

ARCOLA THEATRE PRODUCTION COMPANY

England & Wales · Charity number 1108613

Details

Status Registered

Legal form Charitable company

Company number [05242988](#)

Registered 2005-03-16

Register [View on the Charity Commission register](#)

Contact

Address Arcola Theatre
24 Ashwin Street
London
E8 3DL

Phone 02075031646

Email boxoffice@arcolatheatre.com

Website www.arcolatheatre.com

Activities

Objects: TO PROMOTE, MAINTAIN, IMPROVE AND ADVANCE THE EDUCATION AND APPRECIATION OF THE PUBLIC IN THE ARTS.

Activities: One of the UK's foremost independent theatres, winning awards such as Peter Brook Empty Space, Time Out Live and Sustainable Cities. Regularly recognised as a leading UK force in professional theatre, Arcola also delivers extensive youth, community and voluntary programmes. The Arcola Energy project is pioneering the integration of arts, sciences and environmental sustainability.

Classification

- **How:** Makes Grants To Organisations, Provides Buildings/facilities/open Space, Provides Services
- **What:** Education/training, Arts/culture/heritage/science
- **Who:** Children/young People, Elderly/old People, People Of A Particular Ethnic Or Racial Origin, Other Defined Groups, The General Public/mankind

Geography

- Hackney

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£1,560,136	£1,599,239	£1,876,662	13
2024-03-31	£1,227,824	£1,271,177	£1,915,765	14
2023-03-31	£1,002,479	£1,254,981	£1,959,118	11
2022-03-31	£987,851	£1,320,542	£2,211,620	15
2021-03-31	£1,407,838	£977,108	£2,544,311	20

Trustees

Name	Role	Appointed
ABDULLAH TERCANLI		
ANDREW CRIPPS		2022-05-15
Dr Ben Todd		2021-11-11
GABRIEL GBADAMOSI		
LYNNE ALICE MCKENZIE		
Naz Yeni		2022-05-15

ARCOLA THEATRE PRODUCTION COMPANY

England & Wales - Charity number 1108613

Accounts

Company registration number: 05242988

Charity registration number: 1108613

Arcola Theatre Production Company

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2025

Wenn Townsend
Chartered Accountants and Registered Auditors
30 St Giles'
Oxford
OX1 3LE

Arcola Theatre Production Company

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Arcola Theatre Production Company

Reference and Administrative Details

Trustees	Gabriel Gbadamosi Andrew Cripps, (Chair of Trustees) Ben Todd Abdullah Tercanli Naz Yeni Graham Cooley
Senior Management / Leadership Team	Mehmet Ergen, Executive Artistic Director Leyla Nazli, Deputy Artistic Director & Executive Producer
Charity Registration Number	1108613
Company Registration Number	05242988
Registered Office	24 Ashwin Street London E8 3DL
Auditor	Wenn Townsend Chartered Accountants and Registered Auditors 30 St Giles' Oxford OX1 3LE

Arcola Theatre Production Company

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 March 2025. The Annual Report serves the purposes of both a Trustees' Report and a Directors' Report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the Charity qualifies as small under section 382 of the Companies Act 2006, the Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Arcola Theatre Production Company is also known as Arcola Theatre.

Public performances continued in both Studio 1 and Studio 2 throughout 2024/25, including seven in-house productions between the two spaces.

The names of the Trustees are set out on Page 1. Conversations started in the year for Dr Graham Cooley to join as a new Trustee and Board Member, and he was duly recruited on 17 April 2025. The skills and composition of the Trustees are kept under regular review

Objectives and activities

a. Policies and objectives

Charitable objectives

The objectives for which the Charity is formed are to promote, maintain, improve and advance the education and appreciation of the public in the Arts and Sciences. In pursuing these objects, the Trustees have considered the Charity Commission's guidance on public benefit, including that related to fee charging.

Vision

Arcola Theatre's vision is of a genuinely radical theatre constantly reinventing itself to respond to, interpret and have relevance to an ever-changing contemporary Britain.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

b. Strategies for achieving objectives

Mission

Arcola Theatre's mission is to imagine and build a theatre that flourishes within a cultural centre for its diverse local community. One that builds new audiences, generates its own powerful productions, and creates a home for the very best of UK and international theatre companies to visit.

Arcola Theatre Production Company

Trustees' Report

c. Activities undertaken to achieve objectives

In putting the above mission into action we have four major areas of activity (discussed in more detail below), which are professional theatre, talent development, promotion of environmental sustainability and venue operations.

d. Main activities undertaken to further the Charity's purposes for the public benefit

The main activities undertaken can be described in more detail as follows:

Off West End Professional Theatre

This activity includes the producing and receiving of theatre shows in our 200 and 100 seat studios, plus selected off-site locations, with a strong focus on socially and politically relevant works and diversity of voices.

Talent Development

This is an extensive programme that includes working with specific groups such as young people, older people, those tackling the stigmas surrounding mental health, Global Majority artists and LGBTQ communities, as well as the development of specific skills areas such as new writing, facilitator training and general skills development.

Environmental Sustainability

We continue to make environmental considerations central to our venue operations, and to disseminate our learning.

Venue Operation

Comprising the wide range of work required to provide a cultural and social space for the local community as well as rehearsal and performance spaces for a wide variety of professional and community uses.

Arcola Theatre Production Company

Trustees' Report

Achievements and performance

a. Key Performance Indicators

Planned turnover for 2024/25 was £1,451k with an unrestricted surplus of £21k.

Income for the year was £1,560,136 (2024 - £1,227,824). This included £798,325 from charitable activities (2024 - £658,648) and £70,047 of donations (2024 - £93,367). Earned income was 51% (2024 - 54%).

Arts Council England regular (NPO) funding provided £307,290 (2024 - £307,290) (20% of income, 2024 - 25%). Other grants received totalled £335,410 (2024 - £121,535).

Expenditure for the year was £1,599,239 (2024 - £1,271,177) including £136,004 (2024 - £131,257) of depreciation funded by allocation to the capital fund. Direct spending on professional theatre amounted to £1,140,678 (2024 - £780,060), with a further £382,218 (2024 - £400,788) spent on support costs. Direct spending on Talent Development amounted to £54,341 (2024 - £57,530) with a further £5,184 (2024 - £8,771) spent on support costs. Support costs on Venue Operation amounted to £16,818 (2024 - £24,028).

The year-end unrestricted funds of £192,887 (2024 - £225,804) include fixed assets of £127,947, leaving £64,940 as free reserves. This represents 26% of the target level of £250k.

b. Review of activities

Entering our 25th year, Arcola Theatre has continued to bring high quality, trailblazing theatre to audiences, championing diversity, prioritising globally relevant programming, and deepening community engagement.

The first in house show produced in 2024/25 was The Book of Grace by Suzi Lori Parks, directed by Femi Elufowaju jr. in Studio 1 which received great reviews:

★★★★ "An incredibly gripping and crucial piece of theatre" - Broadway World

The second in house show in Studio 1 was Women Who Blow On Knots by Ece Temulkuran, adapted by Leyla Nazli.

"An exploration of revolution, mysticism and feminine power ... offers compelling moments of theatrical magic." - Everything Theatre

"Female stories from the Arab Spring take centre stage in this imaginative joyride through North Africa" - The Stage

The third in house show was Tarantula in Studio 2:

★★★★ "A stunning solo turn in a complex but incredible piece of writing." - Everything Theatre

Arcola Theatre Production Company

Trustees' Report

★★★★★ "It is an immensely energetic, tour de force performance; despite the harrowing subject matter, you simply want it to go on and on." - The Guardian

The fourth in house show was The Double Act in Studio 1:

★★★★★ "Highly recommended" - The Telegraph

The fifth in house show was Cry Baby in Studio 1:

★★★★★ "A firecracker of a show" - The Guardian

The sixth in house show of 2024/2025 was Dear Martin in Studio 2:

★★★★★ "Sharply written, laugh-out loud... well worth seeing" - West End Best Friend

Visiting Companies

We hosted 14 visiting companies in 2024/2025 to perform their plays in Studio 1 and Studio 2.

Grimeborn 2024

We successfully delivered an ambitious 8-week programme comprising 7 distinct productions that ran in summer 2024. Each of these productions demonstrated our commitment to both preserving classical opera and pushing the boundaries of the art form for contemporary audiences.

We opened with Gothic Opera's fascinating production of Der Vampyre, featuring Heinrich Mathiesen's rarely performed work in a new arrangement by Kelly Lovelady. This was followed by a bold reinterpretation of La Boheme, a co-production by The Opera Makers and Arcola Theatre, which reimaged Puccini's classic as a modern tragedy exploring codependency and addiction.

Our commitment to developing new audiences was exemplified by Mr Punch at the Opera, which introduced young people to classical music and opera through Pergolesi's work. Ensemble OrQuesta then brought their expertise in 17th and 18th century opera to La Nozze di Figaro delivering a musically authentic interpretation that delighted audiences.

We also presented 555: Verlaine en Prison, a new opera by Green Opera exploring Paul Verlaine's turbulent life, which demonstrated our commitment to environmental sustainability in opera production. This was followed by the groundbreaking Plantation A, produced by Gratia Arts specifically for blind and visually impaired audiences. We concluded our season with Barefoot Opera's fresh deconstruction of La Traviata, which brought new perspectives to Verdi's beloved work.

Arcola Theatre Production Company

Trustees' Report

Arcola Participation

This year has seen the department develop outreach projects with Hackney Migrant Centre and Islington Migrant Centre with the Refugee and Migrant Community group. The Hackney Council funded Black History Month project spearheaded the response work for Arcola's production of 54:60 Africa, hosting 64 attendees at workshops and engaging local people from the African diaspora in creative workshops. With a grant of £12,515 from Westfields Foundation for Future London, Participation ran an extensive project with and for our Queer Collective members. We reached new participations and made new collaborations with queer groups from Newham, Waltham Forest and Tower Hamlets.

We have continued to run Arcola Youth Theatre, Arcola 50+, Arcola Refugee Community Company, Arcola Mental Health Company and Arcola Queer Collective. Through our inhouse workshops we have engaged with over 250 people providing theatre skills and training. The projects commence with a festival in April 2025. The dynamic artists who run these community groups and the dedicated participants who take part, continue to bring an important cross section of society and our community into our building, offering free opportunities for our community.

Arcola LAB

We allocated 24 weeks of free R&D space and rehearsal space for LAB in 2024/2025 to 21 ethnically diverse theatre companies to develop their creative practice. One beneficiary of this programme was Corey Bovell who developed his play 32 Peak Street through Arcola LAB, that we are considering programming in 2026/2027. Another beneficiary was Clarisse Makundul, whose play is also being considered for a full production in 2026/2027.

Arcola Theatre Production Company

Trustees' Report

Financial review

a. Going concern

The financial statements have been prepared on a going concern basis. The Trustees have considered relevant information, including the annual budget, forecast future cash flows and the impact of subsequent events in making their assessment.

Arts Council of England investment and future activity:

Arts Council England (ACE) announced an extension of the current National Portfolio Organisation (NPO) Programme to 31 March 2027, and confirmed in June 2025 that Arcola Theatre would continue to be in the portfolio for the extension year. In July 2025 a further extension to 31 March 2028 was announced, with a straightforward application process to open at the start of 2026.

Fundraising from other sources continues to grow year-on-year.

Plans for the year ahead include

Our plans for 2025-2026 include programming 21 shows across Studio 1 and Studio 2, as well as 10 operas for Grimeborn 2025. These include 11 in-house productions (4 of which are co-productions).

We'll continue to support emerging artists through our Arcola LAB scheme, which gives artists from the Global Majority access to free rehearsal space to develop their craft.

Community companies currently include: Mental Health Company, Arcola 50+, Queer Collective and SAWA, the refugee and migrant company introduced in 2023 (in partnership with refugee specialists). Arcola Youth Theatre will continue to run three groups for young people. These community companies will stage their work in Studio 2 over a two-week Participation festival in March 2026.

Arcola Academy will continue to provide professional training to 16-25 year olds in technical theatre and performance skills.

Our outreach work with local schools continues to grow, through workshops, tours and free tickets to see the professional shows here at Arcola.

Based on these assessments and having regard to the resources available to the Charity, the Trustees have concluded that there is no material uncertainty and that they can continue to adopt the going concern basis in preparing the Annual Report and financial statements.

b. Reserves policy

The Trustees believe the most appropriate level of free reserves required by the Charity to sustain it in the event of the Charity not receiving grants and other incoming resources is £250,000. This will not allow standard-scale productions to be staged and would require skeleton (cost-neutral) programming.

The year-end unrestricted funds of £192,887 (2024 - £225,804) include fixed assets of £127,947, leaving £64,940 as free reserves. This represents 26% of the target level of £250k.

Arcola Theatre Production Company

Trustees' Report

c. Material investments policy

The Charity has no financial investments. Under the Memorandum and Articles of Association, the Charity has the power to invest in any way the Trustees wish.

d. Principal funding

Arcola Theatre is a National Portfolio Organisation of Arts Council England, providing circa 20% of income. There are no other significant funders, with the majority of the balance of funds being earned from charitable activities.

e. Pricing policy

Tickets are priced to maximise revenues without losing access for all. This was achieved through competitive pricing, with a wide range of discounts for target and under-represented groups. Charges are applied for Participation programme participants with bursaries for those less able to pay.

f. Fundraising

The Trustees have considered the implications of the Charities (protection and social investment) Act 2016 in relation to fundraising activities. The Act aims to protect the public, particularly the vulnerable, from inappropriate fundraising approaches. The primary scope of the Act is "commercial participators" and "professional fundraisers", which refers to commercial organisations engaged by larger charities to engage in direct fundraising from individuals via for example mail, phone and face to face. Since Arcola Theatre does not engage any of these types of organisation there is no direct impact. We have however reviewed our in-house activities in the spirit of the Act and concluded that there are no issues which we need to address.

Structure, governance and management

a. Constitution

Arcola Theatre Production Company Limited is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association.

b. Methods of appointment or election of Trustees

The management of the Charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Memorandum of Association.

c. Organisational structure and decision-making policies

The Board of Trustees administers the Charity. Board normally meets quarterly, addressing all aspects of the charitable operations including programming, development, quality & safety, finance and audit.

The Executive Producer, has delegated authority, within terms of delegation provided by the Trustees, for operational matters including finance, employment and artistic performance related activity.

Charitable activities are structured into departments, each having a Manager, working to a Business Plan which includes detailed plans for all business activities. These plans cascade organisational objectives and Key Performance Indicators through departments to individual staff job descriptions.

Arcola Theatre Production Company

Trustees' Report

Plans are developed with input from all staff, Trustees, artists, participants, volunteers and advisors. Plans and associated budgets are reviewed and approved by the Board of Trustees through regular meetings. Additional advice and oversight is provided via Arts Council England National Portfolio management systems.

d. Policies adopted for the induction and training of Trustees

Upon declaration of their interest to be a Trustee, a new Trustee receives the Charity's governing documents, most recent Financial Report and Management Accounts. They meet with the Chair and Senior Management Team for briefing on the organisation and the responsibilities of Trustees.

New Trustees are provided with the Charity's governing documents, minutes of previous meetings and current business plans. They meet the Chair and senior managers for briefing on the objectives, values, ethos, programme and day-to-day activities of the organisation. New Trustees and existing Trustees are provided with up-to-date information on the responsibilities of Trustees and associated best practice, drawing resources provided by Charity Commission and other professional organisations supporting charities.

e. Pay policy for key management personnel

Senior staff pay is approved by Trustees. Rates of pay are benchmarked against peer organisations.

f. Financial risk management

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

Arcola Theatre Production Company

Trustees' Report

Trustees and officers

The trustees and officers serving during the year and since the year end were as follows:

Trustees: Gabriel Gbadamosi
Andrew Cripps, (Chair of Trustees)
Ben Todd
Abdullah Tercanli
Naz Yeni
Graham Cooley (appointed 17 April 2025)

Senior Management / Leadership Team: Mehmet Ergen, Executive Artistic Director
Leyla Nazli, Deputy Artistic Director & Executive Producer

Small companies provision statement

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

The annual report was approved by the trustees of the charity on 22 December 2025 and signed on its behalf by:



.....
Ben Todd
Trustee

Arcola Theatre Production Company

Statement of Trustees' Responsibilities

The trustees (who are also the directors of Arcola Theatre Production Company for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including its income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the trustees of the charity on 22 December 2025 and signed on its behalf by:



.....
Ben Todd
Trustee

Arcola Theatre Production Company

Independent Auditor's Report to the Members of Arcola Theatre Production Company

Opinion

We have audited the financial statements of Arcola Theatre Production Company (the 'charity') for the year ended 31 March 2025, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2025 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Arcola Theatre Production Company

Independent Auditor's Report to the Members of Arcola Theatre Production Company

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 11), the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Arcola Theatre Production Company

Independent Auditor's Report to the Members of Arcola Theatre Production Company

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

- Enquiry of management, those charged with governance around actual and potential litigation and claims
- Reviewing minutes of meetings of those charged with governance
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations
- Performing audit work over risk of management override of controls, including testing of journal entries and other adjustments for appropriateness.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



.....
Lee Baker FCA (Senior Statutory Auditor)
For and on behalf of Wenn Townsend, Statutory Auditor

30 St Giles'
Oxford
OX1 3LE

22 December 2025

Arcola Theatre Production Company

Statement of Financial Activities for the Year Ended 31 March 2025 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2025 £
Income and Endowments from:				
Donations and legacies	3	386,095	326,652	712,747
Charitable activities	4	798,325	-	798,325
Other trading activities	5	<u>49,064</u>	<u>-</u>	<u>49,064</u>
Total income		<u>1,233,484</u>	<u>326,652</u>	<u>1,560,136</u>
Expenditure on:				
Charitable activities	6	<u>(1,293,437)</u>	<u>(305,802)</u>	<u>(1,599,239)</u>
Total expenditure		<u>(1,293,437)</u>	<u>(305,802)</u>	<u>(1,599,239)</u>
Net (expenditure)/income		(59,953)	20,850	(39,103)
Transfers between funds		<u>27,036</u>	<u>(27,036)</u>	<u>-</u>
Net movement in funds		(32,917)	(6,186)	(39,103)
Reconciliation of funds				
Total funds brought forward		<u>225,804</u>	<u>1,689,961</u>	<u>1,915,765</u>
Total funds carried forward	18	<u><u>192,887</u></u>	<u><u>1,683,775</u></u>	<u><u>1,876,662</u></u>

The notes on pages 19 to 32 form an integral part of these financial statements.

Arcola Theatre Production Company

Statement of Financial Activities for the Year Ended 31 March 2025 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2024 £
Income and Endowments from:				
Donations and legacies	3	355,419	166,773	522,192
Charitable activities	4	658,648	-	658,648
Other trading activities	5	46,984	-	46,984
Total income		<u>1,061,051</u>	<u>166,773</u>	<u>1,227,824</u>
Expenditure on:				
Charitable activities	6	<u>(985,051)</u>	<u>(286,126)</u>	<u>(1,271,177)</u>
Total expenditure		<u>(985,051)</u>	<u>(286,126)</u>	<u>(1,271,177)</u>
Net income/(expenditure)		<u>76,000</u>	<u>(119,353)</u>	<u>(43,353)</u>
Net movement in funds		76,000	(119,353)	(43,353)
Reconciliation of funds				
Total funds brought forward		<u>149,804</u>	<u>1,809,314</u>	<u>1,959,118</u>
Total funds carried forward	18	<u><u>225,804</u></u>	<u><u>1,689,961</u></u>	<u><u>1,915,765</u></u>

All of the charity's activities derive from continuing operations during the above two periods.

The notes on pages 19 to 32 form an integral part of these financial statements.

Arcola Theatre Production Company

(Registration number: 05242988)
Balance Sheet as at 31 March 2025

	Note	2025 £	2024 £
Fixed assets			
Tangible assets	12	1,669,899	1,757,028
Current assets			
Debtors	13	392,040	149,659
Cash at bank and in hand	14	<u>177,873</u>	<u>200,366</u>
		569,913	350,025
Creditors: Amounts falling due within one year	15	<u>(361,381)</u>	<u>(179,057)</u>
Net current assets		<u>208,532</u>	<u>170,968</u>
Total assets less current liabilities		1,878,431	1,927,996
Creditors: Amounts falling due after more than one year	16	<u>(1,769)</u>	<u>(12,231)</u>
Net assets		<u>1,876,662</u>	<u>1,915,765</u>
Funds of the charity:			
Restricted income funds			
Restricted funds	18	1,683,775	1,689,961
Unrestricted income funds			
Unrestricted funds		<u>192,887</u>	<u>225,804</u>
Total funds	18	<u>1,876,662</u>	<u>1,915,765</u>

The financial statements on pages 15 to 32 were approved by the trustees, and authorised for issue on 22 December 2025 and signed on their behalf by:



.....
Ben Todd
Trustee

The notes on pages 19 to 32 form an integral part of these financial statements.

