Balance Sheet date the charity held unrestricted funds of £131,849 (2024: £82,066) and restricted funds of £6,783 (2024: £6,828) .

Reserves policy

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 Trustee Directors have established a reserves policy that holds that unrestricted funds equivalent to a minimum of 20 weeks of the last complete financial year's turnover be held by the theatre company to cover current liabilities, commitments and activities/operations for four calendar months.

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 fast closing on three 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 2024-25, our funding came from a mix of sources as follows:

- Grants 48% from Safera Foundation, Esmee Fairbairn Foundation, Garfield Weston Foundation and Amal (23-24: 52%)
- Donations & Gift Aid 33% (23-24: 21%)
- Income from sales and services 19% (23-24: 28%)
- 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, administration; etc. have been quantified and valued monetarily as equivalent to at least 42% of cash turnover at £74K.

PLANS FOR FUTURE PERIODS

Future plans for 2025-26

- Delivering 60-70 Theatre-without-Walls performance and workshop events nationally with multi-sector partners.
- Embarking on a marketing campaign to promote our Drama Academies in Luton, Cambridge and Wimbledon and launching a drama academy in NW London (Brent/Barnet/Harrow). Expanding our Luton drama academy to benefit girls ages 11-16.
- 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 multi-year 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.
- We will continue our work with 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 including working toward a return to The Rep with a new and larger scale production of Tales till Ramadan in Jan-Feb 2027.
- Upskilling in AI and incorporating the technology into our operations in order to increase productivity and efficiency.
- Working in partnership with The Dialogue Society to develop and deliver performance storytelling-based workshops promoting inclusive, equitable and convivial citizenship in primary and secondary schools

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 April 2026

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 2025.

Responsibilities and basis of report

As the charity's trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the 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:

- 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 methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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

Sajjad Tejani FCCA
Sabat Accountants Ltd t/a Seymour King
Suite G1
Hartsbourne House
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Watford
WD19 5EF
17 April 2026

The Khayaal Theatre Company
Statement of Financial Activities
for the year ended 31 July 2025

		Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
	Notes				
Income and endowments from:					
Donations and legacies	4	47,304	-	47,304	22,412
Charitable activities	5	85,122	-	85,122	68,750
Other trading activities	6	30,858	-	30,858	37,590
Other	7	10,534	-	10,534	4,297
Total		173,818	-	173,818	133,049
Expenditure on:					
Other	8	124,035	45	124,080	110,192
Total		124,035	45	124,080	110,192
Net gains on investments		-	-	-	-
Net income	9	49,783	(45)	49,738	22,857
Transfers between funds		-	-	-	-
Net income before other gains/(losses)		49,783	(45)	49,738	22,857
Other gains and losses					
Net movement in funds		49,783	(45)	49,738	22,857
Reconciliation of funds:					
Total funds brought forward		82,066	6,828	88,894	66,037
Total funds carried forward		131,849	6,783	138,632	88,894

The Khayaal Theatre Company
Summary Income and Expenditure Account
for the year ended 31 July 2025

	2025 £	2024 £
Income	173,818	133,049
Gross income for the year	<u>173,818</u>	<u>133,049</u>
Expenditure	122,112	108,107
Depreciation and charges for impairment of fixed assets	1,968	2,085
Total expenditure for the year	<u>124,080</u>	<u>110,192</u>
Net income before tax for the year	49,738	22,857
Net income for the year	<u><u>49,738</u></u>	<u><u>22,857</u></u>

The Khayaal Theatre Company

Balance Sheet

at 31 July 2025

Company No. 03597083	Notes	2025 £	2024 £
Fixed assets			
Tangible assets	11	6,043	7,774
		<u>6,043</u>	<u>7,774</u>
Current assets			
Cash at bank and in hand		134,512	85,085
		<u>134,512</u>	<u>85,085</u>
Creditors: Amount falling due within one year	12	(1,923)	(3,965)
Net current assets		<u>132,589</u>	<u>81,120</u>
Total assets less current liabilities		<u>138,632</u>	<u>88,894</u>
Net assets excluding pension asset or liability		<u>138,632</u>	<u>88,894</u>
Total net assets		<u><u>138,632</u></u>	<u><u>88,894</u></u>
The funds of the charity			
Restricted funds	13		
Restricted income funds		6,783	6,828
		<u>6,783</u>	<u>6,828</u>
Unrestricted funds	13		
General funds		131,849	82,066
		<u>131,849</u>	<u>82,066</u>
Reserves	13		
Total funds		<u><u>138,632</u></u>	<u><u>88,894</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 2025 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 April 2026

And signed on its behalf by:

