

Company Registration Number: 08658085
Charity Registration Number: 1156472

TAUNTON THEATRE ASSOCIATION LIMITED

(A Company limited by Guarantee)

REPORT OF THE TRUSTEES AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

TAUNTON THEATRE ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Company Number: 08658085

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COMPANY AND CHARITY INFORMATION

Directors and Trustees	Mr. S Berg	
	Mrs V J Berry ^{1,2,3}	(Chair, known as Val Hammond)
	Mr C Cook	
	Mrs V Dawson ²	(Appointed 26 April 2021)
	Mr E F Gaines	
	Ms G H Lawrence	(Resigned 26 April 2021)
	Mr B Lee ¹	
	Mr P B Phillips ³	(Appointed 26 April 2021) (Resigned 21 November 2022)
	Mrs E Milton (Shirley-Smith)	(Resigned 1 July 2022)
	Mr M R Watts	
	Mr N G White	(Resigned 26 April 2021)
	1	Member of Finance Committee
	2	Member of Development and Fundraising Committee
	3	Director of TTA Trading Ltd

Company number 08658085

Charity number 1156472

Key Management Personnel

Chief Executive	Mrs A Bere	(Resigned 22 July 2022)
Executive Director	Mrs V S Hobbs	(Appointed 1 October 2022)

Registered office The Brewhouse Theatre and Arts Centre
Coal Orchard
Taunton
TA1 1JL

Website www.tauntonbrewhouse.co.uk

Auditors A C Mole
Chartered Accountants & Statutory Auditors
Stafford House
Blackbrook Park Avenue
Taunton, Somerset
TA1 2PX

Bankers National Westminster Bank Plc
26-35 Fore Street
Taunton
Somerset
TA1 1JQ

Legal Advisors Foot Anstey LLP
Senate Court
Southernhay Gardens
Exeter
EX1 1NT

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022

The Trustees present their annual report with financial statements of the charity for the year ending 31 March 2022 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act and Charity Commission purposes.

This year, similar to the previous one, was impacted by the Corona-19 epidemic when the charity was closed for periods or operating with social distancing restrictions. We were grateful for financial assistance to ensure our survival. The work and experience of this year is included under Review of the Year, Page 8. The following Administrative Information refers to our standing procedures and practices.

REFERENCE AND ADMINISTRATIVE INFORMATION: Constitution and Structure

Taunton Theatre Association Ltd is a registered Charity, No. 1156472, and a Company limited by guarantee and not having a share capital. Taunton Theatre Association Ltd was incorporated on 20 August 2013 under the Companies Act 2006, Registration No. 08658085. Membership is by invitation from the Board of Trustees and Directors. Upon dissolution of the Company, members guarantee to pay the sum of £10 each. The trustees and directors and principal advisers of the charity and company are listed on Pages 2 and 3 respectively.

Taunton Theatre Association Ltd operates from the Brewhouse Theatre and Arts Centre in Taunton. Although all contracts and other legal documents are as Taunton Theatre Association Ltd, its public face is as Taunton Brewhouse, the building being leased from Somerset West and Taunton Council.

GOVERNANCE AND MANAGEMENT: Governing document and body

The charity's governing documents are its Memorandum and Articles of Association. The governing body of the charity is the Board of Trustees who are also the directors of the company.

Recruitment and training of trustees

New trustees are sought by advertisement with responses reviewed having regard to the overall skill mix required by the Board. Candidates are invited and appointed by the whole Board of Trustees. Induction includes interviews with existing Board members and the Chief Executive and senior staff as appropriate. A new trustee may be appointed to the Board at any time during the year. The appointment is confirmed at the Annual General Meeting.

Organisational Management

The Board is legally responsible for the overall management of the charity and meets quarterly with other meetings as necessary. It currently comprises seven independent trustees who are also Members of the charity. Two non-voting observers nominated by the Local Authority, the owners of the site, (Somerset West and Taunton Council) attend meetings. One-third of trustees submit themselves for re-election each year.

An Executive Director, formerly a Chief Executive, is appointed by the Trustees with responsibility for leadership and management of the charity and attends Board Meetings as senior Officer. To facilitate effective operations, the Executive Director has delegated authority within terms of delegation approved by the Trustees, for operational matters including finance, employment, business development and planning. The Executive Director has oversight of the overall artistic direction of the company which is developed together with the Artistic Programmes Manager.

Standing Committees of the Board meet with appropriate officers at intervals throughout the year. In addition, other committees may be formed from time to time to address issues. Regular meetings of the Board are augmented by an away-day on an annual basis or as necessary.