Arcola Theatre Production Company

Statement of Cash Flows for the Year Ended 31 March 2025

	Note	2025 £	2024 £
Cash flows from operating activities			
Net cash expenditure		(39,103)	(43,353)
Adjustments to cash flows from non-cash items			
Depreciation		<u>148,758</u>	<u>145,201</u>
		109,655	101,848
Working capital adjustments			
(Increase)/decrease in debtors	13	(242,381)	24,725
Increase/(decrease) in creditors	15	<u>182,066</u>	<u>(11,415)</u>
Net cash flows from operating activities		49,340	115,158
Cash flows from investing activities			
Purchase of tangible fixed assets	12	(61,629)	-
Cash flows from financing activities			
Repayment of loans and borrowings	15	<u>(10,204)</u>	<u>(9,952)</u>
Net (decrease)/increase in cash and cash equivalents		(22,493)	105,206
Cash and cash equivalents at 1 April		<u>200,366</u>	<u>95,160</u>
Cash and cash equivalents at 31 March		<u><u>177,873</u></u>	<u><u>200,366</u></u>

All of the cash flows are derived from continuing operations during the above two periods.

The notes on pages 19 to 32 form an integral part of these financial statements.

Arcola Theatre Production Company

Notes to the Financial Statements for the Year Ended 31 March 2025

1 Charity status

The charity is limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

The address of its registered office is:

24 Ashwin Street
London
E8 3DL

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

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)) (issued in October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of preparation

Arcola Theatre Production Company meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes. The financial statements are presented in Sterling which is the functional currency of the charity and rounded to the nearest £1.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

Arcola Theatre Production Company

Notes to the Financial Statements for the Year Ended 31 March 2025

Judgements

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

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. There are no estimates or assumptions that are considered to have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

Income and endowments

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

Donations and legacies

Where the donated good is a fixed asset, it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset class and depreciated over the useful economic life in accordance with the Charity's accounting policies.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the Charity which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Grants receivable

Grants are included in the Statement Of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Gift aid

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

Arcola Theatre Production Company

Notes to the Financial Statements for the Year Ended 31 March 2025

Expenditure

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

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives. as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

Taxation

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

Tangible fixed assets

Individual fixed assets costing £500 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life, using the straight line method as follows:

Asset class	Depreciation method and rate
Plant & machinery	20% to 50% on cost
Computer equipment	20% on cost
Long-term leasehold property	4% to 20% on cost

Trade debtors

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

Cash and cash equivalents

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Arcola Theatre Production Company

Notes to the Financial Statements for the Year Ended 31 March 2025

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Fund structure

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Pensions and other post retirement obligations

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

Arcola Theatre Production Company

Notes to the Financial Statements for the Year Ended 31 March 2025

Financial instruments

Classification

The Charity holds basic financial instruments. The financial assets and financial liabilities Of the Charity are as follows:

Debtors - trade and Other debtors (including accrued income) are basic financial instruments and a debt instruments measured at amortised cost as detailed in Note 13. Prepayments are not financial instruments.

Cash at bank - is classified as a basic financial instrument and is measured at cost.

Liabilities - trade creditors, accruals and other creditors will be classified as financial instruments and are measured at amortised cost as detailed in Notes 15 and 16. Taxation and social security are included in the financial instruments disclosure. Deferred income is not deemed to be a financial liability, as in the cash settlement has already taken place and there is simply an obligation to deliver charitable services rather than cash or another financial instrument.

3 Income from donations and legacies

	Unrestricted funds General £	Restricted funds £	Total funds £
Donations and legacies;			
Donations	53,602	16,445	70,047
Grants, including capital grants;			
Grants from other charities	332,493	310,207	642,700
Total for 2025	<u>386,095</u>	<u>326,652</u>	<u>712,747</u>
Total for 2024	<u>355,419</u>	<u>166,773</u>	<u>522,192</u>

4 Income from charitable activities

	Unrestricted funds General £	Total funds £
Professional Theatre	579,074	579,074
Talent Development	15,418	15,418
Theatre Tax Credits	203,833	203,833
Total for 2025	<u>798,325</u>	<u>798,325</u>
Total for 2024	<u>658,648</u>	<u>658,648</u>

Arcola Theatre Production Company

Notes to the Financial Statements for the Year Ended 31 March 2025

5 Income from other trading activities

	Unrestricted funds General £	Total 2025 £
Venue operation	49,064	49,064
	49,064	49,064
	Unrestricted funds General £	Total 2024 £
Venue operation	46,984	46,984
	46,984	46,984

6 Expenditure on charitable activities

	Unrestricted funds General £	Restricted funds £	Total funds £
Professional Theatre	1,250,054	272,842	1,522,896
Talent Development	39,705	19,820	59,525
Venue Operation	3,678	13,140	16,818
Total for 2025	1,293,437	305,802	1,599,239
Total for 2024	985,051	286,126	1,271,177
	Unrestricted funds General £	Restricted funds £	Total 2024 £
Professional Theatre	925,612	255,236	1,180,848
Talent Development	45,517	20,784	66,301
Venue Operation	13,922	10,106	24,028
	985,051	286,126	1,271,177

Arcola Theatre Production Company

Notes to the Financial Statements for the Year Ended 31 March 2025

	Activity undertaken directly £	Activity support costs £	Total expenditure £
Professional Theatre	1,140,678	382,218	1,522,896
Talent Development	54,341	5,184	59,525
Venue Operation	321	16,497	16,818
Total for 2025	1,195,340	403,899	1,599,239
Total for 2024	837,590	433,587	1,271,177

7 Analysis of support costs

	Total 2025 £	Total 2024 £
Depreciation	148,759	145,201
Front of House	55,594	54,387
Comms and Marketing	116,251	55,472
Technical Services	5,656	1,363
Governance Costs	10,000	20,000
Utilities	18,521	30,860
Insurance	8,186	6,839
Telecomms	5,001	2,591
Professional Fees	11,521	47,351
Bank Interest	444	696
Memberships	4,967	4,487
Office and Admin	25,735	19,795
Premises Costs	43,050	44,545
Bad Debt	(49,786)	-
	403,899	433,587

8 Net incoming/outgoing resources

Net outgoing resources for the year include:

	2025 £	2024 £
Audit fees	16,620	20,000

9 Trustees remuneration and expenses

Expenses paid to or waived by the trustees during the year totalled £Nil (2024 - £Nil).

Arcola Theatre Production Company

Notes to the Financial Statements for the Year Ended 31 March 2025

10 Staff costs

The aggregate payroll costs were as follows:

	2025 £	2024 £
Staff costs during the year were:		
Wages and salaries	480,883	430,942
Social security costs	39,298	30,158
Pension costs	17,064	13,903
	<u>537,245</u>	<u>475,003</u>

The monthly average number of persons (including senior management / leadership team) employed by the charity during the year expressed as full time equivalents was as follows:

	2025 No	2024 No
Full time staff	10	10
Equivalent full time staff from casual worker pool	3	4
	<u>13</u>	<u>14</u>

The Charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Charity in an independently administered fund. At the year end £2,538 (2024 - £2,181) was payable to the fund and has been included in Creditors falling due within one year.

The number of employees whose emoluments fell within the following bands was:

	2025 No	2024 No
£60,001 - £70,000	-	1
£70,001 - £80,000	1	-
	<u>1</u>	<u>-</u>

The total employee benefits of the key management personnel of the charity were £146,177 (2024 - £138,759). The Charity considers its key Management Personnel to be the Trustees, the Executive Artistic Director and the Deputy Artistic Director & Executive Producer.

11 Taxation

The charity is a registered charity and is therefore exempt from taxation.

Arcola Theatre Production Company

Notes to the Financial Statements for the Year Ended 31 March 2025

12 Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Total £
Cost			
At 1 April 2024	3,304,570	62,592	3,367,162
Additions	<u>24,056</u>	<u>37,573</u>	<u>61,629</u>
At 31 March 2025	<u>3,328,626</u>	<u>100,165</u>	<u>3,428,791</u>
Depreciation			
At 1 April 2024	1,580,178	29,956	1,610,134
Charge for the year	<u>133,095</u>	<u>15,663</u>	<u>148,758</u>
At 31 March 2025	<u>1,713,273</u>	<u>45,619</u>	<u>1,758,892</u>
Net book value			
At 31 March 2025	<u>1,615,353</u>	<u>54,546</u>	<u>1,669,899</u>
At 31 March 2024	<u>1,724,392</u>	<u>32,636</u>	<u>1,757,028</u>

Included within the net book value of land and buildings above is £Nil (2024 - £Nil) in respect of freehold land and buildings and £1,615,353 (2024 - £1,724,392) in respect of leaseholds.

Restriction on title and pledged as security

Leasehold improvements with a carrying amount of £1,615,353 (2024 - £1,724,392) has the following restriction on title:

The long-term leasehold property is subject to a charge in favour of The Arts Council England.

13 Debtors

	2025 £	2024 £
Trade debtors	11,000	8,514
Prepayments	35,313	20,310
Accrued income	8,137	11,300
Other debtors	<u>337,590</u>	<u>109,535</u>
	<u>392,040</u>	<u>149,659</u>

14 Cash and cash equivalents

	2025 £	2024 £
Cash at bank	<u>177,873</u>	<u>200,366</u>

Arcola Theatre Production Company

Notes to the Financial Statements for the Year Ended 31 March 2025

15 Creditors: amounts falling due within one year

	2025 £	2024 £
Bank loans	10,462	10,204
Trade creditors	55,257	43,944
Other taxation and social security	11,768	9,132
Other creditors	215,921	73,075
Accruals	67,973	42,702
	<u>361,381</u>	<u>179,057</u>

	2025 £	2024 £
Deferred income at 1 April 2024	32,469	48,617
Resources deferred in the period	67,767	32,469
Amounts released from previous periods	<u>(32,469)</u>	<u>(48,617)</u>
Deferred income at year end	<u>67,767</u>	<u>32,469</u>

Deferred income comprises grants where the resources were not applied to charitable purposes until subsequent to the year-end and studio hire paid in advance.

16 Creditors: amounts falling due after one year

	2025 £	2024 £
Bank loans	<u>1,769</u>	<u>12,231</u>

17 Pension and other schemes

Defined contribution pension scheme

The Charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the to the scheme and amounted to £17,064 (2024 - £13,902).

Arcola Theatre Production Company

Notes to the Financial Statements for the Year Ended 31 March 2025

18 Funds

	Balance at 1 April 2024 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2025 £
Unrestricted funds					
<i>General</i>					
General Fund	225,804	1,233,484	(1,293,437)	27,036	192,887
Restricted funds					
Capital Fund	1,626,175	-	(136,004)	51,783	1,541,954
Participation	18,792	12,448	(17,001)	-	14,239
Artistic Programming	15,195	88,500	(63,850)	(12,295)	27,550
Joseph Rowntree Charitable Trust	58	49,972	(21,821)	-	28,209
Green Arcola	14,741	-	-	(14,741)	-
Facilities	15,000	30,000	(9,774)	(18,360)	16,866
Digital accelerator	-	145,732	(57,352)	(33,423)	54,957
Total restricted funds	<u>1,689,961</u>	<u>326,652</u>	<u>(305,802)</u>	<u>(27,036)</u>	<u>1,683,775</u>
Total funds	<u><u>1,915,765</u></u>	<u><u>1,560,136</u></u>	<u><u>(1,599,239)</u></u>	<u><u>-</u></u>	<u><u>1,876,662</u></u>

Arcola Theatre Production Company

Notes to the Financial Statements for the Year Ended 31 March 2025

	Balance at 1 April 2023 £	Incoming resources £	Resources expended £	Balance at 31 March 2024 £
Unrestricted funds				
General				
General Fund	149,804	1,061,051	(985,051)	225,804
Restricted				
Capital Fund	1,757,432	-	(131,257)	1,626,175
Participation	4,992	35,009	(21,209)	18,792
Artistic Programming	14,295	112,496	(111,596)	15,195
Joseph Rowntree Charitable Trust	17,854	-	(17,796)	58
Green Arcola	14,741	-	-	14,741
Facilities	-	15,000	-	15,000
Digital accelerator	-	4,268	(4,268)	-
Total restricted funds	<u>1,809,314</u>	<u>166,773</u>	<u>(286,126)</u>	<u>1,689,961</u>
Total funds	<u>1,959,118</u>	<u>1,227,824</u>	<u>(1,271,177)</u>	<u>1,915,765</u>

The specific purposes for which the funds are to be applied are as follows:

The Capital fund relates to restricted funding used for capital expenditure. The balance represents the value of restricted tangible fixed assets.

The Participation fund represents restricted funding received for community engagement activities, with the balance to be spent in the future.

The Artistic Programming fund represents restricted funding received for theatrical activities, with the balance to be spent in the future.

The Joseph Rowntree Charitable trust represents a restricted grant awarded to develop a new musical, "The Shadow World," with the balance to be spent in the future.

The Green Arcola fund represents restricted funding for a local environmental project that is no longer active, and negotiations are ongoing with the funder regarding future use of balance.

The Facilities fund relates to restricted funding intended for capital expenditure, which when utilised is transferred to the Capital fund.

The Digital accelerator fund represents a restricted grant from Bloomberg Philanthropies to invest in strategic improvements to technology infrastructure.

Arcola Theatre Production Company

Notes to the Financial Statements for the Year Ended 31 March 2025

19 Analysis of net assets between funds

	Unrestricted funds General £	Restricted funds £	Total funds at 31 March 2025 £
Tangible fixed assets	127,947	1,541,952	1,669,899
Current assets	427,689	142,225	569,914
Current liabilities	(360,980)	(402)	(361,382)
Creditors over 1 year	(1,769)	-	(1,769)
Total net assets	192,887	1,683,775	1,876,662
	Unrestricted funds General £	Restricted funds £	Total funds at 31 March 2024 £
Tangible fixed assets	130,855	1,626,173	1,757,028
Current assets	286,237	63,788	350,025
Current liabilities	(179,057)	-	(179,057)
Creditors over 1 year	(12,231)	-	(12,231)
Total net assets	225,804	1,689,961	1,915,765

20 Analysis of net funds

	At 1 April 2024 £	Financing cash flows £	At 31 March 2025 £
Cash at bank and in hand	200,366	(22,493)	177,873
Debt due within one year	(10,204)	(258)	(10,462)
Debt due after more than one year	(12,231)	10,462	(1,769)
Net debt	177,931	(12,289)	165,642
	At 1 April 2023 £	Financing cash flows £	At 31 March 2024 £
Cash at bank and in hand	95,160	105,206	200,366
Debt due within one year	(8,428)	(1,776)	(10,204)
Debt due after more than one year	(23,959)	11,728	(12,231)
Net debt	62,773	115,158	177,931

Arcola Theatre Production Company

Notes to the Financial Statements for the Year Ended 31 March 2025

21 Related party transactions

During the year the charity made the following related party transactions:

As at 31st March 2025, the Charity was due £135,385 (2024: £185,385) from Arcola Theatre Limited.

Donations received from Trustees during the year totalled £21,000 (2024: £Nil)

During the year the Charity accounted for an accrual of £10,031 from Demse Technical Services, a company owned by one of the Trustees]t the balance sheet date the amount due[to][Demse Technical Serviceswas [£10,031([2024- [£Nil] [

ARCOLA THEATRE PRODUCTION COMPANY

England & Wales - Charity number 1108613

Accounts

Company registered number: 05242988
Charity registered number: 1108613

ARCOLA THEATRE PRODUCTION COMPANY
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

(A Company Limited by Guarantee)

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(A Company Limited by Guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2024**

Trustees Abdullah Tercanli, Trustee
Gabriel Gbadamosi, Trustee
Ben Todd, Trustee
Andrew Cripps, Chair
Naz Yeni, Trustee
Lynne McKenzie, Trustee (resigned 27 March 2024)

Company registered number 05242988

Charity registered number 1108613

Registered office 24 Ashwin Street
London
E8 3DL

Chair of Trustees Andrew Cripps

Independent auditors MHA
Statutory Auditors
2 London Wall Place
London
EC2Y 5AU

ARCOLA THEATRE PRODUCTION COMPANY
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2024

The Trustees present their Annual Report together with the audited financial statements of the Charity for the 1 April 2023 to 31 March 2024. The Annual Report serves the purposes of both a Trustees' Report and a Directors' Report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the Charity qualifies as small under section 382 of the Companies Act 2006, the Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Arcola Theatre Production Company is also known as Arcola Theatre.

Public performances continued in both Studio 1 and Studio 2 throughout 2023 and 2024. Audience numbers gradually increased alongside the increase in programming of performances and events.

The names of the Trustees are set out on page 1. Lynne McKenzie retired as a Trustee on 27 March 2024, having been instrumental in the original formation of the Charity. The Trustees and the management of Arcola Theatre wish to record their deep gratitude for her very significant contributions. The sills and composition of the Trustees are kept under regular review.

Objectives and activities

a. Policies and objectives

Charitable objectives

The objectives for which the Charity is formed are to promote, maintain, improve and advance the education and appreciation of the public in the Arts and Sciences. In pursuing these objects, the Trustees have considered the Charity Commission's guidance on public benefit, including that related to fee charging.

Vision

Arcola Theatre's vision is of a genuinely radical theatre constantly reinventing itself to respond to, interpret and have relevance to an ever-changing contemporary Britain.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

b. Strategies for achieving objectives

Mission

Arcola Theatre's mission is to imagine and build a theatre that flourishes within a cultural centre for its diverse local community. One that builds new audiences, generates its own powerful productions, and creates a home for the very best of UK and international theatre companies to visit.

c. Activities undertaken to achieve objectives

In putting the above mission into action we have four major areas of activity (discussed in more detail below), which are professional theatre, talent development, promotion of environmental sustainability and venue operations.

ARCOLA THEATRE PRODUCTION COMPANY
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2024

d. Main activities undertaken to further the Charity's purposes for the public benefit

The main activities undertaken can be described in more detail as follows:

Off West End Professional Theatre

This activity includes the producing and receiving of theatre shows in our 200 and 100 seat studios, plus selected off-site locations, with a strong focus on socially and politically relevant works and diversity of voices.

Talent Development

This is an extensive programme that includes working with specific groups such as young people, older people, Turkish & Kurdish speaking, Global Majority artists and LGBTQ communities, as well as the development of specific skills areas such as new writing, facilitator training and general skills development.

Environmental Sustainability

We continue to make environmental considerations central to our venue operations, and to disseminate our learning.

Venue Operation

Comprising the wide range of work required to provide a cultural and social space for the local community as well as rehearsal and performance spaces for a wide variety of professional and community uses.

Achievements and performance

a. Key performance indicators

Planned turnover for 2023/24 was £1,137k with an unrestricted surplus of £74k.

Income for the year was £1,227,824 (2023 - £1,002,479). This included £658,648 from charitable activities (2023 - £524,884) and £93,367 of donations (2023 - £75,810). Earned income was 54% (2023 - 52%).

Arts Council England regular (NPO) funding provided £307,290 (2023 - £307,290) (25% of income, 2023 - 31%). Expenditure for the year was £1,271,177 (2023 - £1,254,981) including £131,257 (2023 - £130,348) of depreciation funded by allocation to the capital fund. Direct spending on professional theatre amounted to £780,060 (2023 - £829,799), with a further £400,788 (2023 - £363,781) spent on support costs. Direct spending on Talent Development amounted to £57,530 (2023 - £32,002) with a further £8,771 (2023 - £8,897) spent on support costs. Support costs on Venue Operation amounted to £24,028 (2023 - £20,502).

The year-end unrestricted funds of £225,804 (2023 - £149,804) include fixed assets of £130,855, leaving £94,949 as free reserves. This represents 38% of the target level of £250k.

b. Review of activities

Ambition and high-quality art are at the centre of Arcola Theatre's work, and in our 24th year this has been pursued and achieved through globally relevant programming, showcasing the diverse local community and notable impact upon the UK and international arts world.

Responding to the impact of COVID19 on the arts, we are continuing to be responsive to the changes in financial support for the arts and the increased financial impact upon our audiences and co artists.

After a successful three years, Arcola Outside came to the scheduled end in the summer of 2023. Arcola Outside staged professional performances and was home to many of our participation community performances.

The first in house show produced this year was Possession in June 2023. Written by Sasha Hails and directed by Oscar Pearce.

★★★★ 'Maze-like and splendid' The Stage

★★★★ 'The five-strong cast are excellent, especially Sarah Amankwah as Kasambayi Mabele, whose power, strength and silences are awe-inspiring.' The Reviews Hub

The second in house show was No For An Answer as part of our summer Grimeborn festival.

★★★ 'Francie's touching song Be With Me, beautifully delivered by Katrina Michaels, and Bulge's Penny Candy, turned into a real showstopper by Vas Constani' The Guardian

★★★ 'Arcola's artistic director, Mehmet Ergen, takes the helm for a production that's so atmospheric you can almost taste the tzatziki' The Times

ARCOLA THEATRE PRODUCTION COMPANY (A company limited by guarantee)

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2024

The third in house production was Sputnik Sweetheart in October 2023. An adaptation of Haruki Murakami's novel by playwright Bryony Lavery and directed by Melly Still.

★★★ 'Director Melly Still uses space and movement in inventive ways while Shizuka Hariu's set design is a wonder' - The Guardian

★★★ 'coolly sexy and quietly compelling at others, and hugely involving overall' The Evening Standard

The fourth in house production was When You Pass Over My Tomb by Sergio Blanco, Adapted and Directed by Daniel Goldman

★★★★★ "A must-see triumph! .. Challenging, stimulating, playful, thrilling, but above all, it defies categorisation." – The Spy in the Stalls

★★★★★ "Art, at its best, challenges an audience to see the world differently, and When You Pass Over My Tomb achieves this like nothing else I've ever seen" – A Young(ish) Perspective

★★★★★ "An ambitious and inventive exploration of death" – Broadway Baby

★★★★★ "Finger-licking, or rather phalanx licking, good" – North West End

We hosted over 10 companies throughout the year to rehearse and perform their plays.