F. Qureshi

Trustee

17 April 2026

The Khayaal Theatre Company
Statement of Cash flows
for the year ended 31 July 2025

	2025 £	2024 £
Cash flows from operating activities		
Net income per Statement of Financial Activities	49,738	22,857
Adjustments for:		
Depreciation of property, plant and equipment	1,968	2,085
Dividends, interest and rents from investments	(10,534)	(4,297)
Other gains/losses	-	-
(Decrease)/Increase in trade and other payables	(2,923)	3,285
Net cash provided by operating activities	<u>38,249</u>	<u>23,930</u>
Cash flows from investing activities		
Payments for property, plant and equipment	(237)	(1,769)
Dividends, interest and rents from investments	10,534	4,297
Net cash from investing activities	<u>10,297</u>	<u>2,528</u>
Net cash from financing activities	<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents	48,546	26,458
Cash and cash equivalents at the beginning of the year	84,405	57,947
Cash and cash equivalents at the end of the year	<u>132,951</u>	<u>84,405</u>
Components of cash and cash equivalents		
Cash and bank balances	134,512	85,085
Bank overdrafts	(1,561)	(680)
	<u>132,951</u>	<u>84,405</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 2024 £	Restricted funds 2024 £	Total funds 2024 £
Income and endowments from:			
Donations and legacies	60,002	-	60,002
Charitable activities	68,750	-	68,750
Gift Aid	4,297	-	4,297
Total	133,049	-	133,049
Expenditure on:			
Other	110,143	49	110,192
Total	110,143	49	110,192
Net income	22,906	(49)	22,857
Net income before other gains/(losses)	22,906	(49)	22,857
Other gains and losses:			
Net movement in funds	22,906	(49)	22,857
Reconciliation of funds:			
Total funds brought forward	59,160	6,877	66,037
Total funds carried forward	82,066	6,828	88,894

4 Income from donations and legacies

	Unrestricted	Total 2025	Total 2024
	£	£	£
Donations	45,264	45,264	20,248
Friends' subscriptions	2,040	2,040	2,164
	<u>47,304</u>	<u>47,304</u>	<u>22,412</u>

5 Income from charitable activities

	Unrestricted	Total 2025	Total 2024
	£	£	£
Grants	85,122	85,122	68,750
	<u>85,122</u>	<u>85,122</u>	<u>68,750</u>

6 Income from other trading activities

	Unrestricted	Total 2025	Total 2024
	£	£	£
Sale of services	30,858	30,858	37,590
	<u>30,858</u>	<u>30,858</u>	<u>37,590</u>

7 Other income

	Unrestricted	Total 2025	Total 2024
	£	£	£
Gift Aid	10,534	10,534	4,297
	<u>10,534</u>	<u>10,534</u>	<u>4,297</u>

8 Other expenditure

	Unrestricted	Restricted	Total 2025	Total 2024
	£	£	£	£
Employee costs	51,926	-	51,926	51,927
Motor and travel costs	20,448	-	20,448	12,048
Amortisation, depreciation, impairment, profit/loss on disposal of fixed assets	1,923	45	1,968	2,085
General administrative costs	45,683	-	45,683	40,630
Legal and professional costs	4,055	-	4,055	3,502
	<u>124,035</u>	<u>45</u>	<u>124,080</u>	<u>110,192</u>

9 Net income before transfers

	2025	2024
	£	£
This is stated after charging:		
Depreciation of owned fixed assets	1,968	2,085
Independent Examiner's fee	600	600

10 Staff costs

	2025	2024
Salaries and wages	51,926	51,927
	<u>51,926</u>	<u>51,927</u>

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

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

	2025 Number	2024 Number
Administration and production	2	2
	<u>2</u>	<u>2</u>

11 Tangible fixed assets

	Plant & Machinery	Motor Vehicle	Total
	£	£	£
Cost or revaluation			
At 1 August 2024	19,194	18,716	37,910
Additions	237	-	237
At 31 July 2025	<u>19,431</u>	<u>18,716</u>	<u>38,147</u>
Depreciation and impairment			
At 1 August 2024	11,573	18,563	30,136
Depreciation charge for the year	1,930	38	1,968
At 31 July 2025	<u>13,503</u>	<u>18,601</u>	<u>32,104</u>
Net book values			
At 31 July 2025	<u>5,928</u>	<u>115</u>	<u>6,043</u>
At 31 July 2024	<u>7,621</u>	<u>153</u>	<u>7,774</u>

12 Creditors:

amounts falling due within one year

	2025	2024
	£	£
Bank loans and overdrafts	1,561	680
Other creditors	362	3,285
	<u>1,923</u>	<u>3,965</u>

