

Charity Registration No. 1121416

Company Registration No. 3591772 (England and Wales)

TALL STORIES THEATRE COMPANY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

TALL STORIES THEATRE COMPANY LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Penelope Daly Stephen Cowton James Jones Emmaline Cen
Charity number	1121416
Company number	3591772
Principal address	Tall Stories Studio 68 Holloway Road London N7 8JL
Registered office	Acre House 11-15 William Road London NW1 3ER United Kingdom
Auditor	HW Fisher LLP Acre House 11-15 William Road London NW1 3ER United Kingdom
Bankers	Lloyds Bank Plc 1 Butler Place Westminster London SW1H 0PR

TALL STORIES THEATRE COMPANY LIMITED

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TALL STORIES THEATRE COMPANY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2022

The trustees present their report and financial statements for the year ended 31 March 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

The main objective of the charity is to advance education for the public benefit by the promotion of the arts, in particular but not exclusively the art of drama.

To achieve this objective, the charity presents high quality, imaginative productions throughout the year, which can be enjoyed by children and adults equally. These productions present old, new, and timeless stories in fresh and exciting ways, touring to large and small-scale theatres, community venues and schools in the UK, continental Europe, North America and other countries. The charity aims to tell stories in a physical, visual style and reach as diverse an audience as possible worldwide. Additional to live-public performances, our day-to-day activities include workshops, participatory projects, interviews, and talks.

Public benefit

The charity confirms that the Trustees have considered the Charity Commission's guidance on public benefit as required by the Charities Act. 2011 The company tours on the large and small-scale to bring high quality drama to audiences from all walks of life at affordable ticket prices.

Our policies

We are committed to making Tall Stories a stable, safe, and fair organisation for all its staff, stakeholders, and beneficiaries. All policies are reviewed and updated regularly. We are developing an Equality, Access and Diversity action plan to demonstrate our commitment to diversifying who we work with and how we work.

The charities Reserves Policy states that the trustees have set 6 month's operating costs as unrestricted reserves, equalling £827,185 in March 2022. This policy is reviewed annually to ensure it sufficiently covers the risks identified in delivering the charitable objectives. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in income, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

Tall Stories Theatre Company Limited was incorporated on 2 July 1998 as a company limited by guarantee and is governed by its Memorandum and Articles of Association, as amended by special resolution on 20 June 2007. On 30 October 2007, the company was registered as a charity with the Charity Commission.

The charity is governed by a Board of Trustees, with a minimum of 3 and a maximum of 7, as stated in our Articles of Association. The power of appointing Trustees rests with the Trustees in office. Day to day management of the company is led by Artistic Director Toby Mitchell, previously with Olivia Jacobs Co-Artistic Director and Lucy Wood Executive Director who both stepped down in this period, and now alongside Executive Director Laura Woodward who was appointed in April 2022.

The Board meets quarterly and hosts an Annual General Meeting each year. The Board has one sub-committee: Finance Sub-Committee (FSC) chaired by Emmaline Cen, which will begin to meet quarterly from January 2023, and ad-hoc action groups which meet around the year on specific topics as required.

Trustee Induction

New Trustees are recruited through open calls and the Chair, Deputy Chair and a member of the Executive team interview them prior to being invited to shadow a Board meeting. New Trustees are briefed on their legal obligations under Charity and Company Law, the content of the Memorandum and Articles of Association, the committee and decision-making processes, and recent financial performance of the charity. All trustees are given a trustee pack laying out their responsibilities and the company's terms and conditions and are provided ongoing training as needed.

TALL STORIES THEATRE COMPANY LIMITED

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2022

All Trustees are provided with a copy of the annual budgets and profit and loss reports on all projects, as well as a summary of forthcoming plans. All appropriate papers relevant to the discussion points on the meeting agenda are circulated to all board members ahead of each board meeting. All Trustees are encouraged to see performances throughout the year and are invited to shows on a regular basis.

Studio and office at Islington Central Library

The organisation has settled into its new home in Islington, which provides the company with an administrative base, alongside a large studio space suitable for rehearsals and performances for an audience of up to 80. Tall Stories' programme of work in the space includes free performances for Islington school groups and residents, development opportunities for local young people in stage production, workshops for actors and theatre creatives, a programme of support for emerging companies and storytellers, sharing of works-in-progress and preview performances of new shows. The studio is also hired by local groups and companies as a rehearsal/preview space with technical facilities or for workshop programmes, bringing in a new stream of income for the charity.