Grimeborn 2023

Arcola Theatre has always championed adventurous artists, and this has never been clearer than in our Grimeborn programme. Music has the power to connect us, and it has always been our belief that opera should be accessible to all. Our commitment to affordable ticket prices means that everyone can enjoy live performance. The 16th year, we programmed 12 operas, of which 2 world premiers. We produced No For An Answer directed by Mehmet Ergen.

The positive and acclaimed reviews for the 2022 festival and huge interest from audience and participants lead us to programme a 10 week festival in 2023, rather than the 8 weeks we did in 2022.

Renovation of Arcola Main Building

The fund raising for the renovation of the main building continues. We have installed LED lights in Studio 1. We have plans to install LED lights in Studio 2, and have received funding for electrical works to take place in 2024.

Arcola Participation

Arcola Participation have increased delivery throughout 2023/24, producing many more activities and introducing more participants to our groups. We delivered 4 youth theatre programmes for ages 8-16 years, providing youth theatre opportunities to over 100 young people. We introduced a new group, Arcola Refugee Community Company. A grant of £14,356 from London Borough Hackney to run a schools project with Arcola Academy was a great success. This project provided theatre training to 20 young people aged 18-25 years and saw us delivering workshops and performances to six schools across Hackney in 2023 and perform a sell out show to a family audience in December 2023. We have successfully run Arcola 50+, Arcola Refugee Community Company, Arcola Mental Health Company and Arcola Queer Collective across the year. Through our workshops we have engaged with over 250 people providing theatre skills and training. The performances by our community companies have entertained and been supported by over 700 audience members across the year. The dynamic artists who run these community groups and the dedicated participants who take part bring an important cross section of society and our community into our building and offers free opportunities for over 70 people.

Arcola LAB

Between April 2023 and March 2024, the Arcola LAB programme provided 30 weeks of rehearsal space to a range of companies, offering free rehearsal space for the development of new work by ethnically diverse and migrant artists.

As a part of our Arcola LAB initiative, we launched 'Pomegranate' which was designed to support emerging migrant-led or migrant-focused theatre companies. Three companies called Hidden Keileon, Babylon Project, and Hatch each received three weeks of rehearsal space, alongside tailored mentoring sessions led by experts in writing, directing, fundraising, and producing. These sessions included specialised workshops, such as writing for theatre with Sasha Hails, acting with Kathryn Hunter, directing with Mehmet Ergen, playwriting with Rebecca Lenkiewicz, and producing with Leyla Nazli. Through these offerings, Pomegranate provided 337.5 hours over 3 weeks of creative development space and a comprehensive professional development framework, ensuring that participants were equipped to grow artistically and operationally.

ARCOLA THEATRE PRODUCTION COMPANY
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2024

Financial review

a. Going concern

The financial statements have been prepared on a going concern basis. The Trustees have considered relevant information, including the annual budget, forecast future cash flows and the impact of subsequent events in making their assessment.

Arts Council of England investment and future activity:

In November 2022 the charity received the news that the theatre would continue as a National Portfolio Organisation (NPO) and receive regular Arts Council of England (ACE) financial support for the next three successive years, at the same investment level as previous years. In January 2024 ACE announced an extension of the current NPO Programme to 31 March 2027.

Fundraising from other sources continues to grow year-on-year.

Plans for the year ahead include

We aim to produce more in-house and co-produce a world class, international programme of diverse and socially engaged theatre in Studio 1 and Studio 2, whilst supporting young artists and up and coming companies. Grimeborn opera festival will continue and be programmed over summer months. Arcola LAB and the 'Pomegranate' programme will continue, as will the full range of Arcola Participation programmes.

Community companies currently encompass Mental Health, Turkish Speaking, Arcola 50+, and the new refugee company introduced in 2023 (in partnership with refugee specialists). Companies will stage their work at Arcola and on tour.

Our popular Arcola Youth Theatre will continue to run the current theatre groups plus add two extras - Young AYT (ages 9- 12) & Younger AYT (ages 7-11). Sessions run weekly during term time. Each group will devise and perform in Studio 2 twice a year.

Arcola Academy provides professional level training for 16-25 year olds - prioritising NEET applicants - including training in lighting, set, stage design, stage management, acting, directing & writing. As part of the training, participants devise and perform touring plays for local schools

Based on these assessments and having regard to the resources available to the Charity, the Trustees have concluded that there is no material uncertainty and that they can continue to adopt the going concern basis in preparing the Annual Report and financial statements.

b. Reserves policy

The Trustees believe the most appropriate level of free reserves required by the Charity to sustain it in the event of the Charity not receiving grants and other incoming resources is £250,000. This will not allow standard-scale productions to be staged and would require skeleton (cost-neutral) programming.

The year-end unrestricted funds of £225,804 (2023 - £149,804) include fixed assets of £130,855, leaving £94,949 as free reserves. This represents 38% of the target level of £250k.

We have significantly increased our reserves from the 2% in 2023 to now at 38% of the target level.

c. Material investments policy

The Charity has no financial investments. Under the Memorandum and Articles of Association, the Charity has the power to invest in any way the Trustees wish.

d. Principal funding

Arcola Theatre is a National Portfolio Organisation of Arts Council England, providing circa 25% of income.

There are no other significant funders, with the majority of the balance of funds being earned from charitable activities.

e. Pricing policy

Tickets are priced to maximise revenues without losing access for all. This was achieved through competitive pricing, with a wide range of discounts for target and under-represented groups. Charges are applied for Participation programme participants with bursaries for those less able to pay.

ARCOLA THEATRE PRODUCTION COMPANY
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2024

f. Fundraising

The Trustees have considered the implications of the Charities (protection and social investment) Act 2016 in relation to fundraising activities. The Act aims to protect the public, particularly the vulnerable, from inappropriate fundraising approaches. The primary scope of the Act is "commercial participators" and "professional fundraisers", which refers to commercial organisations engaged by larger charities to engage in direct fundraising from individuals via for example mail, phone and face to face. Since Arcola Theatre does not engage any of these types of organisation there is no direct impact. We have however reviewed our in-house activities in the spirit of the Act and concluded that there are no issues which we need to address.

Structure, governance and management

a. Constitution

Arcola Theatre Production Company Limited is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association.

b. Methods of appointment or election of Trustees

The management of the Charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Memorandum of Association.

c. Organisational structure and decision-making policies

The Board of Trustees administers the Charity. Board normally meets quarterly, addressing all aspects of the charitable operations including programming, development, quality & safety, finance and audit.

The Executive Producer, has delegated authority, within terms of delegation provided by the Trustees, for operational matters including finance, employment and artistic performance related activity.

Charitable activities are structured into departments, each having a Manager, working to a Business Plan which includes detailed plans for all business activities. These plans cascade organisational objectives and Key Performance Indicators through departments to individual staff job descriptions.

Plans are developed with input from all staff, Trustees, artists, participants, volunteers and advisors. Plans and associated budgets are reviewed and approved by the Board of Trustees through regular meetings. Additional advice and oversight is provided via Arts Council England National Portfolio management systems.

d. Policies adopted for the induction and training of Trustees

Upon declaration of their interest to be a Trustee, a new Trustee receives the Charity's governing documents, most recent Financial Report and Management Accounts. They meet with the Chair and Senior Management Team for briefing on the organisation and the responsibilities of Trustees.

New Trustees are provided with the Charity's governing documents, minutes of previous meetings and current business plans. They meet the Chair and senior managers for briefing on the objectives, values, ethos, programme and day-to-day activities of the organisation. New Trustees and existing Trustees are provided with up-to-date information on the responsibilities of Trustees and associated best practice, drawing resources provided by Charity Commission and other professional organisations supporting charities.

e. Pay policy for key management personnel

Senior staff pay is approved by Trustees. Rates of pay are benchmarked against peer organisations.

f. Financial risk management

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

Small company exemptions

The Trustees Report has been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

ARCOLA THEATRE PRODUCTION COMPANY
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2024

Auditors

Following a rebranding exercise on 15 May 2023 the trading name of the company's independent auditor changed from MHA MacIntyre Hudson to MHA. A resolution to reappoint MHA as independent auditor will be proposed at the next Annual General Meeting.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

This report was approved and authorised for issue by the Trustees and signed on its behalf by:



.....
Ben Todd
Trustee

Date: 19 December 2024

(A Company Limited by Guarantee)

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2024**

The Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare Financial Statements for each financial . Under company law, the Trustees must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the Board of Trustees and signed on its behalf by:



.....
Ben Todd
Trustee
Date: 19 December 2024

(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

Opinion

We have audited the financial statements of (the 'charity') for the year ended 31 March 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2024 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF (CONTINUED)

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Review of actual and potential litigation claims;
- Enquiries of entity staff to identify any instances of non-compliance with laws and regulations;
- Performing audit work over risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluation the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance and
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF (CONTINUED)

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Stuart McKay BSc FCA DCha (Senior Statutory Auditor)

for and on behalf of

MHA

Statutory Auditors
2 London Wall Place
London
EC2Y 5AU

Date: 20/12/2024

(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2024**

	Note	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Income from:					
Donations and grants	4	355,419	166,773	522,192	445,729
Charitable activities	5	658,648	-	658,648	524,884
Other income	6	46,984	-	46,984	31,866
Total income		1,061,051	166,773	1,227,824	1,002,479
Expenditure on:					
Charitable activities	7	985,051	286,126	1,271,177	1,254,981
Total expenditure		985,051	286,126	1,271,177	1,254,981
Net movement in funds		76,000	(119,353)	(43,353)	(252,502)
Reconciliation of funds:					
Total funds brought forward		149,804	1,809,314	1,959,118	2,211,620
Net movement in funds		76,000	(119,353)	(43,353)	(252,502)
Total funds carried forward		225,804	1,689,961	1,915,765	1,959,118

The Statement of Financial Activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The notes on pages 17 to 33 form part of these financial statements.

(A Company Limited by Guarantee)
REGISTERED NUMBER: 05242988

BALANCE SHEET
AS AT 31 MARCH 2024

	Note	2024 £	2024 £	2023 £	2023 £
Fixed assets					
Tangible assets	12		1,757,028		1,902,229
			<u>1,757,028</u>		<u>1,902,229</u>
Current assets					
Debtors: Amounts falling due within one year	13	149,659		174,384	
Cash at bank and in hand	19	200,366		95,160	
		<u>350,025</u>		<u>269,544</u>	
Creditors: Amounts falling due within one year	14	(179,057)		(188,696)	
Net current assets			170,968		80,848
Total assets less current liabilities			1,927,996		1,983,077
Creditors: Amounts falling due after more than one year	15		(12,231)		(23,959)
Total net assets			1,915,765		<u>1,959,118</u>
Charity funds					
Restricted funds:					
Restricted funds	16	1,689,961		1,809,314	
Total restricted funds	16		1,689,961		1,809,314
Unrestricted funds					
General funds	16	225,804		149,804	
Total unrestricted funds	16		225,804		149,804
Total funds			1,915,765		<u>1,959,118</u>

(A Company Limited by Guarantee)
REGISTERED NUMBER: 05242988

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2024

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

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

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



.....
Ben Todd
Trustee

Date: 19 December 2024

(A Company Limited by Guarantee)

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024**

	Note	2024 £	2023 £
Cash flows from operating activities			
Net cash used in operating activities	18	115,158	<i>84,880</i>
		<hr/>	<hr/>
Cash flows from investing activities			
Purchase of tangible fixed assets	12	-	<i>(64,128)</i>
		<hr/>	<hr/>
Net cash provided by/(used in) investing activities		-	<i>(64,128)</i>
		<hr/>	<hr/>
Cash flows from financing activities			
Repayments of borrowing	14,15	(9,952)	<i>(9,707)</i>
		<hr/>	<hr/>
Net cash used in financing activities		(9,952)	<i>(9,707)</i>
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		105,206	11,045
Cash and cash equivalents at the beginning of the year	19	95,160	<i>84,115</i>
		<hr/>	<hr/>
Cash and cash equivalents at the end of the year	19	200,366	<i>95,160</i>
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 17 to 33 form part of these financial statements

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

1. General information

Arcola Theatre Production Company is a Charitable Company limited by guarantee and is registered with the Charity Commission (Charity Registered Number 1108613) and Registrar of Companies (Company Registered Number 05242988) incorporated in England and Wales.

The address of the registered office is given in the Charity information on page 1 of these accounts. The Members of the Charity are the Trustees named on page 1.

In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per Member of the Charity.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

The financial statements are presented in Sterling which is the functional currency of the Charity and rounded to the nearest £1.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

2. Accounting policies (continued)

2.2 Income

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

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Where the donated good is a fixed asset, it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset class and depreciated over the useful economic life in accordance with the Charity's accounting policies.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the Charity which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.3 Expenditure

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

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

2. Accounting policies (continued)

2.4 Tangible fixed assets and depreciation

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

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

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Long-term leasehold property	- 4% to 20% on cost
Plant and machinery	- 20% to 50% on cost
Computer equipment	- 20% on cost

2.5 Debtors

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

2.6 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.7 Liabilities and provisions

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

2. Accounting policies (continued)

2.8 Financial instruments

The Charity holds basic financial instruments. The financial assets and financial liabilities of the Charity are as follows:

Debtors - trade and other debtors (including accrued income) are basic financial instruments and a debt instruments measured at amortised cost as detailed in Note 13. Prepayments are not financial instruments.

Cash at bank - is classified as a basic financial instrument and is measured at cost.

Liabilities - trade creditors, accruals and other creditors will be classified as financial instruments and are measured at amortised cost as detailed in Notes 14 and 15. Taxation and social security are included in the financial instruments disclosure. Deferred income is not deemed to be a financial liability, as in the cash settlement has already taken place and there is simply an obligation to deliver charitable services rather than cash or another financial instrument.

2.9 Pensions

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

2.10 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

3. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. There are no estimates or assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

4. Income from donations and grants

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Donations	45,502	47,865	93,367
Grants	309,917	118,908	428,825
Total 2024	355,419	166,773	522,192

	<i>Unrestricted funds 2023 £</i>	<i>Restricted funds 2023 £</i>	<i>Total funds 2023 £</i>
Donations	45,286	30,524	75,810
Grants	307,290	62,629	369,919
<i>Total 2023</i>	<i>352,576</i>	<i>93,153</i>	<i>445,729</i>

5. Income from charitable activities

	Unrestricted funds 2024 £	Total funds 2024 £
Professional Theatre	550,515	550,515
Talent Development	17,149	17,149
Theatre Tax Credits	90,984	90,984
Total 2024	658,648	658,648

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

5. Income from charitable activities (continued)

	<i>Unrestricted funds 2023 £</i>	<i>Total funds 2023 £</i>
Professional Theatre	415,927	415,927
Talent Development	13,830	13,830
Theatre Tax Credits	95,127	95,127
<i>Total 2023</i>	<u>524,884</u>	<u>524,884</u>

6. Income from other trading activities

	Unrestricted funds 2024 £	Total funds 2024 £
Venue Operation	<u>46,984</u>	<u>46,984</u>

	<i>Unrestricted funds 2023 £</i>	<i>Total funds 2023 £</i>
Venue Operation	<u>31,866</u>	<u>31,866</u>

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

7. Analysis of expenditure on charitable activities - by fund

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Professional Theatre	925,612	255,236	1,180,848
Talent Development	45,517	20,784	66,301
Venue Operation	13,922	10,106	24,028
Total 2024	985,051	286,126	1,271,177

	<i>Unrestricted funds 2023 £</i>	<i>Restricted funds 2023 £</i>	<i>Total 2023 £</i>
Professional Theatre	977,311	216,269	1,193,580
Talent Development	17,498	23,401	40,899
Venue Operation	9,814	10,688	20,502
<i>Total 2023</i>	<i>1,004,623</i>	<i>250,358</i>	<i>1,254,981</i>

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

8. Analysis of expenditure by activities

	Activities undertaken directly 2024 £	Support costs 2024 £	Total funds 2024 £
Professional Theatre	780,060	400,788	1,180,848
Talent Development	57,530	8,771	66,301
Venue Operation	-	24,028	24,028
Total 2024	837,590	433,587	1,271,177

	<i>Activities undertaken directly 2023 £</i>	<i>Support costs 2023 £</i>	<i>Total funds 2023 £</i>
Professional Theatre	829,799	363,781	1,193,580
Talent Development	32,002	8,897	40,899
Venue Operation	-	20,502	20,502
<i>Total 2023</i>	<i>861,801</i>	<i>393,180</i>	<i>1,254,981</i>

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2024 £	<i>Total funds 2023 £</i>
Depreciation	145,201	144,046
Front of House	54,387	36,095
Comms and marketing	55,472	49,995
Technical services	1,363	2,087
Governance costs	20,000	20,000
Utilities	30,860	22,497
Insurance	6,839	6,396
Telecomms	2,591	1,170
Professional fees	47,351	18,939
Bank interest	696	942
Memberships	4,487	4,213
Office and admin	19,795	23,206
Premises Costs	44,545	63,594
	433,587	393,180

9. Governance costs - Auditors' remuneration

	2024 £	<i>2023 £</i>
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	20,000	20,000

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

10. Staff costs

	2024	2023
	£	£
Wages and salaries	430,943	370,574
Social security costs	30,158	27,084
Pension costs	13,903	11,904
	475,004	409,562

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

	2024	2023
	No.	No.
Full time staff	10	8
Equivalent full time staff from casual worker pool	4	3
	14	11

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2024	2023
	No.	No.
In the band £60,001 - £70,000	1	1

The total amount of employee benefits, including employers social security and employers pension contribution costs, received by Key Management Personnel, was £138,759 (2023: £118,062). The Charity considers its Key Management Personnel to be the Trustees, the Chief Executive Officer and the Executive Producer.

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2023 - £NIL).

During the year ended 31 March 2024, no Trustee expenses have been incurred (2023 - £NIL).

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

12. Tangible fixed assets

	Long-term leasehold property £	Plant and machinery £	Computer equipment £	Total £
Cost or valuation				
At 1 April 2023	3,304,570	59,496	3,096	3,367,162
At 31 March 2024	<u>3,304,570</u>	<u>59,496</u>	<u>3,096</u>	<u>3,367,162</u>
Depreciation				
At 1 April 2023	1,447,495	15,514	1,924	1,464,933
Charge for the year	132,683	11,899	619	145,201
At 31 March 2024	<u>1,580,178</u>	<u>27,413</u>	<u>2,543</u>	<u>1,610,134</u>
Net book value				
At 31 March 2024	<u>1,724,392</u>	<u>32,083</u>	<u>553</u>	<u>1,757,028</u>
At 31 March 2023	<u>1,857,075</u>	<u>43,982</u>	<u>1,172</u>	<u>1,902,229</u>

The leasehold improvements are secured against a charge in favour of The Arts Council of England.

13. Debtors

	2024 £	2023 £
Trade debtors	8,514	14,300
Other debtors	109,535	137,906
Prepayments and accrued income	31,610	22,178
	<u>149,659</u>	<u>174,384</u>

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

14. Creditors: Amounts falling due within one year

	2024	2023
	£	£
Bank loans	10,204	8,428
Trade creditors	43,944	6,851
Other taxation and social security	9,132	6,694
Other creditors	40,606	85,121
Accruals and deferred income	75,171	81,602
	179,057	188,696
	2024	2023
	£	£
Deferred income at 1 April 2023	48,617	-
Resources deferred during the year	32,469	62,059
Amounts released from previous periods	(48,617)	(13,442)
	32,469	48,617

Deferred income comprises grants where the resources were not applied to charitable purposes until subsequent to the year-end and studio hire paid in advance. Movements in deferred income have been analysed above.

The above bank loan relates to an unsecured Bounce Back Scheme facility for £50,000 with interest chargeable at the rate of 2.5% per annum. The loan is repayable in equal instalments over five years, with repayments comprising both capital and interest.

15. Creditors: Amounts falling due after more than one year

	2024	2023
	£	£
Bank loans	12,231	23,959

The above bank loan relates to an unsecured Bounce Back Scheme facility for £50,000 with interest chargeable at the rate of 2.5% per annum. The loan is repayable in equal instalments over five years, with repayments comprising both capital and interest.

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

16. Statement of funds

Statement of funds - current year

	Balance at 1 April 2023 £	Income £	Expenditure £	Balance at 31 March 2024 £
Unrestricted funds				
General Fund	149,804	1,061,051	(985,051)	225,804
Restricted funds				
Capital fund	1,757,432	-	(131,257)	1,626,175
Participation	4,992	35,009	(21,209)	18,792
Artistic Programming	14,295	112,496	(111,596)	15,195
Joseph Rowntree Charitable Trust	17,854	-	(17,796)	58
Green Arcola	14,741	-	-	14,741
Facilities	-	15,000	-	15,000
Digital Accelerator	-	4,268	(4,268)	-
	1,809,314	166,773	(286,126)	1,689,961
Total of funds	1,959,118	1,227,824	(1,271,177)	1,915,765

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

16. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 April 2022</i> £	<i>Income</i> £	<i>Expenditure</i> £	<i>Transfers in/out</i> £	<i>Balance at 31 March 2023</i> £
Unrestricted funds					
General Fund	245,101	909,326	(1,004,623)	-	149,804
Restricted funds					
Capital fund	1,831,432	-	(130,348)	56,349	1,757,433
Participation	8,439	15,897	(19,345)	-	4,991
Artistic Programming	32,995	76,427	(95,127)	-	14,295
Joseph Rowntree Charitable Trust	22,563	829	(5,538)	-	17,854
Green Arcola	14,741	-	-	-	14,741
Facilities	56,349	-	-	(56,349)	-
	<u>1,966,519</u>	<u>93,153</u>	<u>(250,358)</u>	<u>-</u>	<u>1,809,314</u>
Total of funds	<u>2,211,620</u>	<u>1,002,479</u>	<u>(1,254,981)</u>	<u>-</u>	<u>1,959,118</u>

The Capital fund relates to restricted funding used for capital expenditure. The balance represents the value of restricted tangible fixed assets.