Lead trustees advise on specific matters, e.g., finance, fundraising, legal matters. Public benefit and risks are discussed by the Board following reports by senior staff.

Pay policy

The Board of trustees and directors consider the salary of the Executive Director who is charged with directing and controlling, running, and operating the charity on a day-to-day basis. The trustees set guidelines for the pay of the senior management team. Pay is reviewed annually to ensure people are rewarded to reflect performance and market rates whilst being mindful of the charity's responsibility to consider its own financial position.

All trustees give of their time freely and receive no remuneration for their Board responsibilities. If contracted to provide a specific service in the work of the Charity, e.g., as a theatre professional, they are paid the appropriate fee.

Related Parties

The Charity's wholly owned subsidiary, TTA Trading Ltd, operates the Brewhouse bar, kiosks, sales of merchandise and art works and the hire of all facilities when not required for the core purpose. It also manages the contract for the provision of the on-site café although COVID and other disruption meant that the café was not operational for 2021-22. Any profits from these activities are transferred to Taunton Theatre Association Ltd by means of a charitable donation. TTA Trading Ltd also pays a service charge to the Charity to cover costs associated with TTA Trading overheads and operating costs.

Risk Management Process

The Board of Trustees is responsible for the management of risks faced by Taunton Theatre Association Ltd. The Trustees are assisted by the Executive Director and Senior Team in identifying, assessing, and controlling these risks.

Risks are categorised under People, Finance, Public Policy, Security, Building Works and Redevelopment, Artistic Programme, Leadership, Governance, Operations, Public Relations, Business Continuity and Regulatory Matters and are assessed for likelihood and impact with mitigating actions.

Business Plans are approved by the Trustees and performance against plans is reported in Heads of Department quarterly reports. Additionally, SWTC Observers attend TTA Board Meetings to keep updated as (Landlord and Grant Funder) on TTA's situation and performance.

OBJECTS AND AIMS

Charity objects

Taunton Theatre Association's formal objective is:

- The advancement of education for the public benefit through the promotion and encouragement of the performing arts, the creative arts, and the visual arts by such means as the directors shall think fit, with reference to (but without limitation) the County of Somerset.

Aims and intended impact

Based on our 5-year strategic plan 2021-2026 our operational vision, mission and values stand alongside our rebranding as Taunton Brewhouse.

Our Vision

We imagine a future where people and communities are liberated through artistic expression, becoming connected and considered equal. Our vision is that in the future, people from all over the world will fondly remember TAUNTON BREWHOUSE.

Our Mission

Since 1977, TAUNTON BREWHOUSE has existed to welcome people locally and globally, to enjoy and participate in a liberating programme of bold and brilliant artistic and creative experiences that inspire and transform our individual and shared experience of the world.

Our Values

Our four new values are at the heart of all that we do. These values are seen and felt through the spirit and attitude of our people, programme, and creative community building confidence in Taunton Brewhouse as an inspiring and generous place to visit and work.

- **Welcoming** – we value open hearts, open minds, and welcome all to Taunton Brewhouse
- **Bold** – We value bold artists and bold ideas, inspiring locally and globally
- **Collaborative** – we believe meaningful collaboration can change the world; we work together to create, play and learn
- **Resilient** – We are committed to remaining Taunton's enduring centre for creative excellence.

How we achieve our purpose

The purpose of Taunton Theatre Association is achieved through holding the lease for Taunton Brewhouse and offering at and from that base for the benefit of the public:

- Programme of high-quality, diverse live performance
- Delivering a learning and participation programme known as 'Learn'
- Offering Youth Theatre to build and foster artistic talent
- Producing an annual Christmas musical in the main house
- Screening regular and event cinema
- Curating and presenting visual arts and crafts exhibitions
- Contributing activities for Brewhouse specific and other Taunton festivals
- Supporting artists, particularly those in the SouthWest to research and develop new work.

Our people

Amy Bere, Chief Executive, led the Brewhouse team during the period of this report – a time of continuing challenge with ongoing impact from COVID19 but also a time of progress and strategic development. She was supported by a Senior Leadership Team comprising managers of Artistic Programmes, Creative Engagement (Learn), Marketing and Development, Technical and Facilities, Operations (Front of House) and Finance and Administration. Amy Bere has since been succeeded by Vickie Hobbs, now as Executive Director.

Our employees: Our core employed team reports to the managers identified above. They include Theatre Technicians, Box Office, Finance and Marketing staff, Duty Managers and our Volunteer Coordinator. They perform at a high level whilst also giving guidance and training to our volunteers. The employed team volunteer outside their paid area of expertise, expressing our strong belief in volunteering. We value enormously their work and contribution.