We're building a positive partnership with Islington Council, working together on community events such as the Summer Reading Challenge and the Islington Word Festival. In 2021, we ran our first Summer School for local Islington children. The majority of the children who attended were HAF eligible. We're also partners on Islington Council's 11:11 programme working closely with local schools to support every child in the borough to access 11 cultural and creative experiences by year 11. We're also part of the Council's Cultural Leads strategy group. We want to build on this base and create even stronger links into the community and with local schools.

The aim over the coming years is for the space to be known as a storytelling hub, with a local reach for both community and industry benefit.

Achievements and performance

This year the company added a variety of different projects to their usual remit of work:

It has been an extraordinary year for the charity, one of resilience and flexibility, as the company built back following the Covid-19 pandemic. 2021/22 saw a continued demand for digital resources and building on the success of the previous year, we saw our digital show of Snail and the Whale reach audiences across USA and Canada through our partnership with Holden Arts. We made a new mid-scale touring show, The Smeds & The Smoos, based on the original book by Julia Donaldson, with themes of difference and acceptance. This was a timely piece to collaborate on to support children and their families with discussions around positive connections and acceptance in a turbulent political landscape. This started touring across the UK and, whilst we saw a return to a more recognisable rhythm of touring and audience bookings, Covid-19 continued to impact some shows. Our work continues to be positively received by both audiences and the sector. Our Christmas run of The Snow Dragon in partnership with Derby Theatre saw 11 BSL integrated performances, widening reach and audiences.

Live shows with our international partner in Australia built back quicker than expected. Although some partners in places such as Hong Kong and Europe have been slower to build back due to their local restrictions, the demand for our work internationally remains strong.

Integrated BSL performances, touch tours, resource packs, meet and greets, workshops with children, families and teachers all remain vital to the wraparound of our shows, to deepen the engagement with the work and widen our access. We have continued to nurture and grow partnerships to enable more children and families who might otherwise not have access to arts and culture have memorable positive experiences.

Due to the pandemic and theatres slowly reopening over the year, the charity ended the year with a deficit of £184,811 (2021: deficit of £229,778). The income for the financial year was £981,001 (2021: £293,588), with expenditure of £1,165,812 (2021: £523,366).

Despite the pandemic and the need to use reserves for survival, the company still maintains a strong level of reserves which have decreased in this year from £1,344,294 at 31 March 2021 to £1,159,843 in March 2022. The charity has sufficient funds to cover its expenditure for a period of more than six months.

Due to global turbulence, the increase in energy costs and rising inflation, it is likely that the company will experience losses in the next financial year. The reserves will assist the company by making up the shortfall in planned income and allow the company to be able to respond to opportunities that may arise throughout the year. A review of Tall Stories' business and touring model is planned to ensure the company contains any losses and operates as effectively as possible whilst still achieving its Objectives.

TALL STORIES THEATRE COMPANY LIMITED

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2022

Risk Management

The Board has developed a Risk Register which identifies and assesses potential risk. Risks are classed in terms of low to high. They are assessed in categories including Governance and Management, Financial, Operational, Personnel, and External. In response to any risks identified, policies are established with systems and procedures to mitigate and manage risks. Risk management is a standing item at all quarterly Board meetings, alongside quarterly reviews of management and company accounts.

The main risks identified for the charity is the lasting effects of the Covid-19 pandemic, such as theatres being closed for long periods, employees becoming unwell, and loss of earnings from projects being cancelled at short notice. Risks that also apply are management of performing rights, health and safety of artists and audience in the UK and overseas, and changes in long-term administrative staff.

The risks related to Covid-19 are managed by policies and procedures being kept up to date, reviewing risk assessments regularly, responding to the guidelines laid out by the government/industry bodies, adapting and providing back up plans for all projects. The company manages other risks by planning ahead, ensuring accreditation is up to date and re-evaluating training for staff working in these operational areas. Focused task groups are also formed as required if dedicated longer term ongoing planning is required.