The Participation fund represents restricted funding received for community engagement activities, with the balance to be spent in the future.

The Artistic Programming fund represents restricted funding received for theatrical activities, with the balance to be spent in the future.

The Joseph Rowntree Charitable Trust represents a restricted grant awarded to develop a new musical, "The Shadow World", with the balance to be spent in the future.

The Green Arcola fund represents restricted funding for a local environmental project that is no longer active, and negotiations are ongoing with the funder regarding future use of the balance.

The Facilities fund relates to restricted funding intended for capital expenditure, which when utilised is transferred to the Capital fund.

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

17. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Tangible fixed assets	130,855	1,626,173	1,757,028
Current assets	286,237	63,788	350,025
Creditors due within one year	(179,057)	-	(179,057)
Creditors due in more than one year	(12,231)	-	(12,231)
Total	225,804	1,689,961	1,915,765

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2023 £</i>	<i>Restricted funds 2023 £</i>	<i>Total funds 2023 £</i>
Tangible fixed assets	144,796	1,757,433	1,902,229
Current assets	167,663	101,881	269,544
Creditors due within one year	(138,696)	(50,000)	(188,696)
Creditors due in more than one year	(23,959)	-	(23,959)
Total	149,804	1,809,314	1,959,118

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

18. Reconciliation of net movement in funds to net cash flow from operating activities

	2024 £	2023 £
Net expenditure for the period (as per Statement of Financial Activities)	(43,353)	(252,502)
Adjustments for:		
Depreciation charges	145,201	144,046
Decrease in debtors	24,725	124,884
Increase/(decrease) in creditors	(11,415)	68,452
Net cash provided by operating activities	115,158	84,880

19. Analysis of cash and cash equivalents

	2024 £	2023 £
Cash at bank and in hand	200,366	95,160
Total cash and cash equivalents	200,366	95,160

20. Analysis of changes in net debt

	At 1 April 2023 £	Cash flows £	At 31 March 2024 £
Cash at bank and in hand	95,160	105,206	200,366
Debt due within 1 year	(8,428)	(1,776)	(10,204)
Debt due after 1 year	(23,959)	11,728	(12,231)
	62,773	115,158	177,931

21. Pension commitments

The Charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Charity in an independently administered fund. The pension cost charge for the year was £13,902 (2023 - £11,904) and at the year end £2,181 (2023 - £1,451) was payable to the fund and have been included in Creditors falling due within one year - Other creditors.

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

22. Related party transactions

There were no related party transactions during the year.

ARCOLA THEATRE PRODUCTION COMPANY

England & Wales - Charity number 1108613

Accounts

Company registered number: 05242988
Charity registered number: 1108613

ARCOLA THEATRE PRODUCTION COMPANY
(A Company Limited by Guarantee)

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

ARCOLA THEATRE PRODUCTION COMPANY
(A Company Limited by Guarantee)

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ARCOLA THEATRE PRODUCTION COMPANY
(A Company Limited by Guarantee)

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

Trustees	Abdullah Tercanli, Trustee Gabriel Gbadamosi, Trustee Lynne McKenzie, Trustee Jack Shepherd, Trustee (resigned 15 May 2022) Ben Todd, Trustee Andrew Cripps, Trustee (appointed 15 May 2022) Naz Yeni, Trustee (appointed 15 May 2022) Leyla Nazli, Secretary (resigned 15 May 2022)
Company registered number	05242988
Charity registered number	1108613
Registered office	24 Ashwin Street London E8 3DL
Company secretary	Leyla Nazli (resigned 15 May 2022)
Chair of Trustees	Ben Todd (resigned as Chair 15 May 2022) Andrew Cripps (appointed as Chair 15 May 2022)
Independent auditors	MHA Statutory Auditors 2 London Wall Place London EC2Y 5AU

ARCOLA THEATRE PRODUCTION COMPANY
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2023

The Trustees present their Annual Report together with the audited financial statements of the Charity for the year 1 April 2022 to 31 March 2023. The Annual Report serves the purposes of both a Trustees' Report and a Directors' Report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the Charity qualifies as small under section 382 of the Companies Act 2006, the Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Arcola Theatre Production Company is also known as Arcola Theatre.

Public performances restarted in Studio 1 in May 2022, and Studio 2 re-opened in February 2023. The audiences numbers steadily increased and the programming of the theatre stabilised despite post-Covid and high cost of living effects.

Objectives and activities

a. Policies and objectives

Charitable objectives

The objectives for which the Charity is formed are to promote, maintain, improve and advance the education and appreciation of the public in the Arts and Sciences. In pursuing these objects, the Trustees have considered the Charity Commission's guidance on public benefit, including that related to fee charging.

Vision

Arcola Theatre's vision is of a genuinely radical theatre constantly reinventing itself to respond to, interpret and have relevance to an ever changing contemporary Britain.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

b. Strategies for achieving objectives

Mission

Arcola Theatre's mission is to imagine and build a theatre that flourishes within a cultural and scientific centre for its diverse local community. One that builds new audiences, generates its own powerful productions, and creates a home for the very best of UK and international theatre companies to visit; whilst simultaneously developing, demonstrating and deploying technologies for a sustainable future.

c. Activities undertaken to achieve objectives

In putting the above mission into action we have three major areas of activity (discussed in more detail below), which are professional theatre, talent development, promotion of environmental sustainability and venue operations.

ARCOLA THEATRE PRODUCTION COMPANY
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Objectives and activities (continued)

d. Main activities undertaken to further the Charity's purposes for the public benefit

The main activities undertaken can be described in more detail as follows:

Off West End Professional Theatre

This activity includes the producing and receiving of theatre shows in our 200 and 100 seat studios, plus selected off-site locations, with a strong focus on socially and politically relevant works and diversity of voices.

Talent Development

This is an extensive programme that includes working with specific groups such as young people, older people, Turkish speaking, BAME and LGBTQ communities, as well as the development of specific skills areas such as new writing, facilitator training and general skills development.

Environmental Sustainability

We continue to make environmental considerations central to our venue operations, and to disseminate our learning.

Venue Operation

Comprising the wide range of work required to provide a cultural and social space for the local community as well as rehearsal and performance spaces for a wide variety of professional and community uses.

Achievements and performance

a. Key performance indicators

Planned turnover for 2022/23 was £1,256k with an unrestricted surplus of £97k.

Income for the year was £1,002,479 (2022 - £987,851). This included £524,884 from charitable activities (2022 - £183,263) and £75,810 of donations (2022 - £80,645). Earned income was 46% (2022 - 21%).

Arts Council England regular (NPO) funding provided £307,290 (2022 - £314,790) (31% of income, 2022 - 31%).

Expenditure for the year was £1,254,981 (2022 - £1,320,542) including £130,348 (2022 - £121,853) of depreciation funded by allocation to the capital fund. Direct spending on professional theatre amounted to £829,799 (2022 - £680,162), with a further £363,781 (2022 - £265,615) spent on support costs. Direct spending on Talent Development amounted to £32,002 (2022 - £17,204) with a further £8,897 (2022 - £13,872) spent on support costs. Support costs on Venue Operation amounted to £20,502 (2022 - £148,828).

The year-end unrestricted funds of £149,804 (2022 - £245,101) include fixed assets of £144,796, leaving £5,010 as free reserves. This represents 2% of the target level of £250k.

ARCOLA THEATRE PRODUCTION COMPANY
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Achievements and performance (continued)

b. Review of activities

For the past 23 years Arcola Theatre has been widely lauded for its ambition and quality; striving always for the highest artistic quality in a programme which is relevant to its diverse local community, as well as being a notable contribution to the wider UK (and international) arts ecosystem.

In light of COVID19, we have reframed our ambition to focus on creating an organisation which is able to deliver a compelling programme in a manner which is resilient in the face of great uncertainty and likely financial austerity.

Reopening Arcola Main Building

While Arcola Outside continued use for participation and new work in the summer, we were able to re-open our main theatre following the two-year closure due to Covid-19.

The first in-house show produced was ***We Started To Sing***, a new play by Barney Norris staged in May 2022.

***** “outstanding...beautiful...a perfect reopening for Arcola Theatre” – *WestEndBestFriend*

**** “filled with meaning” – *ReviewsHub*

“a tender family drama” – *The Times*

“full of tenderness...visually arresting...atmospheric” – *The Guardian*

The second in-house production was ***The Dance Of Death*** by August Strindberg, adapted by Rebecca Lenkiewicz and directed by our artistic director Mehmet Ergen; it was co-produced with and toured to Theatre Royal Bath, Royal and Derngate Northampton, Oxford Playhouse and Cambridge Theatre.

**** “This is an unusually satisfying and accessible take on a great but far from straightforward play, and a feast of fine acting. By the end of it, one has no idea whether Alice and Edgar would be better off together or apart, but then again neither do they. Nihilism has never felt so cosy, and the state of matrimony seldom so deadly.” - *WhatsOnStage*

**** - goodreads

The third in-house production ***Poltergeist***, a new play by Philip Ridley received acclaimed reviews.

**** “An energetic, tour-de-force performance” – *WhatsOnStage*

**** “Exhilarating ” – *The i*

**** “Excellent...a powerhouse performance” – *Everything Theatre*

**** “A mesmerisingly balletic production” – *Broadway World*

**** “Darkly funny. The Poltergeist really is a must-see.” – *Reviews Hub*

The fourth in-house production, ***Siegfried & Götterdämmerun***, staged at Hackney Empire (see below)

***** – *The Stage*

***** – *British theatre*

***** – *Planethughill*

We also presented Ireland based "b*spoke theatre company's ***Dinner With Groucho***, a new play by Frank

ARCOLA THEATRE PRODUCTION COMPANY
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Achievements and performance (continued)

McGuinness.

***** "A glorious example of theatre of the absurd the performances of Greg Hicks as Eliot, Ian Bartholomew as Groucho and Ingrid Craigie as the Proprietor are outstanding" – *ReviewsGate*

**** "Sharp, funny, smart and delicious." – *Irish Times*

**** "This sparkling play is everything we expect from a night at the theatre with McGuinness. A mix of vaudeville, song and dance, blistering humour and coruscating dialogue, all adroitly balanced by director Loveday Ingram" – *The Stage*

Grimeborn 2022

Arcola Theatre has always championed adventurous artists, and this has never been clearer than in our Grimeborn programme this year. Music has the power to connect us, and it has always been our belief that opera should be accessible to all. Our commitment to affordable ticket prices means that everyone can enjoy.

This year we programmed 14 operas, of which 4 were new works and 11 had female directors. We started producing The Ring Cycle in 2019, with Das Rheingold at Arcola Theatre, Die Walküre at Hackney empire in 2021. The last two operas, Siegfried & Götterdämmerung, both in-house productions, were staged at Hackney Empire due to its scale in 2022 and the cycle is completed.

We received acclaimed reviews for the festival and huge interest from audience and participants, therefore we increased our festival from 8 weeks to 10 weeks for 2023.

Renovation of Arcola Main Building

The fund raising for the renovation of the main building continues. We have plans to replace all our conventional theatre lights with LED lights and upgrade our heating system to make the theatre more green and sustainable. The plans are in place waiting for successful fundraising.

Arcola Participation

In 2022/23 Arcola Participation have delivered many more activities this year and reached more of our community. During the year, we delivered 4 youth theatres for ages 8-16 years, providing youth theatre opportunities to over 80 young people. The Arcola 50+ company has been successfully running with our older community. In 2023 we were successful in a grant of £14,356 from London Borough Hackney to run a schools project with Arcola Academy. This project provided theatre training to 20 young people aged 18-25 years and saw us delivering workshops and performances to six schools across Hackney. London Borough Hackney also funded our summer holiday workshops, providing 20 places for young people to learn about theatre, and also our Queer Collective. Through our workshops we have engaged with over 250 people providing theatre skills and training. The Mental Health Company have had successful workshops and performances. Our performances by our community companies have entertained and been supported by 450 people. This has been a productive year and sets the department in a strong position for 2024.

ARCOLA THEATRE PRODUCTION COMPANY
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Financial review

a. Going concern

The financial statements have been prepared on a going concern basis. The Trustees have considered relevant information, including the annual budget, forecast future cash flows and the impact of subsequent events in making their assessment.

Arts Council of England investment and future activity

In November 2022 the charity received the news that the theatre would remain as a National Portfolio Organisation (NPO) and receive regular Arts Council of England (ACE) financial support for the next three successive years, at the same investment level as previous years.

Plans for the year ahead include:

The presentation of a world class, international programme of diverse and socially engaged theatre presenting a mix of in-house shows and visiting companies in Studio 1, alongside a season of new work & emerging companies in Studio 2, and more resident companies based in our building making art more diverse and accessible.

The return of the successful opera festival Grimeborn to take place for eleven weeks over the summer months.

Continuing our programme of Associate Companies to support migrant-led companies reach their full potential. Offering rehearsal space, mentoring and networking; enhanced skills in professional theatre making, participation & outreach and funding & finance.

Community companies - currently Mental Health Company, Turkish Speaking company, Arcola 50+ with a new refugee company introduced in 2023 (in partnership with refugee specialists). Companies will stage their work at Arcola Outside and on tour.

Popular Arcola Youth Theatre will run current 3 youth theatre groups plus add two extras - Young AYT (ages 9-12) & Younger AYT (ages 7-11). Sessions run weekly during term time. Each group will devise and perform in Studio 2 twice a year.

Arcola Academy - professional level training for 16-25 year olds - prioritise NEET applicants - incl. training in lighting, set, stage design, SM, acting, directing & writing - will devise and perform 2 touring plays for local schools

Based on these assessments and having regard to the resources available to the Charity, the Trustees have concluded that there is no material uncertainty and that they can continue to adopt the going concern basis in preparing the Annual Report and financial statements.

ARCOLA THEATRE PRODUCTION COMPANY
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

b. Reserves policy

The Trustees believe the most appropriate level of free reserves required by the Charity to sustain it in the event of the Charity not receiving grants and other incoming resources is £250,000. This will not allow standard-scale productions to be staged and would require skeleton (cost-neutral) programming.

The year-end unrestricted funds of £149,804 (2022 - £245,101) include fixed assets of £144,796, leaving £5,010 as free reserves. This represents 2% of the target level of £250k.

Whilst reserves have been severely depleted due mostly to slower than anticipated rebuilding of audiences, the theatre has been successfully reopened, and at the time of writing in December 2023, reserves have been recovered to around £100k..

c. Material investments policy

The Charity has no financial investments. Under the Memorandum and Articles of Association, the Charity has the power to invest in any way the Trustees wish.

d. Principal funding

Arcola Theatre is a National Portfolio Organisation of Arts Council England, providing circa 30% of income.

There are no other significant funders, with the majority of the balance of funds being earned from charitable activities.

e. Pricing policy

Tickets are priced to maximise revenues without losing access for all. This was achieved through competitive pricing, with a wide range of discounts for target and under-represented groups. Charges are applied for Participation programme participants with bursaries for those less able to pay.

f. Fundraising

The Trustees have considered the implications of the Charities (protection and social investment) Act 2016 in relation to fundraising activities. The Act aims to protect the public, particularly the vulnerable, from inappropriate fundraising approaches. The primary scope of the Act is "commercial participators" and "professional fundraisers", which refers to commercial organisations engaged by larger charities to engage in direct fundraising from individuals via for example mail, phone and face to face. Since Arcola Theatre does not engage any of these types of organisation there is no direct impact. We have however reviewed our in-house activities in the spirit of the Act and concluded that there are no issues which we need to address.

Structure, governance and management

a. Constitution

Arcola Theatre Production Company Limited is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association.

ARCOLA THEATRE PRODUCTION COMPANY
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Structure, governance and management (continued)

b. Methods of appointment or election of Trustees

The management of the Charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Memorandum of Association.

c. Organisational structure and decision-making policies

The Board of Trustees administers the Charity. Board normally meets quarterly, addressing all aspects of the charitable operations including programming, development, quality & safety, finance and audit.

The Executive Producer, was delegated authority, within terms of delegation provided by the Trustees, for operational matters including finance, employment and artistic performance related activity.

Charitable activities are structured into departments, each having a Manager, working to a Business Plan which includes detailed plans for all business activities. These plans cascade organisational objectives and Key Performance Indicators through departments to individual staff job descriptions.

Plans are developed with input from all staff, Trustees, artists, participants, volunteers and advisors. Plans and associated budgets are reviewed and approved by the Board of Trustees through regular meetings. Additional advice and oversight is provided via Arts Council England National Portfolio management systems.

d. Policies adopted for the induction and training of Trustees

Upon declaration of their interest to be a Trustee, a new Trustee receives the Charity's governing documents, most recent Financial Report and Management Accounts. They meet with the Chair and Senior Management Team for briefing on the organisation and the responsibilities of Trustees.

New Trustees are provided with the Charity's governing documents, minutes of previous meetings and current business plans. They meet the Chair and senior managers for briefing on the objectives, values, ethos, programme and day-to-day activities of the organisation. New Trustees and existing Trustees are provided with up-to-date information on the responsibilities of Trustees and associated best practice, drawing resources provided by Charity Commission and other professional organisations supporting charities.

Trustees receive training on an ongoing basis where it is deemed necessary.

e. Pay policy for key management personnel

Senior staff pay is approved by Trustees. Rates of pay are benchmarked against peer organisations.

f. Principal Risks and Uncertainties

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

ARCOLA THEATRE PRODUCTION COMPANY
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Plans for future periods

The residual impact of COVID-19 and other global events in 2022/23 resulted in a protracted and volatile recovery of audience attendance in 2022 and early 2023. However we have seen improvements later in 2023. In light of financial pressures, we continued operating with a reduced staff team and carefully managed artistic programme according to a carefully targeted budget. Going forwards we will continue operating with a reduced staff team and modestly rebuild as circumstances permit. This will enable us move towards a more ambitious artistic approach, as financial reserves are rebuilt. This will involve transitioning from the current risk-averse model based on mainly box-office split and four in-house productions, to increased numbers of co-productions and in-house productions. The purpose of this transition is both to enhance capacity to develop artists & companies, as well as increasing artistic quality and excellence.

Securing Arts Council NPO funding for the period 2023-26 has enabled us to successfully deliver a plan of work agreed with and supported by Arts Council. This gives us encouragement to make Arcola financially robust and artistically prominent venue for future.

Small company exemptions

The Trustees Report has been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

Auditors

Following a rebranding exercise on 15 May 2023 the trading name of the company's independent auditor changed from MHA MacIntyre Hudson to MHA. A resolution to reappoint MHA as independent auditor will be proposed at the next Annual General Meeting.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

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



.....
Ben Todd

Trustee

Date: 22 December 2023

ARCOLA THEATRE PRODUCTION COMPANY
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2023

The Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare Financial Statements for each financial . Under company law, the Trustees must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the Board of Trustees and signed on its behalf by:



.....
Ben Todd

Trustee

Date: 22 December 2023

ARCOLA THEATRE PRODUCTION COMPANY
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ARCOLA THEATRE PRODUCTION COMPANY

Opinion

We have audited the financial statements of Arcola Theatre Production Company (the 'charity') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

ARCOLA THEATRE PRODUCTION COMPANY
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ARCOLA THEATRE PRODUCTION COMPANY (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

ARCOLA THEATRE PRODUCTION COMPANY
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ARCOLA THEATRE PRODUCTION COMPANY (CONTINUED)

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Review of actual and potential litigation claims;
- Enquiries of entity staff to identify any instances of non-compliance with laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance and
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

ARCOLA THEATRE PRODUCTION COMPANY
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ARCOLA THEATRE PRODUCTION COMPANY (CONTINUED)

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Stuart McKay BSc FCA DCha (Senior Statutory Auditor)

for and on behalf of

MHA

Statutory Auditors
London, United Kingdom

Date: 22/12/2023

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313).

ARCOLA THEATRE PRODUCTION COMPANY
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2023**

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:					
Donations and grants	4	352,576	93,153	445,729	753,713
Charitable activities	5	524,884	-	524,884	183,263
Other trading activities	6	31,866	-	31,866	50,875
Total income		909,326	93,153	1,002,479	987,851
Expenditure on:					
Charitable activities	7	1,004,623	250,358	1,254,981	1,320,542
Total expenditure		1,004,623	250,358	1,254,981	1,320,542
Net movement in funds		(95,297)	(157,205)	(252,502)	(332,691)
Reconciliation of funds:					
Total funds brought forward		245,101	1,966,519	2,211,620	2,544,311
Net movement in funds		(95,297)	(157,205)	(252,502)	(332,691)
Total funds carried forward		149,804	1,809,314	1,959,118	2,211,620

The Statement of Financial Activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The notes on pages 19 to 35 form part of these financial statements.