13 Movement in funds

	At 1 August 2024	Incoming resources (including other gains/losses) £	Resources expended £	At 31 July 2025 £
Restricted funds:				
Restricted income funds:				
Bedfordshire and Luton Community Foundation (BLCF) - Community Recovery Fund Grant	6,828	-	(45)	6,783
<i>Total</i>	<u>6,828</u>	<u>-</u>	<u>(45)</u>	<u>6,783</u>
Unrestricted funds:				
General funds	82,066	173,818	(124,035)	131,849
Total funds	<u>88,894</u>	<u>173,818</u>	<u>(124,080)</u>	<u>138,632</u>

Purposes and restrictions in relation to the funds:

Restricted funds:

Bedfordshire and Luton Community Foundation (BLCF) - Community Recovery Fund Grant BLCF Community Recovery Fund 2022-24 supports Khayaal 25 Luton (Drama Academy, Theatre without Walls and Multifaith Stories projects in Luton).

14 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fixed assets	5,922	121	6,043
Net current assets	<u>132,589</u>	<u>-</u>	<u>132,589</u>
	<u>138,511</u>	<u>121</u>	<u>138,632</u>

15 Reconciliation of net debt

	At 1 August 2024 £	Cash flows £	At 31 July 2025 £
Cash and cash equivalents	85,085	49,427	134,512
	<u>85,085</u>	<u>49,427</u>	<u>134,512</u>
Net debt	<u>85,085</u>	<u>49,427</u>	<u>134,512</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 2025

	Unrestricted funds 2025 £	2025 £	Total funds 2025 £	Total funds 2024 £
Income and endowments from:				
Donations and legacies				
Donations	45,264	-	45,264	20,248
Friends' subscriptions	2,040	-	2,040	2,164
	<u>47,304</u>	<u>-</u>	<u>47,304</u>	<u>22,412</u>
Charitable activities				
Grants	85,122	-	85,122	68,750
	<u>85,122</u>	<u>-</u>	<u>85,122</u>	<u>68,750</u>
Other trading activities				
Sale of services	30,858	-	30,858	37,590
	<u>30,858</u>	<u>-</u>	<u>30,858</u>	<u>37,590</u>
Other				
Gift Aid	10,534	-	10,534	4,297
	<u>10,534</u>	<u>-</u>	<u>10,534</u>	<u>4,297</u>
Total income and endowments	<u>173,818</u>	<u>-</u>	<u>173,818</u>	<u>133,049</u>
Expenditure on:				
Employee costs				
Salaries/wages	51,926	-	51,926	51,927
	<u>51,926</u>	<u>-</u>	<u>51,926</u>	<u>51,927</u>
Motor and travel costs				
Travel and subsistence	20,448	-	20,448	12,048
	<u>20,448</u>	<u>-</u>	<u>20,448</u>	<u>12,048</u>
General administrative costs, including depreciation and amortisation				
Depreciation of Plant & Machiney	1,885	45	1,930	2,034
Depreciation of Motor Vehicle	38	-	38	51
Advertisement	405	-	405	702
Equipment leasing and hire charges	600	-	600	1,317
General insurances	1,449	-	1,449	1,164
Refreshments	2,136	-	2,136	1,363
Stationery and printing	5,252	-	5,252	3,805
Subscriptions	465	-	465	265
Sundry expenses	2,796	-	2,796	1,864
Telephone, fax and broadband	1,269	-	1,269	1,259
Venue hire	31,311	-	31,311	28,891
	<u>47,606</u>	<u>45</u>	<u>47,651</u>	<u>42,715</u>
Legal and professional costs				

The Khayaal Theatre Company
Detailed Statement of Financial Activities

Audit/Independent examination fees	600	-	600	600
Sub-contractors	3,213	-	3,213	2,496
Other legal and professional costs	242	-	242	406
	<u>4,055</u>	<u>-</u>	<u>4,055</u>	<u>3,502</u>
Total of expenditure of other costs	<u>124,035</u>	<u>45</u>	<u>124,080</u>	<u>110,192</u>
Total expenditure	124,035	45	124,080	110,192
Net gains on investments	-	-	-	-
	<u>49,783</u>	<u>(45)</u>	<u>49,738</u>	<u>22,857</u>
Net income				
Net income before other gains/(losses)	<u>49,783</u>	<u>(45)</u>	<u>49,738</u>	<u>22,857</u>
Other Gains	-	-	-	-
	<u>49,783</u>	<u>(45)</u>	<u>49,738</u>	<u>22,857</u>
Net movement in funds				
Reconciliation of funds:				
Total funds brought forward	82,066	6,828	88,894	66,037
Total funds carried forward	<u>131,849</u>	<u>6,783</u>	<u>138,632</u>	<u>88,894</u>