Our people

We were delighted to recruit new Board member Emmaline Cen as Treasurer. We also increased capacity in our core team following the move away from Kenny Wax management and welcomed two new roles; Clare Lewis, Marketing Manager, and Eman Ansari, Production Assistant. We have also welcomed Fiona Bines as Creative Programme Coordinator to support our local outreach and participation work in schools and the community.

The Trustees set the pay of senior staff. All salaries are reviewed annually and where possible increase in accordance with average earnings and inflation. The Directors benchmark against pay levels in other theatre companies or venues of a similar scale.

Future plans 2022-23 and 2023-24

In 2022-23 our focus as a charity will be to continue to be a force within the children's theatre sector, building back post pandemic, by rebuilding our live performance programme through UK touring of our flagship shows, developing our international partnerships across Europe and Australia, and cementing The Smeds & Smoos in the UK touring network. For Christmas 2022 we are re-imagining the well-loved Gruffalo into a BSL integrated show for The Mill Arts Centre and BMusic, with a cast of three who will sign throughout and the leading role of Mouse being played by a deaf actor. We have plans to develop a new mid-scale touring work focusing on inclusion and diversity in 2024.

Our aim is to increase our reach within our local community, continuing to build and strengthen our partnerships within Islington with the culture and library teams. We also wish to explore schools touring, workshops and development programmes. We will continue to develop how we demonstrate our impact and are committed to equality, access and diversity in all that we do. We will begin to work with a fundraising consultant to develop a new fundraising strategy and plan to expand our audience development and digital reach through bespoke program.

Structure, governance and management

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Penelope Daly
Stephen Cowton
Annabel Arndt
James Jones
Toby Park
Rachel Tackley
Emmaline Cen

(Resigned 22 September 2022)

(Resigned 13 June 2022)

(Resigned 17 September 2022)

(Appointed 13 December 2021)

TALL STORIES THEATRE COMPANY LIMITED

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2022

Key Personnel – Senior leadership team

Olivia Jacobs (resigned August 2021)

Toby Mitchell

Lucy Wood (resigned March 2022)

Laura Woodward (appointed April 2022)

Related parties and co-operation with other organisations

None of the company's trustees receive remuneration or other benefit from their work with the charity. Any connection between a trustee and senior employee of the charity with a production company, contracted actor, performer or exhibitor must be disclosed to the full board of trustees in the same way as any other contractual relationship with a related party.

In the current year, the company has used the composers Jolly Good Tunes [trading as Shock Productions Ltd] as composers on a number of productions. Olivia Jacobs, Co-Artistic Director of Tall Stories, is married to Jon Fiber, Director of Jolly Good Tunes.

Auditor

The Trustees have decided to tender the audit for the year ending 31 March 2023.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.

PJ Daly

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Penelope Daly

Trustee

Dated: ~~26 Jan 2023~~

TALL STORIES THEATRE COMPANY LIMITED

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2022

The trustees, who are also the directors of Tall Stories Theatre Company Limited for the purpose 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 which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then 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 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 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.

TALL STORIES THEATRE COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TALL STORIES THEATRE COMPANY LIMITED

Opinion

We have audited the financial statements of Tall Stories Theatre Company Limited (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 notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 *Auditor's 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 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.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within 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 the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

TALL STORIES THEATRE COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF TALL STORIES THEATRE COMPANY LIMITED

We have nothing to report in respect of the following matters in relation to which 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; 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.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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.

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.

As part of our planning process:

- We enquired of management the systems and controls the charity has in place, the areas of the financial statements that are most susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. The charity did not inform us of any known, suspected or alleged fraud.
- We obtained an understanding of the legal and regulatory frameworks applicable to the company. We determined that the following were most relevant: the Charity SORP, FRS 102, Charities Act 2011, Companies Act 2006, employment law and health and safety.
- We considered the incentives and opportunities that exist in the charity, including the extent of management bias, which present a potential for irregularities and fraud to be perpetuated, and tailored our risk assessment accordingly.
- Using our knowledge of the charity, together with the discussions held with the charity at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- Identifying and testing journal entries and the overall accounting records, in particular those that were significant and unusual.
- Reviewing the financial statement disclosures and determining whether accounting policies have been appropriately applied.
- Testing key income lines, in particular cut-off, for evidence of management bias.
- Assessing the validity of the classification of income, expenditure, assets and liabilities.
- Performing a physical verification of key assets and stock.
- Obtaining third-party confirmation of material bank balances.
- Documenting and verifying all significant related party balances and transactions.
- Reviewing documentation such as the charity board minutes for discussions of irregularities including fraud.