ARCOLA THEATRE PRODUCTION COMPANY
(A Company Limited by Guarantee)
REGISTERED NUMBER: 05242988

BALANCE SHEET
AS AT 31 MARCH 2023

	Note	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Tangible assets	12		1,902,229		1,982,148
			<u>1,902,229</u>		<u>1,982,148</u>
Current assets					
Debtors: Amounts falling due within one year	13	174,384		299,268	
Cash at bank and in hand	19	95,160		84,115	
			<u>269,544</u>	<u>383,383</u>	
Creditors: Amounts falling due within one year	14	(188,696)		(121,524)	
Net current assets			80,848		261,859
Total assets less current liabilities			1,983,077		2,244,007
Creditors: Amounts falling due after more than one year	15		(23,959)		(32,387)
Total net assets			1,959,118		2,211,620
Charity funds					
Restricted funds:					
Restricted funds	16	1,809,314		1,966,519	
Total restricted funds	16		1,809,314		1,966,519
Unrestricted funds					
General funds	16	149,804		245,101	
Total unrestricted funds	16		149,804		245,101
Total funds			1,959,118		2,211,620

ARCOLA THEATRE PRODUCTION COMPANY
(A Company Limited by Guarantee)
REGISTERED NUMBER: 05242988

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2023

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

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

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



.....
Ben Todd

Trustee

Date: 22 December 2023

ARCOLA THEATRE PRODUCTION COMPANY
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash used in operating activities	18	84,880	(195,518)
		<hr/>	<hr/>
Cash flows from investing activities			
Purchase of tangible fixed assets	12	(64,128)	(7,954)
		<hr/>	<hr/>
Net cash used in investing activities		(64,128)	(7,954)
		<hr/>	<hr/>
Cash flows from financing activities			
Repayments of borrowing	14,15	(9,707)	(7,906)
		<hr/>	<hr/>
Net cash used in financing activities		(9,707)	(7,906)
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		11,045	(211,378)
Cash and cash equivalents at the beginning of the year	19	84,115	295,493
		<hr/>	<hr/>
Cash and cash equivalents at the end of the year	19	95,160	84,115
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 19 to 35 form part of these financial statements

ARCOLA THEATRE PRODUCTION COMPANY
(A Company Limited by Guarantee)

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

1. General information

Arcola Theatre Production Company is a Charitable Company limited by guarantee and is registered with the Charity Commission (Charity Registered Number 1108613) and Registrar of Companies (Company Registered Number 05242988) incorporated in England and Wales.

The address of the registered office is given in the Charity information on page 1 of these accounts. The Members of the Charity are the Trustees named on page 1.

In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per Member of the Charity.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

The financial statements are presented in Sterling which is the functional currency of the Charity and rounded to the nearest £1.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

ARCOLA THEATRE PRODUCTION COMPANY
(A Company Limited by Guarantee)

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

2. Accounting policies (continued)

2.2 Income

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

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Where the donated good is a fixed asset, it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset class and depreciated over the useful economic life in accordance with the Charity's accounting policies.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the Charity which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

2.3 Expenditure

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

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

ARCOLA THEATRE PRODUCTION COMPANY
(A Company Limited by Guarantee)

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

2. Accounting policies (continued)

2.4 Tangible fixed assets and depreciation

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

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

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Long-term leasehold property	- 4% to 20% on cost
Plant and machinery	- 20% to 50% on cost
Computer equipment	- 20% on cost

2.5 Debtors

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

2.6 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.7 Liabilities and provisions

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

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

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

ARCOLA THEATRE PRODUCTION COMPANY
(A Company Limited by Guarantee)

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

2. Accounting policies (continued)

2.8 Financial instruments

The Charity holds basic financial instruments. The financial assets and financial liabilities of the Charity are as follows:

Debtors - trade and other debtors (including accrued income) are basic financial instruments and a debt instruments measured at amortised cost as detailed in Note 13. Prepayments are not financial instruments.

Cash at bank - is classified as a basic financial instrument and is measured at cost.

Liabilities - trade creditors, accruals and other creditors will be classified as financial instruments and are measured at amortised cost as detailed in Notes 14 and 15. Taxation and social security are included in the financial instruments disclosure. Deferred income is not deemed to be a financial liability, as in the cash settlement has already taken place and there is simply an obligation to deliver charitable services rather than cash or another financial instrument.

2.9 Pensions

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

2.10 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

3. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. There are no estimates or assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

ARCOLA THEATRE PRODUCTION COMPANY
(A Company Limited by Guarantee)

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

4. Income from donations and grants

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Donations	45,286	30,524	75,810
Grants	307,290	62,629	369,919
Total 2023	<u>352,576</u>	<u>93,153</u>	<u>445,729</u>
	<i>Unrestricted funds 2022 £</i>	<i>Restricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Donations	42,597	38,048	80,645
Grants	314,790	358,278	673,068
<i>Total 2022</i>	<u>357,387</u>	<u>396,326</u>	<u>753,713</u>

5. Income from charitable activities

	Unrestricted funds 2023 £	Total funds 2023 £
Professional Theatre	415,927	415,927
Talent Development	13,830	13,830
Theatre Tax Credits	95,127	95,127
Total 2023	<u>524,884</u>	<u>524,884</u>

ARCOLA THEATRE PRODUCTION COMPANY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

5. Income from charitable activities (continued)

	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Professional Theatre	137,459	137,459
Talent Development	17,520	17,520
Environmental Sustainability	1,807	1,807
Theatre Tax Credits	26,477	26,477
<i>Total 2022</i>	<u>183,263</u>	<u>183,263</u>

6. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2023 £	Total funds 2023 £
Venue Operation	<u>31,866</u>	<u>31,866</u>

	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Venue Operation	<u>50,875</u>	<u>50,875</u>

ARCOLA THEATRE PRODUCTION COMPANY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

7. Analysis of expenditure on charitable activities - by fund

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Professional Theatre	977,311	216,269	1,193,580
Talent Development	17,498	23,401	40,899
Venue Operation	9,814	10,688	20,502
Total 2023	<u>1,004,623</u>	<u>250,358</u>	<u>1,254,981</u>
	<i>Unrestricted funds 2022 £</i>	<i>Restricted funds 2022 £</i>	<i>Total 2022 £</i>
Professional Theatre	518,497	427,280	945,777
Talent Development	19,246	11,830	31,076
Venue Operation	276,672	67,017	343,689
<i>Total 2022</i>	<u>814,415</u>	<u>506,127</u>	<u>1,320,542</u>

ARCOLA THEATRE PRODUCTION COMPANY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

8. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £
Professional Theatre	829,799	363,781	1,193,580
Talent Development	32,002	8,897	40,899
Venue Operation	-	20,502	20,502
Total 2023	861,801	393,180	1,254,981
	<i>Activities undertaken directly 2022 £</i>	<i>Support costs 2022 £</i>	<i>Total funds 2022 £</i>
Professional Theatre	680,162	265,615	945,777
Talent Development	17,204	13,872	31,076
Venue Operation	194,861	148,828	343,689
<i>Total 2022</i>	<i>892,227</i>	<i>428,315</i>	<i>1,320,542</i>

ARCOLA THEATRE PRODUCTION COMPANY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2023 £	<i>Total funds 2022 £</i>
Depreciation	144,046	133,800
Front of House	36,095	29,687
Comms and marketing	49,995	19,451
Technical services	2,087	9,647
Governance costs	8,000	8,000
Utilities	22,497	13,916
Insurance	6,396	6,080
Telecomms	1,170	3,088
Professional fees	30,939	14,778
Bank interest	942	968
Memberships	4,213	3,960
Office and admin	23,316	23,087
Travel and subsistence	-	368
Premises costs	63,484	33,653
Building costs	-	127,832
	393,180	428,315

9. Governance costs - Auditors' remuneration

	2023 £	<i>2022 £</i>
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	8,000	8,000

ARCOLA THEATRE PRODUCTION COMPANY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

10. Staff costs

	2023	<i>2022</i>
	£	£
Wages and salaries	370,574	453,635
Social security costs	27,084	29,220
Pension costs	11,904	13,556
	409,562	496,411

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

	2023	<i>2022</i>
	No.	<i>No.</i>
Full time staff	8	10
Equivalent full time staff from casual worker pool	3	5
	11	15

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2023	<i>2022</i>
	No.	<i>No.</i>
In the band £60,001 - £70,000	1	-

The total amount of employee benefits, including employers social security and employers pension contribution costs, received by Key Management Personnel, was £118,062 (2022: 76,732). The Charity considers its Key Management Personnel to be the Trustees, the Chief Executive Officer and the Executive Producer.

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL).

During the year ended 31 March 2023, no Trustee expenses have been incurred (2022 - £NIL).

ARCOLA THEATRE PRODUCTION COMPANY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

12. Tangible fixed assets

	Long-term leasehold property £	Plant and machinery £	Computer equipment £	Total £
Cost or valuation				
At 1 April 2022	3,288,672	11,266	3,096	3,303,034
Additions	15,898	48,230	-	64,128
At 31 March 2023	<u>3,304,570</u>	<u>59,496</u>	<u>3,096</u>	<u>3,367,162</u>
Depreciation				
At 1 April 2022	1,314,981	4,601	1,304	1,320,886
Charge for the year	132,514	10,913	620	144,047
At 31 March 2023	<u>1,447,495</u>	<u>15,514</u>	<u>1,924</u>	<u>1,464,933</u>
Net book value				
At 31 March 2023	<u>1,857,075</u>	<u>43,982</u>	<u>1,172</u>	<u>1,902,229</u>
At 31 March 2022	<u>1,973,691</u>	<u>6,665</u>	<u>1,792</u>	<u>1,982,148</u>

The leasehold improvements are secured against a charge in favour of The Arts Council of England.

13. Debtors

	2023 £	2022 £
Trade debtors	14,300	15,842
Other debtors	137,906	263,926
Prepayments and accrued income	22,178	19,500
	<u>174,384</u>	<u>299,268</u>

ARCOLA THEATRE PRODUCTION COMPANY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

14. Creditors: Amounts falling due within one year

	2023	2022
	£	£
Bank loans	8,428	9,707
Trade creditors	6,851	23,082
Other taxation and social security	6,694	5,467
Other creditors	85,121	40,023
Accruals and deferred income	81,602	43,245
	188,696	121,524
	2023	2022
	£	£
Deferred income at 1 April 2022	13,442	-
Resources deferred during the year	62,059	25,442
Amounts released from previous periods	(13,442)	(12,000)
	62,059	13,442

Deferred income comprises grants where the resources were not applied to charitable purposes until subsequent to the year-end and studio hire paid in advance. Movements in deferred income have been analysed above.

The above bank loan relates to an unsecured Bounce Back Scheme facility for £50,000 with interest chargeable at the rate of 2.5% per annum. The loan is repayable in equal instalments over five years, with repayments comprising both capital and interest.

15. Creditors: Amounts falling due after more than one year

	2023	2022
	£	£
Bank loans	23,959	32,387

The above bank loan relates to an unsecured Bounce Back Scheme facility for £50,000 with interest chargeable at the rate of 2.5% per annum. The loan is repayable in equal instalments over five years, with repayments comprising both capital and interest.

ARCOLA THEATRE PRODUCTION COMPANY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

16. Statement of funds

Statement of funds - current year

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2023 £
Unrestricted funds					
General Fund	245,101	909,326	(1,004,623)	-	149,804
Restricted funds					
Capital fund	1,831,432	-	(130,348)	56,349	1,757,433
Participation	8,439	15,897	(19,345)	-	4,991
Artistic Programming	32,995	76,427	(95,127)	-	14,295
Joseph Rowntree Charitable Trust	22,563	829	(5,538)	-	17,854
Green Arcola	14,741	-	-	-	14,741
Facilities	56,349	-	-	(56,349)	-
	<u>1,966,519</u>	<u>93,153</u>	<u>(250,358)</u>	<u>-</u>	<u>1,809,314</u>
Total of funds	<u><u>2,211,620</u></u>	<u><u>1,002,479</u></u>	<u><u>(1,254,981)</u></u>	<u><u>-</u></u>	<u><u>1,959,118</u></u>

ARCOLA THEATRE PRODUCTION COMPANY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

16. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 April 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 March 2022 £</i>
Unrestricted funds					
Designated funds					
Arcola Theatre Ltd	123,594	-	(123,594)	-	-
General funds					
General Fund	344,397	591,525	(690,821)	-	245,101
Total Unrestricted funds	467,991	591,525	(814,415)	-	245,101
Restricted funds					
Capital fund	1,949,648	-	(121,853)	3,637	1,831,432
Participation	5,042	6,220	(2,823)	-	8,439
Artistic Programming	15,545	86,083	(68,633)	-	32,995
Joseph Rowntree Charitable Trust	1,590	40,585	(19,612)	-	22,563
Green Arcola	12,741	2,000	-	-	14,741
Covid-19 Funds	-	250,328	(250,328)	-	-
Facilities	91,754	11,110	(42,878)	(3,637)	56,349
	<u>2,076,320</u>	<u>396,326</u>	<u>(506,127)</u>	<u>-</u>	<u>1,966,519</u>
Total of funds	<u>2,544,311</u>	<u>987,851</u>	<u>(1,320,542)</u>	<u>-</u>	<u>2,211,620</u>

ARCOLA THEATRE PRODUCTION COMPANY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

16. Statement of funds (continued)

The Capital fund relates to restricted funding used for capital expenditure. The balance represents the value of restricted tangible fixed assets.

The Participation fund represents restricted funding received for community engagement activities, with the balance to be spent in the future.

The Artistic Programming fund represents restricted funding received for theatrical activities, with the balance to be spent in the future.

The Joseph Rowntee Charitable Trust represents a restricted grant awarded to develop a new musical, "The Shadow World", with the balance to be spent in the future.

The Green Arcola fund represents restricted funding for a local environmental project that is no longer active, and negotiations are ongoing with the funder regarding future use of the balance.

The Facilities fund relates to restricted funding intended for capital expenditure, which when utilised is transferred to the Capital fund.

17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	144,796	1,757,433	1,902,229
Current assets	167,663	101,881	269,544
Creditors due within one year	(138,696)	(50,000)	(188,696)
Creditors due in more than one year	(23,959)	-	(23,959)
Total	149,804	1,809,314	1,959,118

ARCOLA THEATRE PRODUCTION COMPANY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

17. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2022 £</i>	<i>Restricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Tangible fixed assets	150,714	1,831,434	1,982,148
Current assets	237,938	145,445	383,383
Creditors due within one year	(111,164)	(10,360)	(121,524)
Creditors due in more than one year	(32,387)	-	(32,387)
Total	<u>245,101</u>	<u>1,966,519</u>	<u>2,211,620</u>

18. Reconciliation of net movement in funds to net cash flow from operating activities

	2023 £	2022 £
Net expenditure for the year (as per Statement of Financial Activities)	<u>(252,502)</u>	<u>(332,691)</u>
Adjustments for:		
Depreciation charges	12 144,046	133,800
Decrease in debtors	13 124,884	107,698
Increase/(decrease) in creditors	14,15 68,452	(104,325)
Net cash provided by/(used in) operating activities	<u>84,880</u>	<u>(195,518)</u>

19. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash at bank and in hand	<u>95,160</u>	<u>84,115</u>
Total cash and cash equivalents	<u>95,160</u>	<u>84,115</u>

ARCOLA THEATRE PRODUCTION COMPANY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

20. Analysis of changes in net debt

	At 1 April 2022	Cash flows £	At 31 March 2023 £
Cash at bank and in hand	84,115	11,045	95,160
Debt due within 1 year	(9,707)	1,279	(8,428)
Debt due after 1 year	(32,387)	8,428	(23,959)
	<u>42,021</u>	<u>20,752</u>	<u>62,773</u>

21. Pension commitments

The Charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Charity in an independently administered fund. The pension cost charge for the year was £11,904 (2022 - £13,556) and at the year end £1,451 (2022 - £1,470) was payable to the fund and have been included in Creditors falling due within one year - Other creditors.

22. Related party transactions

There were no related party transactions during the year.

ARCOLA THEATRE PRODUCTION COMPANY

England & Wales - Charity number 1108613

Accounts

Company registered number: 05242988
Charity registered number: 1108613

ARCOLA THEATRE PRODUCTION COMPANY
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

ARCOLA THEATRE PRODUCTION COMPANY
(A Company Limited by Guarantee)

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ARCOLA THEATRE PRODUCTION COMPANY
(A Company Limited by Guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2022**

Trustees	Mehmet Ergen (resigned 11 November 2021), Chair and Trustee Abdullah Tercanli, Trustee Gabriel Gbadamosi, Trustee Lynne McKenzie, Trustee Jack Shepherd (resigned 15 May 2022), Trustee Ben Todd (appointed 11 November 2021), Trustee Andrew Cripps (appointed 15 May 2022), Chair and Trustee Naz Yeni (appointed 15 May 2022), Trustee
Company registered number	05242988
Charity registered number	1108613
Registered office	24 Ashwin Street London E8 3DL
Company secretary	Leyla Nazli (resigned 15 May 2022)
Chair of Trustees	Mehmet Ergen (resigned as Chair & Trustee 11 November 2021) Ben Todd (appointed Chair 11 November 2021, resigned as Chair 15 May 2022)
Independent auditors	MHA MacIntyre Hudson Chartered Accountants 2 London Wall Place London EC2Y 5AU

ARCOLA THEATRE PRODUCTION COMPANY
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2022

The Trustees present their Annual Report together with the audited financial statements of the Charity for the 1 April 2021 to 31 March 2022. The Annual Report serves the purposes of both a Trustees' Report and a Directors' Report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the Charity qualifies as small under section 382 of the Companies Act 2006, the Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Arcola Theatre Production Company is also known as Arcola Theatre.

Public performances restarted in the main (indoor) theatre in May 2022 and have continued to run throughout the summer and Autumn months. There are plans ahead to open the smaller Studio Two theatre in early 2023.

Objectives and activities

a. Policies and objectives

Charitable objectives

The objectives for which the Charity is formed are to promote, maintain, improve and advance the education and appreciation of the public in the Arts and Sciences. In pursuing these objects, the Trustees have considered the Charity Commission's guidance on public benefit, including that related to fee charging.

Vision

Arcola Theatre's vision is of a genuinely radical theatre constantly reinventing itself to respond to, interpret and have relevance to an ever changing contemporary Britain.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

b. Strategies for achieving objectives

Mission

Arcola Theatre's mission is to imagine and build a theatre that flourishes within a cultural and scientific centre for its diverse local community. One that builds new audiences, generates its own powerful productions, and creates a home for the very best of UK and international theatre companies to visit; whilst simultaneously developing, demonstrating and deploying technologies for a sustainable future.

c. Activities undertaken to achieve objectives

In putting the above mission into action we have four major areas of activity (discussed in more detail below), which are professional theatre, talent development, promotion of environmental sustainability and venue operations.

ARCOLA THEATRE PRODUCTION COMPANY
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Objectives and activities (continued)

d. Main activities undertaken to further the Charity's purposes for the public benefit

The main activities undertaken can be described in more detail as follows:

Off West End Professional Theatre

This activity includes the producing and receiving of theatre shows in our 200 and 100 seat studios, plus selected off-site locations, with a strong focus on socially and politically relevant works and diversity of voices.

Talent Development

This is an extensive programme that includes working with specific groups such as young people, older people, Turkish speaking, BAME and LGBTQ communities, as well as the development of specific skills areas such as new writing, facilitator training and general skills development.

Environmental Sustainability

We continue to make environmental considerations central to our venue operations, and to disseminate our learning.

Venue Operation

Comprising the wide range of work required to provide a cultural and social space for the local community as well as rehearsal and performance spaces for a wide variety of professional and community uses.

Achievements and performance

a. Key performance indicators

Planned turnover for 2021/22 was £908k with an unrestricted deficit of £109k, reflecting the reduced capacity to generate income, and the investment in Arcola Outside necessary to continue operations during Covid-19 restrictions.

Income for the year was £987,851 (2021 - £1,407,838). This included £207,661 from charitable activities (2021 - £18,279) and £80,645 of donations (2021 - £101,386). Earned income was 21% (2021 - 1%).

Arts Council England regular (NPO) funding provided £307,290 (2021 - £307,290) (31% of income, 2021 - 22%).

Due to on-going restrictions caused by the pandemic, financial support was received in the form of the second round of the DCMS 'Culture Recovery Fund' (£148,080) and the Job Retention Scheme (£102,248 - ending 30 September 2021).

Expenditure for the year was £1,320,542 (2021 - £977,108) including £121,853 (2021 - £121,853) of depreciation funded by allocation to the capital fund. Direct spending on professional theatre amounted to £680,162 (2021 - £601,638), with a further £265,615 (2021 - £204,003) spent on support costs. Direct spending on Talent Development amounted to £17,204 (2021 - £16,092) with a further £13,872 (2021 - £12,873) spent on support costs.

The year-end unrestricted funds of £245,101 (2021 - £467,991) include fixed assets of £150,714, leaving £94,387 as free reserves. This represents 38% of the target level of £250k.

ARCOLA THEATRE PRODUCTION COMPANY
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Achievements and performance (continued)

b. Review of activities

For the past 22 years Arcola Theatre has been widely lauded for its ambition and quality; striving always for the highest artistic quality in a programme which is relevant to its diverse local community, as well as being a notable contribution to the wider UK (and international) arts ecosystem.

In light of COVID19, we have reframed our ambition to focus on creating an organisation which is able to deliver a compelling programme in a manner which is resilient in the face of great uncertainty and likely financial austerity.