TALL STORIES THEATRE COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF TALL STORIES THEATRE COMPANY LIMITED

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements even though we have properly planned and performed our audit in accordance with auditing standards. The primary responsibility for the prevention and detection of irregularities and fraud rests with the trustees of the charity.

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


Carol Rudge (Senior Statutory Auditor)
for and on behalf of HW Fisher LLP

Chartered Accountants
Statutory Auditor
Acre House
11-15 William Road
London
NW1 3ER
United Kingdom

26 Jan 2023

TALL STORIES THEATRE COMPANY LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted funds 2022 £	Unrestricted funds 2021 £
<u>Income and endowments from:</u>			
Charitable activities - Theatre productions	3	945,219	218,373
Other trading activities	4	17,144	4,419
Investments	5	290	1,997
Other income	6	18,348	68,799
Total income		981,001	293,588
<u>Expenditure on:</u>			
Raising funds	7	8,545	1,731
Charitable Activities - Theatre productions	8	1,157,267	521,635
Total resources expended		1,165,812	523,366
Net expenditure for the year/ Net movement in funds		(184,811)	(229,778)
Fund balances at 1 April 2021		1,344,294	1,574,072
Fund balances at 31 March 2022		1,159,483	1,344,294

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

TALL STORIES THEATRE COMPANY LIMITED

BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	12		273,097		284,591
Current assets					
Stocks	13	27,967		29,750	
Debtors	14	342,130		283,065	
Investments	15	350,000		200,000	
Cash at bank and in hand		387,767		749,576	
		1,107,864		1,262,391	
Creditors: amounts falling due within one year	16	(221,478)		(202,688)	
Net current assets			886,386		1,059,703
Total assets less current liabilities			1,159,483		1,344,294
Income funds					
Unrestricted funds			1,159,483		1,344,294
			1,159,483		1,344,294

Current asset investments and cash at bank and in hand have been reanalysed for the year ended 31 March 2021. Total current assets remains unchanged.

The financial statements were approved by the Trustees on26 Jan. 2023

P. J. Daly.....
Penelope Daly
Trustee

Company Registration No. 3591772

TALL STORIES THEATRE COMPANY LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash absorbed by operations	19		(198,585)		(220,622)
Investing activities					
Purchase of tangible fixed assets		(13,514)		(277,540)	
Short term deposit - investments		(150,000)		(200,000)	
Interest received		290		1,997	
Net cash used in investing activities			(163,224)		(475,543)
Net decrease in cash and cash equivalents			(361,809)		(696,165)
Cash and cash equivalents at beginning of year			749,576		1,445,741
Cash and cash equivalents at end of year			387,767		749,576

TALL STORIES THEATRE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Charity information

Tall Stories Theatre Company Limited is an incorporated charity limited by guarantee incorporated in England and Wales. The registered office is Acre House, 11-15 William Road, London, NW1 3ER, United Kingdom.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

Following the removal of Covid restrictions, the charity's income has increased in the year. The charity has secured sufficient income and partnerships for the next two years and could reduce expenditure if the income was reduced. At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus, the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds comprise those which the charity is free to use for any purpose in furtherance of its charitable objectives and which the trustees may appropriate to reserves for internally designated purposes.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Theatre productions income is income from running shows and is recognised when the performance takes place.

Income from the sale of merchandise is income derived from merchandise related to the shows and is recognised at the point of sale.

Amounts due in respect of the Theatre Tax Relief are included in the financial year to which the claim relates. These amounts are included within Income from Charitable Activities rather than as a tax credit or a reduction in expenditure as the nature and intention of Theatre Tax Relief is akin to government grant income.

Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

TALL STORIES THEATRE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.5 Resources expended

Income and expenses are included in the financial statements as they become receivable or due.

Expenses include VAT on items when the company cannot reclaim it.

All expenditure is accounted for on an accruals basis as a liability is incurred. All costs are allocated between the expenditure categories of the statement of financial activities on a basis designed to reflect the use of the resource.

Charitable activity costs comprise those costs incurred by the charity in the performance of its productions. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity.

Allocation of support costs

All support costs have been allocated to the one charitable activity.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold improvements	5% Straight line
Equipment	33% Straight line
Fixture and fittings	33% Straight line
Fixtures and fittings - Lighting	10% Straight line
Fixtures and fittings - Seating and Sound System	7% Straight line
Motor vehicles	17% Straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct purchasing costs.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks.

TALL STORIES THEATRE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Foreign exchange

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are recognised on the statement of financial activities.

1.14 Taxation

The charity is not liable to direct taxation on its income as it falls within the various exemptions available to registered charities. The charity is registered for value added tax (VAT) and therefore charges output tax on income where applicable, and reclaims input tax it suffers on its purchases. Income and expenditure in the accounts is therefore shown exclusive of VAT.

1.15 Pensions

Employees of the company and self-employed actors are entitled to join a defined contribution workplace pension scheme.

Contributions made for the accounting period are treated as an expense and were £18,461 (2021: £10,259).

1.16 Government grants

Government grants were received under the Coronavirus Job Retention Scheme designed to compensate for staff costs. Amounts received or receivable are recognised, using the performance model, in the statement of financial activities over the same period as the costs to which they relate.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

There are no judgement or estimates included that would be critical to the financial statements.

TALL STORIES THEATRE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

3 Charitable activities - Theatre productions

	2022 £	2021 £
Theatre productions	945,219	218,373

4 Other trading activities

	Unrestricted funds	Unrestricted funds
	2022 £	2021 £
Income from sale of merchandise	17,144	4,419

5 Investments

	Unrestricted funds	Unrestricted funds
	2022 £	2021 £
Interest receivable	290	1,997

6 Other income

	Unrestricted funds	Unrestricted funds
	2022 £	2021 £
Other income	18,348	68,799

Other income includes amounts received under the Coronavirus Job Retention Scheme as a government grant of £18,348 (2021: £68,799).

TALL STORIES THEATRE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

7 Raising funds

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
<u>Trading costs</u>		
Purchase of merchandise for sale	8,545	1,731
	<u>8,545</u>	<u>1,731</u>

8 Charitable Activities - Theatre productions

	2022	2021
	£	£
Actors and production contractors	269,540	57,422
Travel & subsistence	62,033	7,419
Rehearsal costs	6,691	-
Physical production costs	59,993	7,098
Theatre fees	91,452	7,498
Royalties payable	140,737	47,236
Profit distribution	26,104	7,249
Marketing	48,064	16,880
	<u>704,614</u>	<u>150,802</u>
Share of support costs (see note 9)	431,582	357,155
Share of governance costs (see note 9)	21,071	13,678
	<u>1,157,267</u>	<u>521,635</u>

TALL STORIES THEATRE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

9 Support costs

	Support costs	Governance costs	2022	Support costs	Governance costs	2021
	£	£	£	£	£	£
Staff costs	261,843	-	261,843	243,702	-	243,702
Depreciation	25,008	-	25,008	16,820	-	16,820
Office staff travel and subsistence	13,210	-	13,210	5,493	-	5,493
Motor expenses	6,923	-	6,923	8,186	-	8,186
Insurance	9,198	-	9,198	9,819	-	9,819
Head office costs	60,765	-	60,765	17,241	-	17,241
Other support costs	17,726	-	17,726	5,679	-	5,679
Legal & professional costs	11,103	-	11,103	24,500	-	24,500
Storage costs	25,806	-	25,806	25,715	-	25,715
Audit fees	-	15,375	15,375	-	11,750	11,750
Accountancy	-	5,696	5,696	-	1,928	1,928
	<u>431,582</u>	<u>21,071</u>	<u>452,653</u>	<u>357,155</u>	<u>13,678</u>	<u>370,833</u>
Analysed between						
Charitable activities	<u>431,582</u>	<u>21,071</u>	<u>452,653</u>	<u>357,155</u>	<u>13,678</u>	<u>370,833</u>

All support and governance costs have been allocated to the charity's one charitable activity. As the trading activity is incidental to the charitable activity, only trivial amounts of support and government costs would be attributable to it.