Reopening Arcola Outside

The new, outdoor performance space, Arcola Outside was completed in June 2021, ready for the programmed Today I'm Wiser festival. As an outdoor venue, it has excellent airflow and its larger footprint allows for more seats with social distancing than can be achieved in our main building. Designed by award winning theatre designer, Jon Bausor, and built by our freelance venue technicians, the space was celebrated on its opening by audiences and critics alike with FT saying Arcola's 'fresh-air vision spells hope for the future' (Sarah Hemming). Arcola Outside has planning permission to continue for a further two years which will provide an exciting new space in the warmer months, to capitalise on the renewed interest in outdoor entertainment created by COVID.

Today I'm Wiser Festival

After the hiatus caused by Covid-19, in June 2021 Today I'm Wiser was launched: Arcola's outdoor festival, inspired by the present and fuelled by our collective desire for change. Following a wide call-out for proposals, the festival supported and platformed emerging intersectional artists to create work post-pandemic: 64% of the artists and creative teams identify as Black and Global Majority; 30% as LGBTQ; 33% as disabled or with a long term health condition. Across six months, Arcola Outside played host to 38 shows from 31 visiting companies with over 10k tickets booked.

Two in-house productions were programmed in the festival, demonstrating our commitment to world theatre and new writing:

- A modern adaptation of French comedy, The Game of Love and Chance by Pierre de Marivaux, directed by Jack Gamble (four week run with 69% average capacity) was nominated for the Off West End Award for Best Company Ensemble and received 4 and 5 star reviews. The Hackney Gazette called it 'A glorious opening production... an absolute belter'.

- A world premiere of Broken Lad, supporting freelance playwright, Robin Hooper and directed by Richard Speir, had an average 60% capacity across a three week run and made "great use of the theatre's new tented space" (The Stage).

For Today I'm Wiser, Arcola partnered with Hackney Council to deliver Arcola for Free, offering 300 free theatre tickets to those who are disadvantaged and marginalised in our local community. We worked with local partners, Immediate Theatre, Routes (supporting refugee and asylum seeking women), Age UK Hackney, Hackney CVS and Black Books Matter, to involve underserved communities in high-quality culture and develop an ongoing relationship. Flyers and leaflets were also distributed in the local area, such as in community centres, to reach those unconnected with our partners. In addition, 100 free tickets were distributed to NHS key workers through Tickets for Good.

ARCOLA THEATRE PRODUCTION COMPANY
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Achievements and performance (continued)

Grimeborn 2021

This year we produced our biggest Grimeborn project to date, Wagner's Die Walkure at Hackney Empire. The increased audience capacity of the 1,200 seat auditorium allowed us to develop new audiences while building a lasting relationship with our closest neighbouring venue. Developed by the creative team behind Das Rheingold, the show received rave reviews and provided a second instalment of the 'Grimeborn Ring Cycle'.

Aside from Die Walkure, the Grimeborn 2021 festival was staged at Arcola Outside with a mix of established and up-and-coming opera companies playing to audiences averaging 74% capacity. The festival is now well established in the opera calendar and critically acclaimed (Fourth in 'The top 10 classical music performances of 2021' - Fiona Maddocks, The Guardian).

Renovation of Arcola Main Building

As it had been nearly 10 years since the last major renovation programme, during the winter period, we undertook improvements to our main building including progressing with the install of a new fire alarm system, refurbishment to the dressing rooms and improving the visitor journey from the street into the foyer, with a new levelled floor which now provides much safer access for our audience.

Arcola Participation

Arcola Participation delivered a reduced engagement program in 2021/22 due to the impacts of Covid 19 and the lockdowns imposed on such activities. Arcola provided 200 places in our community engagement project for this period. Over this period we were able to engage with the three Arcola Youth Theatre groups ages 9-16 years and the Arcola 50+ community theatre company, and hosted 162 audience members to Covid secure outdoor performances. In January 2022 we were awarded £14,671 from Westfield Foundation for Future London, Westfield East Bank, Creative Futures Fund, to run the summer 2022 mental health project.

ARCOLA THEATRE PRODUCTION COMPANY
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Financial review

a. Going concern

The financial statements have been prepared on a going concern basis. The Trustees have considered relevant information, including the annual budget, forecast future cash flows and the impact of subsequent events in making their assessment.

Arts Council of England investment and future activity

In November 2022 the charity received the news that the theatre would remain as a National Portfolio Organisation (NPO) and receive regular Arts Council of England (ACE) financial support for the next three successive years, at the same investment level as previous years.

Plans for the year ahead include:

The presentation of a world class, international programme of diverse and socially engaged theatre presenting a mix of in-house shows and visiting companies in Studio 1 alongside a season of new work & emerging companies in Studio 2, with enhanced access provision

The return of the successful opera festival Grimeborn to take place for eleven weeks over the summer months.

A new programme of Associate Companies to support migrant-led companies reach their full potential. Offering rehearsal space, mentoring and networking; enhanced skills in professional theatre making, participation & outreach and funding & finance.

Community companies - currently Mental Health Company, Turkish Speaking company, Arcola 50+ with a new refugee company introduce in 2023 (in partnership with refugee specialists). Companies will stage their work at Arcola Outside and on tour.

Popular Arcola Youth Theatre will run current 3 youth theatre groups plus add two extras - Young AYT (ages 9-12) & Younger AYT (ages 7-11). Sessions run weekly during term time. Each group will devise and perform in Studio 2 twice a year.

Arcola Academy - professional level training for 16-25 year olds - prioritise NEET applicants - incl. training in lighting, set, stage design, SM, acting, directing & writing - will devise and perform 2 touring plays for local schools

Based on these assessments and having regard to the resources available to the Charity, the Trustees have concluded that there is no material uncertainty and that they can continue to adopt the going concern basis in preparing the Annual Report and financial statements.

ARCOLA THEATRE PRODUCTION COMPANY
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

b. Reserves policy

The Trustees believe the most appropriate level of free reserves required by the Charity to sustain it in the event of the Charity not receiving grants and other incoming resources is £250,000. This will not allow standard-scale productions to be staged and would require skeleton (cost-neutral) programming.

The year-end unrestricted funds of £245,101 (2021 - £467,991) include fixed assets of £150,714, leaving £94,387 as free reserves. This represents 38% of the target level of £250k. Part of the drop in unrestricted funds is due to increasing and converting the prior year designated fund (of £123,594) to a doubtful debt provision against funds advanced to Arcola Theatre Limited (primarily to support staff). This measure has been taken in light of the slow and uncertain recovery of the hospitality industry in the wake of the COVID pandemic.

Whilst free reserves are well below the target level, risk will be mitigated by tight control of fixed costs (particularly staffing) and conservative budgeting of variable costs (namely show-costs). Trustees aim to rebuild reserves over the next 3 years as the theatre industry recovers from the COVID pandemic.

c. Material investments policy

The Charity has no financial investments. Under the Memorandum and Articles of Association, the Charity has the power to invest in any way the Trustees wish.

d. Principal funding

Arcola Theatre is a National Portfolio Organisation of Arts Council England, providing circa 30% of income.

There are no other significant funders, with the majority of the balance of funds being earned from charitable activities.

e. Pricing policy

Tickets are priced to maximise revenues without losing access for all. This was achieved through competitive pricing, with a wide range of discounts for target and under-represented groups. Charges are applied for Participation programme participants with bursaries for those less able to pay.

f. Fundraising

The Trustees have considered the implications of the Charities (protection and social investment) Act 2016 in relation to fundraising activities. The Act aims to protect the public, particularly the vulnerable, from inappropriate fundraising approaches. The primary scope of the Act is "commercial participators" and "professional fundraisers", which refers to commercial organisations engaged by larger charities to engage in direct fundraising from individuals via for example mail, phone and face to face. Since Arcola Theatre does not engage any of these types of organisation there is no direct impact. We have however reviewed our in-house activities in the spirit of the Act and concluded that there are no issues which we need to address.

ARCOLA THEATRE PRODUCTION COMPANY
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Structure, governance and management

a. Constitution

Arcola Theatre Production Company Limited is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association.

b. Methods of appointment or election of Trustees

The management of the Charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Memorandum of Association.

c. Organisational structure and decision-making policies

The Board of Trustees administers the Charity. Board normally meets quarterly, addressing all aspects of the charitable operations including programming, development, quality & safety, finance and audit.

Until restructuring in November 2021, an Executive Director was appointed by the Trustees to manage the day to day operations of the Charity. From December 2021 the organisation was led by the Artistic Director and Executive Producer, with a new General Manager role introduced in February 2022. To facilitate effective operations, the Executive Director, and subsequently the Executive Producer, had/have delegated authority, within terms of delegation provided by the Trustees, for operational matters including finance, employment and artistic performance related activity.

Charitable activities are structured into departments, each having a Manager, working to a Business Plan which includes detailed plans for all business activities. These plans cascade organisational objectives and Key Performance Indicators through departments to individual staff job descriptions.

Plans are developed with input from all staff, Trustees, artists, participants, volunteers and advisors. Plans and associated budgets are reviewed and approved by the Board of Trustees through regular meetings. Additional advice and oversight is provided via Arts Council England National Portfolio management systems.

d. Policies adopted for the induction and training of Trustees

Upon declaration of their interest to be a Trustee, a new Trustee receives the Charity's governing documents, most recent Financial Report and Management Accounts. They meet with the Chair and Senior Management Team for briefing on the organisation and the responsibilities of Trustees.

New Trustees are provided with the Charity's governing documents, minutes of previous meetings and current business plans. They meet the Chair and senior managers for briefing on the objectives, values, ethos, programme and day-to-day activities of the organisation. New Trustees and existing Trustees are provided with up-to-date information on the responsibilities of Trustees and associated best practice, drawing resources provided by Charity Commission and other professional organisations supporting charities.

e. Pay policy for key management personnel

Senior staff pay is approved by Trustees. Rates of pay are benchmarked against peer organisations.

ARCOLA THEATRE PRODUCTION COMPANY
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Structure, governance and management (continued)

f. Financial risk management

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

Plans for future periods

With the severity of the COVID-19 pandemic declining in 2022, we were able to reopen the main theatre studio in May 2022, whilst continuing with a seasonal programme in the new Arcola Outside space.

The financial impact of COVID-19 and other global events in 2022 resulted in a slow and volatile recovery of audience attendance in 2022 which, like many others, has put the organisation under significant financial pressure. Going forwards we will operate with a reduced staff team and carefully risk-managed artistic programme, which includes more visiting companies than pre-pandemic. We will also consolidate the Theatre Bar operations with the Theatre front of house team to realise efficiencies.

Fortunately we were successful in securing Arts Council NPO funding for the period 2023-26 and thus will deliver a plan of work agreed with and supported by Arts Council

Small company exemptions

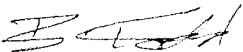
The Trustees Report has been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

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



.....
Ben Todd
Trustee
Date: 31 January 2023

ARCOLA THEATRE PRODUCTION COMPANY
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2022

The Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare Financial Statements for each financial . Under company law, the Trustees must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the Board of Trustees and signed on its behalf by:



.....
Ben Todd
Trustee
Date: 31 January 2023

ARCOLA THEATRE PRODUCTION COMPANY
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ARCOLA THEATRE PRODUCTION COMPANY

Opinion

We have audited the financial statements of Arcola Theatre Production Company (the 'charity') for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

ARCOLA THEATRE PRODUCTION COMPANY
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ARCOLA THEATRE PRODUCTION COMPANY (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

ARCOLA THEATRE PRODUCTION COMPANY
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ARCOLA THEATRE PRODUCTION COMPANY (CONTINUED)

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Review of actual and potential litigation claims;
- Enquiries of entity staff to identify any instances of non-compliance with laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance and
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

ARCOLA THEATRE PRODUCTION COMPANY
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ARCOLA THEATRE PRODUCTION COMPANY (CONTINUED)

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

John Coverdale

John Coverdale BSc FCA (Senior Statutory Auditor)

for and on behalf of
MHA MacIntyre Hudson

Chartered Accountants

2 London Wall Place

London

EC2Y 5AU

31 January 2023

ARCOLA THEATRE PRODUCTION COMPANY
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2022

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:					
Donations and grants	4	357,387	396,326	753,713	1,388,809
Charitable activities	5	207,661	-	207,661	18,279
Other income	6	26,477	-	26,477	750
Total income		591,525	396,326	987,851	1,407,838
Expenditure on:					
Charitable activities	7	814,415	506,127	1,320,542	977,108
Total expenditure		814,415	506,127	1,320,542	977,108
Net movement in funds		(222,890)	(109,801)	(332,691)	430,730
Reconciliation of funds:					
Total funds brought forward		467,991	2,076,320	2,544,311	2,113,581
Net movement in funds		(222,890)	(109,801)	(332,691)	430,730
Total funds carried forward		245,101	1,966,519	2,211,620	2,544,311

The Statement of Financial Activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The notes on pages 19 to 35 form part of these financial statements.

ARCOLA THEATRE PRODUCTION COMPANY
(A Company Limited by Guarantee)
REGISTERED NUMBER: 05242988

BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	12	1,982,148	2,107,994
		<u>1,982,148</u>	<u>2,107,994</u>
Current assets			
Debtors	13	299,268	406,966
Cash at bank and in hand		84,115	295,493
		<u>383,383</u>	<u>702,459</u>
Creditors: amounts falling due within one year	14	(121,524)	(224,048)
Net current assets		<u>261,859</u>	<u>478,411</u>
Total assets less current liabilities		<u>2,244,007</u>	<u>2,586,405</u>
Creditors: amounts falling due after more than one year	15	(32,387)	(42,094)
Total net assets		<u><u>2,211,620</u></u>	<u><u>2,544,311</u></u>
Charity funds			
Restricted funds:			
Restricted funds	16	1,966,519	2,076,320
Total restricted funds	16	<u>1,966,519</u>	<u>2,076,320</u>
Unrestricted funds			
Designated funds	16	-	123,594
General funds	16	245,101	344,397
Total unrestricted funds	16	<u>245,101</u>	<u>467,991</u>
Total funds		<u><u>2,211,620</u></u>	<u><u>2,544,311</u></u>

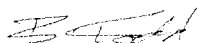
ARCOLA THEATRE PRODUCTION COMPANY
(A Company Limited by Guarantee)
REGISTERED NUMBER: 05242988

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2022

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

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

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



.....
Ben Todd

Trustee

Date: 31 January 2023

ARCOLA THEATRE PRODUCTION COMPANY
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net income / (expenditure) for the reporting period		-	-
Net cash used in operating activities	18	(195,518)	294,860
Cash flows from investing activities			
Purchase of tangible fixed assets	12	(7,954)	(1,606)
Net cash used in investing activities		(7,954)	(1,606)
Cash flows from financing activities			
Repayments of borrowing	15,14	(7,906)	(46,345)
Net cash used in financing activities		(7,906)	(46,345)
Change in cash and cash equivalents in the year		(211,378)	246,909
Cash and cash equivalents at the beginning of the year	19	295,493	48,584
Cash and cash equivalents at the end of the year	19	<u>84,115</u>	<u>295,493</u>

The notes on pages 19 to 35 form part of these financial statements

ARCOLA THEATRE PRODUCTION COMPANY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1. General information

Arcola Theatre Production Company is a Charitable Company limited by guarantee and is registered with the Charity Commission (Charity Registered Number 1108613) and Registrar of Companies (Company Registered Number 05242988) incorporated in England and Wales.

The address of the registered office is given in the Charity information on page 1 of these accounts. The Members of the Charity are the Trustees named on page 1.

In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per Member of the Charity.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

The financial statements are presented in Sterling which is the functional currency of the Charity and rounded to the nearest £1.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

ARCOLA THEATRE PRODUCTION COMPANY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.2 Income

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

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Where the donated good is a fixed asset, it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset class and depreciated over the useful economic life in accordance with the Charity's accounting policies.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the Charity which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.3 Expenditure

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

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. Accounting policies (continued)

2.4 Tangible fixed assets and depreciation

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

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

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Long-term leasehold property	- 4% to 20% on cost
Plant and machinery	- 20% to 50% on cost
Computer equipment	- 20% on cost

2.5 Debtors

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

2.6 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.7 Liabilities and provisions

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.8 Financial instruments

The Charity holds basic financial instruments. The financial assets and financial liabilities of the Charity are as follows:

Debtors - trade and other debtors (including accrued income) are basic financial instruments and a debt instruments measured at amortised cost as detailed in Note 13. Prepayments are not financial instruments.

Cash at bank - is classified as a basic financial instrument and is measured at cost.

Liabilities - trade creditors, accruals and other creditors will be classified as financial instruments and are measured at amortised cost as detailed in Notes 14 and 15. Taxation and social security are included in the financial instruments disclosure. Deferred income is not deemed to be a financial liability, as in the cash settlement has already taken place and there is simply an obligation to deliver charitable services rather than cash or another financial instrument.

2.9 Pensions

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

2.10 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

3. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. There are no estimates or assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

ARCOLA THEATRE PRODUCTION COMPANY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

4. Income from donations and grants

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Donations	42,597	38,048	80,645
Grants	314,790	358,278	673,068
Total 2022	<u>357,387</u>	<u>396,326</u>	<u>753,713</u>
	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Donations	62,548	38,838	101,386
Grants	453,571	833,852	1,287,423
<i>Total 2021</i>	<u>516,119</u>	<u>872,690</u>	<u>1,388,809</u>

5. Income from charitable activities

	Unrestricted funds 2022 £	Total funds 2022 £
Professional Theatre	137,459	137,459
Talent Development	17,520	17,520
Environmental Sustainability	1,807	1,807
Venue Operation	50,875	50,875
Total 2022	<u>207,661</u>	<u>207,661</u>

ARCOLA THEATRE PRODUCTION COMPANY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

5. Income from charitable activities (continued)

	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Professional Theatre	335	335
Talent Development	2,280	2,280
Venue Operation	15,664	15,664
<i>Total 2021</i>	<u>18,279</u>	<u>18,279</u>

6. Other income

	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Theatre tax credit claim	<u>26,477</u>	<u>26,477</u>

	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Theatre tax credit claim	<u>750</u>	<u>750</u>

ARCOLA THEATRE PRODUCTION COMPANY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

7. Analysis of expenditure on charitable activities - by fund

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Professional Theatre	518,497	427,280	945,777
Talent Development	19,246	11,830	31,076
Venue Operation	276,672	67,017	343,689
Total 2022	814,415	506,127	1,320,542
	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Total 2021 £</i>
Professional Theatre	76,545	729,096	805,641
Talent Development	9,706	19,259	28,965
Environmental Sustainability	(1,647)	2,678	1,031
Venue Operation	3,341	138,130	141,471
<i>Total 2021</i>	<i>87,945</i>	<i>889,163</i>	<i>977,108</i>

ARCOLA THEATRE PRODUCTION COMPANY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

8. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £
Professional Theatre	680,162	265,615	945,777
Talent Development	17,204	13,872	31,076
Venue Operation	194,861	148,828	343,689
Total 2022	892,227	428,315	1,320,542

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Professional Theatre	601,638	204,003	805,641
Talent Development	16,092	12,873	28,965
Environmental Sustainability	1,031	-	1,031
Venue Operation	24,107	117,364	141,471
<i>Total 2021</i>	<i>642,868</i>	<i>334,240</i>	<i>977,108</i>

ARCOLA THEATRE PRODUCTION COMPANY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2022 £	Total funds 2021 £
Depreciation	133,800	134,066
Front of House	29,687	7,724
Comms and marketing	19,451	119
Technical services	9,647	3,641
Governance costs	8,000	8,000
Utilities	13,916	11,813
Insurance	6,080	5,734
Telecomms	3,088	3,096
Professional fees	14,778	17,382
Bank interest	968	3,569
Memberships	3,960	3,840
Office and admin	23,087	21,179
Travel and subsistence	368	843
Premises costs	33,653	22,535
Building costs	127,832	90,699
	<u>428,315</u>	<u>334,240</u>

9. Governance costs - Auditors' remuneration

	2022 £	2021 £
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	<u>8,000</u>	<u>8,000</u>

ARCOLA THEATRE PRODUCTION COMPANY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

10. Staff costs

	2022 £	2021 £
Wages and salaries	453,635	529,833
Social security costs	29,220	33,118
Pension costs	13,556	14,644
	<u>496,411</u>	<u>577,595</u>

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

	2022 No.	2021 No.
Full time staff	10	13
Equivalent full time staff from casual worker pool	5	7
	<u>15</u>	<u>20</u>

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

The total amount of employee benefits, including employers social security costs and employers pension contributions, received by Key Management Personnel is £76,732 (2021 - £84,666). The Charity considers its Key Management Personnel to be the Trustees, the Chief Executive Officer and the Executive Producer.

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 March 2022, no Trustee expenses have been incurred (2021 - £NIL).

ARCOLA THEATRE PRODUCTION COMPANY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

12. Tangible fixed assets

	Long-term leasehold property £	Plant and machinery £	Computer equipment £	Total £
Cost or valuation				
At 1 April 2021	3,389,541	105,805	12,114	3,507,460
Additions	3,637	4,317	-	7,954
Disposals	(104,506)	(98,856)	(9,018)	(212,380)
At 31 March 2022	<u>3,288,672</u>	<u>11,266</u>	<u>3,096</u>	<u>3,303,034</u>
Depreciation				
At 1 April 2021	1,288,128	101,635	9,703	1,399,466
Charge for the year	131,359	1,822	619	133,800
On disposals	(104,506)	(98,856)	(9,018)	(212,380)
At 31 March 2022	<u>1,314,981</u>	<u>4,601</u>	<u>1,304</u>	<u>1,320,886</u>
Net book value				
At 31 March 2022	<u>1,973,691</u>	<u>6,665</u>	<u>1,792</u>	<u>1,982,148</u>
At 31 March 2021	<u>2,101,413</u>	<u>4,170</u>	<u>2,411</u>	<u>2,107,994</u>

The leasehold improvements are secured against a charge in favour of The Arts Council of England.

13. Debtors

	2022 £	2021 £
Trade debtors	15,842	14,861
Other debtors	263,926	387,605
Prepayments and accrued income	19,500	4,500
	<u>299,268</u>	<u>406,966</u>

ARCOLA THEATRE PRODUCTION COMPANY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

14. Creditors: Amounts falling due within one year

	2022	2021
	£	£
Bank loans	9,707	7,906
Trade creditors	23,082	39,263
Other taxation and social security	5,467	95,741
Other creditors	40,023	69,138
Accruals and deferred income	43,245	12,000
	<u>121,524</u>	<u>224,048</u>
	2022	2021
	£	£
Deferred income at 1 April 2021	12,000	94,787
Resources deferred during the year	25,442	12,000
Amounts released from previous periods	(12,000)	(94,787)
	<u>25,442</u>	<u>12,000</u>

Deferred income comprises grants where the resources were not applied to charitable purposes until subsequent to the year-end and studio hire paid in advance. Movements in deferred income have been analysed above.

The above bank loan relates to a Bounce Back Scheme facility for £50,000 with interest chargeable at the rate of 2.5% per annum. The loan is repayable in equal instalments over five years, with repayments comprising both capital and interest.

15. Creditors: Amounts falling due after more than one year

	2022	2021
	£	£
Bank loans	<u>32,387</u>	<u>42,094</u>

The above bank loan relates to a Bounce Back Scheme facility for £50,000 with interest chargeable at the rate of 2.5% per annum. The loan is repayable in equal instalments over five years, with repayments comprising both capital and interest.

ARCOLA THEATRE PRODUCTION COMPANY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

16. Statement of funds

Statement of funds - current year

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2022 £
Unrestricted funds					
Designated funds					
Arcola Theatre Ltd	123,594	-	(123,594)	-	-
General funds					
General Fund	344,397	591,525	(690,821)	-	245,101
Total Unrestricted funds	467,991	591,525	(814,415)	-	245,101
Restricted funds					
Capital fund	1,949,648	-	(121,853)	3,637	1,831,432
Participation	5,042	6,220	(2,823)	-	8,439
Artistic Programming	15,545	86,083	(68,633)	-	32,995
Joseph Rowntree Charitable Trust	1,590	40,585	(19,612)	-	22,563
Green Arcola	12,741	2,000	-	-	14,741
Covid-19 Funds	-	250,328	(250,328)	-	-
Facilities	91,754	11,110	(42,878)	(3,637)	56,349
	2,076,320	396,326	(506,127)	-	1,966,519
Total of funds	2,544,311	987,851	(1,320,542)	-	2,211,620

ARCOLA THEATRE PRODUCTION COMPANY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

16. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 April 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 March 2021 £</i>
Unrestricted funds					
Designated funds					
Arcola Theatre Ltd	-	-	-	123,594	123,594
General funds					
General Fund	20,788	535,148	(87,945)	(123,594)	344,397
Total Unrestricted funds	<u>20,788</u>	<u>535,148</u>	<u>(87,945)</u>	<u>-</u>	<u>467,991</u>
Restricted funds					
Capital fund	2,071,501	-	(121,853)	-	1,949,648
Participation	5,042	-	-	-	5,042
Artistic Programming	14,250	17,000	(15,705)	-	15,545
Joseph Rowntree Charitable Trust	-	10,766	(9,176)	-	1,590
Green Arcola	2,000	13,275	(2,534)	-	12,741
Covid-19 Funds	-	721,998	(721,998)	-	-
Facilities	-	109,651	(17,897)	-	91,754
	<u>2,092,793</u>	<u>872,690</u>	<u>(889,163)</u>	<u>-</u>	<u>2,076,320</u>
Total of funds	<u><u>2,113,581</u></u>	<u><u>1,407,838</u></u>	<u><u>(977,108)</u></u>	<u><u>-</u></u>	<u><u>2,544,311</u></u>

ARCOLA THEATRE PRODUCTION COMPANY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

16. Statement of funds (continued)

The Capital Fund relates to fixed assets funded from restricted income. Depreciation is offset against the funds as the asset is consumed by the charitable objectives.

The Project funds (Participation, Artistic Programming, Green Arcola, Covid-19 and Facilities funds) relate to a specific activity where the use of the funds has been stipulated by the donor.

The designated fund represented a contingency, set aside to match the debt due from Arcola Theatre Ltd. The full debt, amounting to £185,385, was provided for as irrecoverable at the year end. The full designated fund was offset against this doubtful debt provision; the remainder was offset against the general fund. The doubtful debt provision is included in Venue Operation expenses, amounting to £194,861, per note 8.

17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	150,714	1,831,434	1,982,148
Current assets	237,938	145,445	383,383
Creditors due within one year	(111,164)	(10,360)	(121,524)
Creditors due in more than one year	(32,387)	-	(32,387)
Total	245,101	1,966,519	2,211,620

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Tangible fixed assets	158,344	1,949,650	2,107,994
Current assets	562,177	140,282	702,459
Creditors due within one year	(210,436)	(13,612)	(224,048)
Creditors due in more than one year	(42,094)	-	(42,094)
Total	467,991	2,076,320	2,544,311

ARCOLA THEATRE PRODUCTION COMPANY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

18. Reconciliation of net movement in funds to net cash flow from operating activities

	2022 £	2021 £
Net income/expenditure for the year (as per Statement of Financial Activities)	(332,691)	430,730
Adjustments for:		
Depreciation charges	133,800	134,066
(Increase)/decrease in debtors	107,698	(24,976)
(Decrease)/increase in creditors	(104,325)	(244,960)
Net cash provided by/(used in) operating activities	(195,518)	294,860

19. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	84,115	295,493
Total cash and cash equivalents	84,115	295,493

20. Analysis of changes in net debt

	At 1 April 2021 £	Cash flows £	At 31 March 2022 £
Cash at bank and in hand	295,493	(211,378)	84,115
Debt due within 1 year	(7,906)	(1,801)	(9,707)
Debt due after 1 year	(42,094)	9,707	(32,387)
	245,493	(203,472)	42,021

ARCOLA THEATRE PRODUCTION COMPANY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

21. Pension commitments

The Charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Charity in an independently administered fund. The pension cost charge for the year was £14,140 (2021 - £14,644) and at the year end £1,470 (2021 - £1,335) was payable to the fund and have been included in Creditors falling due within one year - Other creditors.

22. Related party transactions

Mr M Ergen was a trustee of Arcola Theatre Production Company until his resignation on 11th November 2021. As a Director and shareholder of Arcola Theatre Limited, this company is considered to be a party related to the Charity until this date.

Until 11th November 2021, the charity was recharged £4,692 (2021 - £626) of costs incurred by Arcola Theatre Limited and recharged costs of £1,274 (2021 - £Nil) to Arcola Theatre Limited. Arcola Theatre Limited included net costs totalling £Nil (2021: £360) on behalf of the Charity. Net cash transfers of £35,812 (2021: 25,956) were paid by the Charity in the period to 11th November 2021.

Arcola Energy Limited was under the joint control of Dr B Todd and Ms L Nazli, both members of Key Management Personnel of the Charity, until it was sold on 11th November 2021 and renamed Ballard Motive Solutions Limited. It is considered a related party to the charity until this date.

Until 11th November 2021, the Charity was recharged £16,237 (2021: £42,028) of costs incurred by Arcola Energy Limited and recharged costs of £7,000 (2021: £20,000) to Arcola Energy Limited. Net cash transfers of £259,237 (2021: £22,028) were made by the Charity in the period to 11th November 2021.

ARCOLA THEATRE PRODUCTION COMPANY

England & Wales - Charity number 1108613

Accounts

Company registered number: 05242988
Charity registered number: 1108613

ARCOLA THEATRE PRODUCTION COMPANY
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

ARCOLA THEATRE PRODUCTION COMPANY
(A Company Limited by Guarantee)

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ARCOLA THEATRE PRODUCTION COMPANY
(A Company Limited by Guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2021**

Trustees	Mehmet Ergen (Chair, resigned as Chair 11 November 2021) Abdullah Tercanli, Gabriel Gbadamosi Lynne McKenzie Jack Shepherd (resigned 15 May 2022) Ben Todd (appointed as Trustee and Chair 11 November 2021, resigned as Chair 15 May 2022) Andrew Cripps (appointed as Trustee and Chair 15 May 2022) Naz Yeni (appointed as Trustee 15 May 2022)
Company registered number	05242988
Charity registered number	1108613
Registered office	24 Ashwin Street London E8 3DL
Company secretary	Leyla Nazli (resigned 15 May 2022)
Chair of Trustees	Mehmet Ergen (resigned as Chair 11 November 2021) Ben Todd (appointed Chair 11 November 2021)
Independent auditors	MHA MacIntyre Hudson Chartered Accountants 2 London Wall Place London EC2Y 5AU

ARCOLA THEATRE PRODUCTION COMPANY
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2021

The Trustees present their Annual Report together with the audited financial statements of the Charity for the year 1 April 2020 to 31 March 2021. The Annual Report serves the purposes of both a Trustees' Report and a Directors' Report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the Charity qualifies as small under section 382 of the Companies Act 2006, the Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Arcola Theatre Production Company is also known as Arcola Theatre.

The COVID-19 pandemic led to the theatre being shut since the commencement of the first lockdown in March 2020. Public performances recommenced in a new COVID-secure space "Arcola Outside" from June to November 2021. Public performances were then suspended until the planned reopening of the main (indoor) theatre building in May 2022.

Objectives and activities

a. Policies and objectives

Charitable objectives

The objectives for which the Charity is formed are to promote, maintain, improve and advance the education and appreciation of the public in the Arts and Sciences. In pursuing these objects, the Trustees have considered the Charity Commission's guidance on public benefit, including that related to fee charging.

Vision

Arcola Theatre's vision is of a genuinely radical theatre constantly reinventing itself to respond to, interpret and have relevance to an ever changing contemporary Britain.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

b. Strategies for achieving objectives

Mission

Arcola Theatre's mission is to imagine and build a theatre that flourishes within a cultural and scientific centre for its diverse local community. One that builds new audiences, generates its own powerful productions, and creates a home for the very best of UK and international theatre companies to visit; whilst simultaneously developing, demonstrating and deploying technologies for a sustainable future.

c. Activities undertaken to achieve objectives

In putting the above mission into action we have four major areas of activity (discussed in more detail below), which are professional theatre, talent development, promotion of environmental sustainability and venue operations.

ARCOLA THEATRE PRODUCTION COMPANY
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Objectives and activities (continued)

d. Main activities undertaken to further the Charity's purposes for the public benefit

The main activities undertaken can be described in more detail as follows:

Off West End Professional Theatre

This activity includes the producing and receiving of theatre shows in our 200 and 100 seat studios, with a strong focus on socially and politically relevant works and diversity of voices.

Talent Development

This is an extensive programme that includes working with specific groups such as young people, older people, Turkish speaking, BAME and LGBTQ communities, as well as the development of specific skills areas such as new writing, facilitator training and general skills development.

Environmental Sustainability

Previously an area of extensive work, the focus now is on maintaining the highest standards and disseminating best practice.

Venue Operation

Comprising the wide range of work required to provide a cultural and scientific centre for the local community as well as rehearsal and performance spaces for a wide variety of professional and community uses.

Achievements and performance

a. Key performance indicators

Planned turnover for 2020/21 – our 20th Anniversary Year - was £2,279m with a £151k surplus. Covid-19 meant cancellation of virtually all income generating activity and a very different business plan.

Income for the year was £1,407,838 (2020 - £1,754,455). This included £18,279 from charitable activities (2020 - £1,113,211) and £101,386 of donations (2020 - £134,486). Earned income was 1% (2020 - 63%).

Arts Council England regular (NPO) funding provided £307,290 (2020 - £301,738) (22% of income, 2020 - 17%).

Due to near-total loss of regular income, financial support was received throughout the pandemic in the form of the Arts Council 'Emergency Response Fund' (£234,234), the DCMS 'Culture Recovery Fund' (£296,160) and the Job Retention Scheme (£326,033). This allowed us to delay and limit redundancies and to prepare the organisation for recovery.

Expenditure for the year was £977,108 (2020 - £2,037,742) including £121,853 (2020 - £121,853) of depreciation funded by allocation to the capital fund. Direct spending on professional theatre amounted to £601,638 (2020 - £1,312,743), which for 2021 mainly represents staff costs, with a further £204,003 (2020 - £562,343) spent on support costs. Direct spending on Talent Development amounted to £16,092 (2020 - £106,724) with a further £12,873 (2020 - £15,839) spent on support costs.

The year-end unrestricted funds of £467,991 (2020 - £20,788) include designated funds of £123,594 and fixed assets of £158,344, leaving £186,053 as free reserves. This represents 74% of the target level of £250k, restoring reserves to the 2019 pre-pandemic level ahead of another challenging year in 2021-22.

Achievements and performance (continued)

b. Review of activities

The COVID-19 pandemic led to the theatre being closed from the commencement of the first lockdown in March 2020 until public performances recommenced in a new COVID-secure space "Arcola Outside" in June 2021. Hence during 2020-21 the ordinary programme of work was suspended and much focus placed on organisation survival, staff welfare and developing an appropriate means to deliver on our Mission through the pandemic.

Covid-19 caused the loss of nearly all earned income from theatre tickets to participation class fees to space hire. We furloughed all staff (12 full time, 35 casuals) early in the year. In September 2020, with emergency funding from Arts Council England (ACE) and DCMS, we were able to bring back a small team to work on future planning and fundraising to delay and minimise future redundancies.

The role of Arcola in the pandemic

In shaping our response to covid-19, Trustees and staff considered first and foremost our charitable objects and the communities we serve:

- We concluded that our first priority had to be to minimise our contribution to the spread of Covid-19, particularly among the more vulnerable members of our audiences and community groups.
- Next we considered our responsibility to ensure a successful recovery. This meant not taking excessive financial risks, planning for the risk of a prolonged pandemic, and taking seriously our duty of care to staff, both for their own and the organisation's successful post-pandemic recovery.
- The implications for our artistic output were tough, in particular since we concluded early on that going digital, e.g. streaming of plays from Arcola, was not true to our approach and was better left to better resourced organisations.
- In addressing the pandemic, we looked to utilise our strengths - access to science, access to an outside site and ability to deliver construction projects.

Understanding the implications of COVID-19

To determine how to recommence activities, we needed a proper understanding of how to mitigate the spread of Covid-19 in a theatre setting. Our scientist colleagues at Arcola Energy were quick to dispel the myth that distance and screens were the solution, and instead to focus primarily on ventilation. This led to collaboration with scientists from Imperial College London to explore air quality in theatres and how this affects aerosol transmission of viruses such as Covid-19.

The project aims were to:

- Explore ways in which Arcola Theatre can increase airflow in its indoor performance spaces;
- Use this exploration to facilitate conversations about airflow with other venues; and
- Inform the development of our new performance space, Arcola Outside, an outdoor performance space which mitigates the risk of Covid transmission among audiences.

The consulting lead at Imperial College London said: "Working with Arcola Theatre, we hope to use emerging knowledge and data-driven approaches to address the continuous challenges faced by indoor theatres and venues during the pandemic."

The learning taken from the Imperial College work led to:

- Decision not to reopen the main building until the pandemic waned, thus not losing money on an abortive attempt to reopen at Christmas 2020, nor contributing to the Christmas 2021 spike in the pandemic; and
- The idea for and design guidance for our new Covid-secure space, Arcola Outside.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Achievements and performance (continued)

Designing and building Arcola Outside:

To maintain our organisation and activities in the short term, as well as to create long-term value from pandemic-era activities, in late-2020, we began developing Arcola Outside a new, outdoor performance space on an adjacent site. Being outdoors, it has excellent airflow and because of its larger footprint, it allows for more seats with social distancing than can be achieved in our main building. The venue opened in June 2021.

In the interest of supporting freelance artists and technicians, the venue was designed by multi-award-winning stage designer Jon Bausor (London 2012 Paralympics Opening Ceremony, *Bat Out of Hell: The Musical*, *The Grinning Man*), and built with the involvement of many of our freelance theatre and live events technicians.

The objectives were:

- to reimagine Arcola's performance spaces and bar, bringing them together under a "giant" roof;
- to create a flexible, multi-purpose space, able to host live performances, screenings, installations and more;
- to mitigate the risk of having to live with Covid-19 for a long-time by providing a safer way of working, enabling us to welcome audiences back, and to create new opportunities for freelance artists and workers; and
- to be environmentally sustainable - built with significant use of reclaimed and recycled materials, and designed to run without heating or mechanical ventilation.

Arcola Conversations:

Having concluded that online is not the right way to present our theatrical works, we sought other means of maintaining connection with audiences ahead of the opening of Arcola Outside. Arcola Conversations was developed as a series of free, online discussions, providing a chance to reconnect with the community, explore big ideas and imagine the future together at a time of historic upheaval. Each hour-long conversation grapple with a big and vital issue, with one or more visiting speakers sharing their perspective, followed by an open discussion. All welcome to contribute their thoughts, or just to listen in. Arcola Conversations started in February 2021 and continued in to the early summer.

Today I'm Wiser Festival

In preparation for reopening in Spring 2021, work commenced during 2020-21 on developing and programming Today I'm Wiser. Starting with an open call to artists in Autumn 2020, with evaluation and selection from January 2021:

Empty streets. Buildings boarded over. Lone figures trudge the pavements, their faces covered. The city has fallen quiet. But inside flats and houses, in bedrooms and kitchens, something is stirring. People are shifting, questioning, creating. They join together in protest, innovation and debate. They look at the world as if for the first time. And they're no longer satisfied. Today I'm Wiser is an outdoor festival inspired by the present and fuelled by our collective desire for change.

Taking place in Arcola Outside, our new outdoor performance space in the heart of Dalston, Today I'm Wiser features work across different genres, including bold adaptations of classics, new writing and works-in-progress.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Financial review

a. Going concern

The financial statements have been prepared on a going concern basis. The Trustees have considered relevant information, including the annual budget, forecast future cash flows and the impact of subsequent events in making their assessment. The COVID-19 pandemic led to the theatre being shut since the commencement of the first lockdown in March 2020. Public performances recommenced in a new COVID-secure space "Arcola Outside" from June to November 2021. Public performances were then suspended until the planned reopening of the main (indoor) theatre building in May 2022.

Hence, during 2020-21, the organisation operated under a revised business model. Throughout the lockdown the theatre has utilised the furlough scheme for its employees and has been the recipient of a bounce back loan. The theatre secured additional grant funding available through the Arts Council of England (ACE) via the government backed Culture Recovery Fund, whilst maintaining its core revenue grant the ACE national portfolio. These sources of revenue have ensured that the theatre has been able to adequately resource its limited outgoings during lockdown whilst enabling it to maintain a level of cash reserves appropriate for the theatre to relaunch during the summer of 2021 and again in 2022. The Trustees have performed a robust analysis of forecast future cash flows taking into account the expected impact on the theatre's activities during the re-opening. This analysis also considers the effectiveness of management's access to cash resources during the re-opening of the theatre and a return to the new normal.

Based on these assessments and having regard to the resources available to the Charity, the Trustees have concluded that there is no material uncertainty and that they can continue to adopt the going concern basis in preparing the Annual Report and financial statements.

b. Reserves policy

The Trustees ordinarily believe the most appropriate level of free reserves required by the Charity to sustain it in the event of the Charity not receiving grants and other incoming resources is £250,000. This will not allow standard-scale productions to be staged and would require skeleton (cost-neutral) programming. At 31 March 2021, the Charity had free reserves of £186,053 representing 74% of the targeted level.

c. Material investments policy

The Charity has no financial investments. Under the Memorandum and Articles of Association, the Charity has the power to invest in any way the Trustees wish.

d. Principal funding

Arcola Theatre is a National Portfolio Organisation of Arts Council England, ordinarily providing circa 20% of income, but in 2020-21, with additional covid-19 mitigation funding, providing circa 60% of income.

There are no other significant funders, with the majority of the balance of funds being earned from charitable activities.

e. Pricing policy

Tickets are priced to maximise revenues without losing access for all. This was achieved through competitive pricing, with a wide range of discounts for target and under-represented groups. Charges are applied for Participation programme participants with bursaries for those less able to pay.

ARCOLA THEATRE PRODUCTION COMPANY
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

f. Fundraising

The Trustees have considered the implications of the Charities (protection and social investment) Act 2016 in relation to fundraising activities. The Act aims to protect the public, particularly the vulnerable, from inappropriate fundraising approaches. The primary scope of the Act is "commercial participators" and "professional fundraisers", which refers to commercial organisations engaged by larger charities to engage in direct fundraising from individuals via for example mail, phone and face to face. Since Arcola Theatre does not engage any of these types of organisation there is no direct impact. We have however reviewed our in-house activities in the spirit of the Act and concluded that there are no issues which we need to address.

Structure, governance and management

a. Constitution

Arcola Theatre Production Company Limited is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association.

b. Methods of appointment or election of Trustees

The management of the Charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Memorandum of Association.

c. Organisational structure and decision-making policies

The Board of Trustees administers the Charity. The Board normally meets quarterly, addressing all aspects of the charitable operations including programming, development, quality & safety, finance and audit. Until restructuring in November 2021, an Executive Director was appointed by the Trustees to manage the day to day operations of the Charity. To facilitate effective operations, the Executive Director has delegated authority, within terms of delegation provided by the Trustees, for operational matters including finance, employment and artistic performance related activity.