The auditors received £15,375 (2021: £11,750) for audit fees and £5,696 (2021: £1,928) for other accountancy services.

10 Trustees

None of the trustees (or any persons connected with them) received any remuneration, benefits or reimbursed expenses from the charity during the year (2021: none).

11 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Administrative staff	<u>7</u>	<u>7</u>

TALL STORIES THEATRE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

11 Employees (Continued)

Employment costs	2022 £	2021 £
Wages and salaries	232,425	217,491
Social security costs	19,079	17,099
Other pension costs	10,339	9,112
	<u>261,843</u>	<u>243,702</u>

The average number of employees during the year is calculated on the basis of full-time equivalents.

During the year key management personnel, which comprise of 2 artistic directors and 1 executive director, received total employee benefits of £125,279 (2021: £149,622).

The amounts shown for employee costs for 2021 has been reanalysed to show only those individuals who are employed by the charity.

12 Tangible fixed assets

	Leasehold improvements £	Equipment £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 April 2021	172,384	16,943	101,710	36,111	327,148
Additions	-	8,810	4,704	-	13,514
Disposals	-	-	-	(10,730)	(10,730)
	<u>172,384</u>	<u>25,753</u>	<u>106,414</u>	<u>25,381</u>	<u>329,932</u>
At 31 March 2022	172,384	25,753	106,414	25,381	329,932
Depreciation and impairment					
At 1 April 2021	4,310	12,707	4,234	21,306	42,557
Depreciation charged in the year	8,619	3,455	8,704	4,230	25,008
Eliminated in respect of disposals	-	-	-	(10,730)	(10,730)
	<u>12,929</u>	<u>16,162</u>	<u>12,938</u>	<u>14,806</u>	<u>56,835</u>
At 31 March 2022	12,929	16,162	12,938	14,806	56,835
Carrying amount					
At 31 March 2022	<u>159,455</u>	<u>9,591</u>	<u>93,476</u>	<u>10,575</u>	<u>273,097</u>
At 31 March 2021	<u>168,074</u>	<u>4,236</u>	<u>97,476</u>	<u>14,805</u>	<u>284,591</u>

13 Stocks

	2022 £	2021 £
Finished goods and goods for resale	<u>27,967</u>	<u>29,750</u>

TALL STORIES THEATRE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

14 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	72,454	3,975
Other debtors	-	7,848
Prepayments and accrued income	269,676	271,242
	<u>342,130</u>	<u>283,065</u>

15 Current asset investments

	2022	2021
	£	£
Short-term deposits (maturity of more than 3 months but less than 12 months)	350,000	200,000
	<u>350,000</u>	<u>200,000</u>

16 Creditors: amounts falling due within one year

	2022	2021
	£	£
Other taxation and social security	41,468	5,754
Trade creditors	18,449	11,775
Other creditors	2,679	1,207
Accruals and deferred income	158,882	183,952
	<u>221,478</u>	<u>202,688</u>

The income deferred in the current year is £6,060 (2021: £nil) with amounts released in the year of £nil.

17 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022	2021
	£	£
Within one year	51,000	51,000
Between two and five years	153,000	204,000
	<u>204,000</u>	<u>255,000</u>

The lease payments recognised as an expense in the year was £51,000 (2021: £7,283).

TALL STORIES THEATRE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

18 Related party transactions

The Charity uses Shock Productions Limited as composers and sound engineers in some of the productions. One of the directors of Shock Productions Limited is married to one of the key personnel of the charity. The value of services and royalties provided by Shock Productions Limited during the year to the charity amounted to £21,377 (2021: £8,159).

19 Cash generated from operations	2022 £	2021 £
Deficit for the year	(184,811)	(229,778)
Adjustments for:		
Investment income recognised in statement of financial activities	(290)	(1,997)
Depreciation and impairment of tangible fixed assets	25,008	16,820
Movements in working capital:		
Decrease/(increase) in stocks	1,783	(2,349)
(Increase)/decrease in debtors	(59,065)	157,803
Increase/(decrease) in creditors	18,790	(161,121)
Cash absorbed by operations	(198,585)	(220,622)

20 Analysis of changes in net funds

The charity had no debt during the year.