The Executive Director worked with the Artistic Director and Executive Producer to lead the Charity. Charitable activities are structured into departments, each having a Manager, working to a Business Plan which includes detailed plans for all business activities. These plans cascade organisational objectives and Key Performance Indicators through departments to individual staff job descriptions. Plans are developed with input from all staff, Trustees, artists, participants, volunteers and advisors. Plans and associated budgets are reviewed and approved by the Board of Trustees through regular meetings. Additional advice and oversight is provided via Arts Council England National Portfolio management systems.

d. Policies adopted for the induction and training of Trustees

Upon declaration of their interest to be a Trustee, a new Trustee receives the Charity's governing documents, most recent Financial Report and Management Accounts. They meet with the Chair and Senior Management Team for briefing on the organisation and the responsibilities of Trustees.

New Trustees are provided with the Charity's governing documents, minutes of previous meetings and current business plans. They meet the Chair and senior managers for briefing on the objectives, values, ethos, programme and day-to-day activities of the organisation. New Trustees and existing Trustees are provided with up-to-date information on the responsibilities of Trustees and associated best practice, drawing resources provided by Charity Commission and other professional organisations supporting charities.

ARCOLA THEATRE PRODUCTION COMPANY
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Structure, governance and management (continued)

e. Pay policy for key management personnel

Senior staff pay is approved by Trustees. Rates of pay are benchmarked against peer organisations.

f. Financial risk management

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

Plans for future periods

The COVID-19 pandemic led to the theatre being shut since the commencement of the first lockdown in March 2020. Public performances recommenced in a new COVID-secure space "Arcola Outside" from June to November 2021. Public performances were then suspended until the planned reopening of the main (indoor) theatre building in May 2022.

From May 2022 the theatre returns to a near-normal operation with a full programme of work in Studio 1 and a seasonal programme in the new Arcola Outside space. In light of volatility in the global economy, a risk-reduced business plan has been put in place with a higher level of visiting companies than pre-pandemic in order to share financial risks. Arts Council funding is in place until March 2023 and an application for continued Arts Council funding until 2026 is being submitted in May 2022.

Small company exemptions

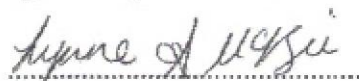
The Trustees Report has been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

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



Lynne McKenzie
Trustee & Treasurer

Date: 1st June 2022

ARCOLA THEATRE PRODUCTION COMPANY
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2021

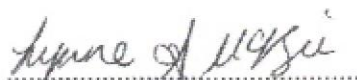
The Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare Financial Statements for each financial year. Under company law, the Trustees must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the Board of Trustees and signed on its behalf by:



Lynne McKennie
Trustee & Treasurer

Date: 1st June 2022

ARCOLA THEATRE PRODUCTION COMPANY
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ARCOLA THEATRE PRODUCTION COMPANY

Opinion

We have audited the financial statements of Arcola Theatre Production Company (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

ARCOLA THEATRE PRODUCTION COMPANY
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ARCOLA THEATRE PRODUCTION COMPANY (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

ARCOLA THEATRE PRODUCTION COMPANY
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ARCOLA THEATRE PRODUCTION COMPANY (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

[Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud.]

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

ARCOLA THEATRE PRODUCTION COMPANY
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ARCOLA THEATRE PRODUCTION
COMPANY (CONTINUED)

MHA MacIntyre Hudson
MHA MacIntyre Hudson
Chartered Accountants
2 London Wall Place
London
EC2Y 5AU

Date: 6/6/22

MHA MacIntyre Hudson are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

ARCOLA THEATRE PRODUCTION COMPANY
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations and grants	4	516,119	872,690	1,388,809	550,716
Charitable activities	5	18,279	-	18,279	1,113,211
Other income	6	750	-	750	90,528
Total income		535,148	872,690	1,407,838	1,754,455
Expenditure on:					
Charitable activities	7,8	87,945	889,163	977,108	2,037,742
Total expenditure		87,945	889,163	977,108	2,037,742
Net movement in funds		447,203	(16,473)	430,730	(283,287)
Reconciliation of funds:					
Total funds brought forward		20,788	2,092,793	2,113,581	2,396,868
Net movement in funds		447,203	(16,473)	430,730	(283,287)
Total funds carried forward		467,991	2,076,320	2,544,311	2,113,581

The Statement of Financial Activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The notes on pages 17 to 34 form part of these financial statements.

ARCOLA THEATRE PRODUCTION COMPANY
 (A Company Limited by Guarantee)
 REGISTERED NUMBER: 05242988

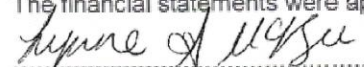
BALANCE SHEET
 AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	12	2,107,994	2,240,454
		<u>2,107,994</u>	<u>2,240,454</u>
Current assets			
Debtors	13	406,966	381,990
Cash at bank and in hand		295,493	48,584
		<u>702,459</u>	<u>430,574</u>
Creditors: amounts falling due within one year	14	(224,048)	(475,362)
Net current assets / liabilities		<u>478,411</u>	<u>(44,788)</u>
Total assets less current liabilities		<u>2,586,405</u>	<u>2,195,666</u>
Creditors: amounts falling due after more than one year	15	(42,094)	(82,085)
Total net assets		<u><u>2,544,311</u></u>	<u><u>2,113,581</u></u>
Charity funds			
Restricted funds	16	2,076,320	2,092,793
Unrestricted funds	16	467,991	20,788
Total funds		<u><u>2,544,311</u></u>	<u><u>2,113,581</u></u>

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

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

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



Lynne McKennie
 Trustee & Treasurer

Date:

ARCOLA THEATRE PRODUCTION COMPANY
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash used in operating activities	18	294,860	42,722
		<hr/>	<hr/>
Cash flows from investing activities			
Purchase of tangible fixed assets	12	(1,606)	(8,439)
		<hr/>	<hr/>
Net cash used in investing activities		(1,606)	(8,439)
		<hr/>	<hr/>
Cash flows from financing activities			
Repayments of borrowing	15,14	(46,345)	(11,288)
		<hr/>	<hr/>
Net cash used in financing activities		(46,345)	(11,288)
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		246,909	22,995
Cash and cash equivalents at the beginning of the year	19	48,584	25,589
		<hr/>	<hr/>
Cash and cash equivalents at the end of the year	19	295,493	48,584
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 17 to 34 form part of these financial statements

ARCOLA THEATRE PRODUCTION COMPANY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. General information

Arcola Theatre Production Company is a Charitable Company limited by guarantee and is registered with the Charity Commission (Charity Registered Number 1108613) and Registrar of Companies (Company Registered Number 05242988) incorporated in England and Wales.

The address of the registered office is given in the Charity information on page 1 of these accounts. The Members of the Charity are the Trustees named on page 1.

In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per Member of the Charity.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

The financial statements are presented in Sterling which is the functional currency of the Charity and rounded to the nearest £1.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.2 Going concern

The financial statements have been prepared on a going concern basis. The Trustees have considered relevant information, including the annual budget, forecast future cash flows and the impact of subsequent events in making their assessment. The COVID-19 pandemic led to the theatre being shut since the commencement of the first lockdown in March 2020. Public performances recommenced in a new COVID-secure space "Arcola Outside" from June to November 2021. Public performances were then suspended until the planned reopening of the main (indoor) theatre building in May 2022.

Hence, during 2020-21, the organisation operated under a revised business model. Throughout the lockdown the theatre has utilised the furlough scheme for its employees and has been the recipient of a bounce back loan. The theatre secured additional grant funding available through the Arts Council of England (ACE) via the government backed Culture Recovery Fund, whilst maintaining its core revenue grant the ACE national portfolio. These sources of revenue have ensured that the theatre has been able to adequately resource its limited outgoings during lockdown whilst enabling it to maintain a level of cash reserves appropriate for the theatre to relaunch during the summer of 2021 and again in 2022. The Trustees have performed a robust analysis of forecast future cash flows taking into account the expected impact on the theatre's activities during the re-opening. This analysis also considers the effectiveness of management's access to cash resource during the re-opening of the theatre and a return to the new normal.

Based on these assessments and having regard to the resources available to the Charity, the Trustees have concluded that there is no material uncertainty and that they can continue to adopt the going concern basis in preparing the Annual Report and financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

2. Accounting policies (continued)

2.3 Income

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

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Where the donated good is a fixed asset, it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset class and depreciated over the useful economic life in accordance with the Charity's accounting policies.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the Charity which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.4 Expenditure

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

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

2. Accounting policies (continued)

2.5 Tangible fixed assets and depreciation

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

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

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Long-term leasehold property	- 4% to 20% on cost
Plant and machinery	- 20% to 50% on cost
Computer equipment	- 20% on cost

2.6 Debtors

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

2.7 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.8 Liabilities and provisions

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.9 Financial instruments

The Charity holds basic financial instruments. The financial assets and financial liabilities of the Charity are as follows:

Debtors - trade and other debtors (including accrued income) are basic financial instruments and a debt instruments measured at amortised cost as detailed in Note 13. Prepayments are not financial instruments.

Cash at bank - is classified as a basic financial instrument and is measured at cost.

Liabilities - trade creditors, accruals and other creditors will be classified as financial instruments and are measured at amortised cost as detailed in Notes 14 and 15. Taxation and social security are included in the financial instruments disclosure. Deferred income is not deemed to be a financial liability, as in the cash settlement has already taken place and there is simply an obligation to deliver charitable services rather than cash or another financial instrument.

2.10 Pensions

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

2.11 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

3. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. There are no estimates or assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

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4. Income from donations and grants

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Donations	62,548	38,838	101,386
Grants	453,571	833,852	1,287,423
Total 2021	516,119	872,690	1,388,809

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Donations	132,486	2,000	134,486
Grants	301,739	114,491	416,230
<i>Total 2020</i>	<i>434,225</i>	<i>116,491</i>	<i>550,716</i>

5. Income from charitable activities

	Unrestricted funds 2021 £	Total funds 2021 £
Professional Theatre	335	335
Talent Development	2,280	2,280
Environmental Sustainability	-	-
Venue Operation	15,664	15,664
Total 2021	18,279	18,279

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5. Income from charitable activities (continued)

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Professional Theatre	994,382	994,382
Talent Development	55,026	55,026
Environmental Sustainability	3,091	3,091
Venue Operation	60,712	60,712
<i>Total 2020</i>	<u>1,113,211</u>	<u>1,113,211</u>

6. Other income

	Unrestricted funds 2021 £	Total funds 2021 £
Theatre tax credit claim	<u>750</u>	<u>750</u>
	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Theatre tax credit claim	<u>90,528</u>	<u>90,528</u>

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7. Analysis of expenditure on charitable activities - by fund

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Professional Theatre	76,545	729,096	805,641
Talent Development	9,706	19,259	28,965
Environmental Sustainability	(1,647)	2,678	1,031
Venue Operation	3,341	138,130	141,471
Total 2021	87,945	889,163	977,108

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Professional Theatre	1,709,649	165,437	1,875,086
Talent Development	57,075	65,488	122,563
Environmental Sustainability	5,045	-	5,045
Venue Operation	24,684	10,364	35,048
<i>Total 2020</i>	<i>1,796,453</i>	<i>241,289</i>	<i>2,037,742</i>

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8. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Professional Theatre	601,638	204,003	805,641
Talent Development	16,092	12,873	28,965
Environmental Sustainability	1,031	-	1,031
Venue Operation	24,107	117,364	141,471
Total 2021	642,868	334,240	977,108

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
Professional Theatre	1,312,743	562,343	1,875,086
Talent Development	106,724	15,839	122,563
Environmental Sustainability	5,045	-	5,045
Venue Operation	13,930	21,118	35,048
<i>Total 2020</i>	<i>1,438,442</i>	<i>599,300</i>	<i>2,037,742</i>

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8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2021 £	Total funds 2020 £
Depreciation	134,066	134,728
Front of House	7,724	79,336
Comms and marketing	119	109,563
Technical services	3,641	63,419
Governance costs	8,000	8,000
Utilities	11,813	21,060
Insurance	5,734	5,253
Telecomms	3,096	5,560
Professional fees	17,382	8,817
Bank interest	3,569	4,508
Memberships	3,840	4,488
Office and admin	21,179	26,071
Travel and subsistence	843	4,056
Rent and rates	22,535	49,441
Bad debt	-	75,000
Building costs	90,699	-
	<u>334,240</u>	<u>599,300</u>

9. Governance costs - Auditors' remuneration

	2021 £	2020 £
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	<u>8,000</u>	<u>8,000</u>

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NOTES TO THE FINANCIAL STATEMENTS
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10. Staff costs

	2021 £	2020 £
Wages and salaries	529,833	603,283
Social security costs	33,118	36,505
Pension costs	14,644	16,798
	<u>577,595</u>	<u>656,586</u>

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

	2021 No.	2020 No.
Full time staff	13	14
Equivalent full time staff from casual worker pool	7	8
	<u>20</u>	<u>22</u>

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

The total amount of employee benefits, including employers social security costs and employers pension contributions, received by Key Management Personnel in £84,666 (2020 - £91,846). The Charity considers its Key Management Personnel to be the Trustees, the Chief Executive Officer and the Executive Producer.

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - *ENIL*).

During the year ended 31 March 2021, no Trustee expenses have been incurred (2020 - *ENIL*).

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12. Tangible fixed assets

	Long-term leasehold property £	Plant and machinery £	Computer equipment £	Total £
Cost or valuation				
At 1 April 2020	3,389,541	105,805	10,508	3,505,854
Additions	-	-	1,606	1,606
At 31 March 2021	<u>3,389,541</u>	<u>105,805</u>	<u>12,114</u>	<u>3,507,460</u>
Depreciation				
At 1 April 2020	1,157,599	98,634	9,167	1,265,400
Charge for the year	130,529	3,001	536	134,066
At 31 March 2021	<u>1,288,128</u>	<u>101,635</u>	<u>9,703</u>	<u>1,399,466</u>
Net book value				
At 31 March 2021	<u>2,101,413</u>	<u>4,170</u>	<u>2,411</u>	<u>2,107,994</u>
At 31 March 2020	<u>2,231,942</u>	<u>7,171</u>	<u>1,341</u>	<u>2,240,454</u>

The leasehold improvements are secured against a charge in favour of The Arts Council of England.

13. Debtors

	2021 £	2020 £
Trade debtors	14,861	43,051
Other debtors	387,605	327,004
Prepayments and accrued income	4,500	11,935
	<u>406,966</u>	<u>381,990</u>

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14. Creditors: Amounts falling due within one year

	2021 £	2020 £
Bank loans	7,906	14,260
Trade creditors	39,263	144,648
Other taxation and social security	95,741	95,780
Other creditors	69,138	125,887
Accruals and deferred income	12,000	94,787
	<u>224,048</u>	<u>475,362</u>
	2021 £	2020 £
Deferred income at 1 April 2020	94,787	48,165
Resources deferred during the year	12,000	94,787
Amounts released from previous periods	(94,787)	(48,165)
	<u>12,000</u>	<u>94,787</u>

Deferred income comprises grants where the resources were not applied to charitable purposes until subsequent to the year-end and studio hire paid in advance. Movements in deferred income have been analysed above.

The above bank loan relates to a Bounce Back Scheme facility for £50,000 with interest chargeable at the rate of 2.5% per annum. The loan is repayable in equal instalments over five years, with repayments comprising both capital and interest.

Security for the bank loan as been provided as detailed in Note 22.

15. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Bank loans	<u>42,094</u>	<u>82,085</u>

Security for the bank loan above has been provided as detailed in Note 22.

The above bank loan relates to a Bounce Back Scheme facility for £50,000 with interest chargeable at the rate of 2.5% per annum. The loan is repayable in equal instalments over five years, with repayments comprising both capital and interest.

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NOTES TO THE FINANCIAL STATEMENTS
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16. Statement of funds

Statement of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2021 £
Unrestricted funds					
Designated funds					
Arcola Theatre Ltd	-	-	-	123,594	123,594
General funds					
General Fund	20,788	535,148	(87,945)	(123,594)	344,397
Total Unrestricted funds	20,788	535,148	(87,945)	-	467,991
Restricted funds					
Capital fund	2,071,501	-	(121,853)	-	1,949,648
Participation	5,042	-	-	-	5,042
Artistic Programming	14,250	17,000	(15,705)	-	15,545
Joseph Rowntree Charitable Trust	-	10,766	(9,176)	-	1,590
Green Arcola	2,000	13,275	(2,534)	-	12,741
Covid-19 Funds	-	721,998	(721,998)	-	-
Facilities	-	109,651	(17,897)	-	91,754
	2,092,793	872,690	(889,163)	-	2,076,320
Total of funds	2,113,581	1,407,838	(977,108)	-	2,544,311

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16. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 April 2019</i>	<i>Income</i>	<i>Expenditure</i>	<i>Balance at 31 March 2020</i>
	£	£	£	£
Unrestricted funds				
General Fund	179,277	1,637,964	(1,796,453)	20,788
Restricted funds				
Capital fund	2,193,354	-	(121,853)	2,071,501
Participation	7,237	64,722	(66,917)	5,042
Artistic Programming	17,000	49,769	(52,519)	14,250
Joseph Rowntree Charitable Trust	-	2,000	-	2,000
	<u>2,217,591</u>	<u>116,491</u>	<u>(241,289)</u>	<u>2,092,793</u>
Total of funds	<u>2,396,868</u>	<u>1,754,455</u>	<u>(2,037,742)</u>	<u>2,113,581</u>

The Capital Fund relates to fixed assets funded from restricted income. Depreciation is offset against the funds as the asset is consumed by the charitable objectives.

The Project funds (Participation, Artistic Programming, Green Arcola, Covid-19 and Facilities funds) relate to a specific activity where the use of the funds has been stipulated by the donor.

The designated fund represents a contingency, set aside to match the debt due from Arcola Theatre Ltd, the repayment of which is not expected to take place within the immediate future.

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17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	158,344	1,949,650	2,107,994
Current assets	562,177	140,282	702,459
Creditors due within one year	(252,530)	(13,612)	(266,142)
Total	<u>467,991</u>	<u>2,076,320</u>	<u>2,544,311</u>

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Tangible fixed assets	168,953	2,071,501	2,240,454
Current assets	409,282	21,292	430,574
Creditors due within one year	(475,362)	-	(475,362)
Creditors due in more than one year	(82,085)	-	(82,085)
Total	<u>20,788</u>	<u>2,092,793</u>	<u>2,113,581</u>

18. Reconciliation of net movement in funds to net cash flow from operating activities

	2021 £	2020 £
Net income/expenditure for the year (as per Statement of Financial Activities)	<u>430,730</u>	<u>(283,287)</u>
Adjustments for:		
Depreciation charges	134,066	134,728
(Increase)/decrease in debtors	(24,976)	54,983
(Decrease)/increase in creditors	(244,960)	136,298
Net cash provided by operating activities	<u>294,860</u>	<u>42,722</u>

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NOTES TO THE FINANCIAL STATEMENTS
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19. Analysis of cash and cash equivalents

	2021	2020
	£	£
Cash in hand	295,493	48,584
Total cash and cash equivalents	295,493	48,584

20. Analysis of changes in net debt

	At 1 April 2020	Cash flows	At 31 March 2021
	£	£	£
Cash at bank and in hand	48,584	246,909	295,493
Debt due within 1 year	(14,260)	6,354	(7,906)
Debt due after 1 year	(82,085)	39,991	(42,094)
	(47,761)	293,254	245,493

21. Pension commitments

The Charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Charity in an independently administered fund. The pension cost charge for the year was £14,644 (2020 - £16,798) and at the year end £1,335 (2020 - £1,530) was payable to the fund and have been included in Creditors falling due within one year - Other creditors.

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22. Related party transactions

Mr M Ergen, an elected Trustee, is also a Director and shareholder of the Company Arcola Theatre Limited. As such, Arcola Theatre Limited is considered to be a party related to the Charity.

At the balance sheet date, included within other debtors, is an amount of £149,284 (2020 - £123,594) owed to the Charity by Arcola Theatre Limited. During the year the Charity was recharged £626 (2020 - £63,073) of costs incurred by Arcola Theatre Limited and recharged costs of £Nil (2020 - £25,000) to Arcola Theatre Limited. During the year, Arcola Theatre Limited received income of £Nil (2020 - £277) and met costs totalling £360 (2020 - £5,427) on behalf of the Charity. Net cash transfers of £25,956 (2020 - £64,391) were made by the Arcola Theatre Limited.

Arcola Theatre Limited also provided security to the Charity in relation to its bank loan (Notes 14 and 15). Arcola Energy Limited is under the joint control of Dr B Todd and Ms L Nazli, both members of Key Management Personnel of the Charity.

At the balance sheet date, included within other creditors, is an amount of £Nil (2020 - £Nil) due to Arcola Energy Limited. During the year the Charity was recharged £Nil (2020 - £42,028) of costs incurred by Arcola Theatre Limited and recharged costs of £Nil (2020 - £20,000) to Arcola Energy Limited. During the year Arcola Energy Limited received income of £Nil (2020 - £Nil) and net costs totalling £Nil (2020 - £NIL) on behalf of the Charity. Net cash transfers of £Nil (2020 - £22,028) were made by Arcola Energy Limited.