Our volunteers: Our team of c100 volunteers provide vital support for our work. Volunteers contribute by taking part in Front of House, Bar, Marketing and Technical/Back-stage and help also with repairs and redecoration and often act as our ambassadors. We are immensely grateful to them.

Our facilities:

The theatre buildings date from 1977 with later additions and are attached to an 18th century house. We benefit from being able to use these facilities which are owned by Somerset West and Taunton Council for the benefit of the community. Because of the unique character of the building, a commercial value is difficult to define although it represents a real contribution to public support for the arts in Taunton.

PUBLIC BENEFIT

Our public benefit offers education, inclusion, and wellbeing through the provision of cultural and arts engagement for all ages.

Our beneficiaries

This year again saw COVID impact on the performance of TTA Taunton Brewhouse. The theatre was closed for April through to 18 May with social distancing and masked audiences continuing with inevitable impact on audience and participant numbers. We offered a full programme when that was permitted and continue to rebuild our audience although this is work in progress. The impact is shown in the table below which illustrates progress to full recovery with still some way to go.

TAUNTON THEATRE ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Company Number: 08658085

YEAR	2018-19		2019-20		2020-21		2021-22	
EVENT	Events	Attendance	Events	Attendance	Events	Attendance	Events	Attendance
Live Performances (MA & Studio)	203	43,707	183	41,116	8	413	191	28,009
Learn/ Activities	704	8,516	730	8,205	396	3,268	420	2,546
Exhibitions	9	7,200	9	2,300	4	2,098	3	Est 1,000
Cinema Live Transmissions	42	4,770	54	7,423	29	1,097	5	185
Cinema Screenings	81	7,489	74	6,345	28	588	52	2,393
Other/2020 Digital	4	350	-	-	10	N/K	-	-
Total	1,043	72,032	1,050	65,389	475	5,366	671	33,133

Notes:

2018-19 The Ann Frank exhibition was exceptional, attracting significant attendance from schools and more generally.
 2020-21& 2021-22 Exhibition attendees are drawn from those attending theatre for performance, thus they are excluded from the total as this could involve double counting. Numbers exclude viewers of digital art gallery and digital programmes.

The opportunity to benefit

We aim to keep prices at affordable levels and offer further benefits through our Friends Scheme. In normal years and where performing companies permit, we offer reduced price or multi-tickets to increase access. We work with schools and colleges to bring young people to the arts either by attending shows or by bringing their own work to the theatre. Our 'Mini Friend' (age 2-15) and 'Young Friend' (age 16-25) offer reduced fee Membership and benefits to encourage participation at these ages. We offer a Christmas performance with BSL interpretation and aim to adapt productions on request to make them fully accessible.

Attendance at exhibitions is free to all as is participation in activities at festivals throughout the year.

REVIEW OF THE YEAR 2021-22

The way our organisation was affected by COVID19 and how our policies were interpreted in the year ending 31 March 2022 is set out in this Review of the Year.

The year began with restrictions still in place due to the COVID19 pandemic. Taunton Brewhouse was closed until 18 May and then only allowed to operate with masks and social distancing in place. Although this measure was relaxed from 19 July, the situation continued to affect our operation as audience numbers remained small. On 10 December advice on mask wearing was resumed and made compulsory on 15 December affecting Christmas festivities. It was not until Spring 2022 that numbers started to grow.

Staff continued to work and secure new work to meet the cultural needs of our community in difficult conditions although this has had an impact on our financial situation.

Performance

Live performance is at the heart of our programme and includes drama, music, dance, family shows and comedy. Even at the most difficult times, there were audiences for all genres but few full houses. Nonetheless, performers expressed appreciation that we were open for them, and audiences gradually became more confident. As always there were many shows for families and young children including 'What the Ladybird Heard', and 'The Tiger who came to Tea', as well as music events ranging from Ralph McTell to Seven Drunken Nights and comedians including Mark Watson and Count Arthur Strong. We were pleased to work in partnership with Somerset Museum and Somerset Archaeological and Natural History Society to bring performances of 'A Midsummer Night's Dream' with The Pavilion Theatre to the idyllic surroundings of the Taunton Castle grounds. These regular offerings encouraged our aims to grow new stands of work: alternative comedy and original contemporary theatre. A particular success of the latter was based on the heroic tale of a sea rescue in 1899 involving hauling the lifeboat 'Louisa' from Lynmouth over the hills to Porlock to reach a sinking vessel. This was again offered in conjunction with The Pavilion Theatre.

Our Christmas Show, 'Wind in the Willows', a year-round activity in making and production, was well-received. Retailers in the town supported the show with characters hidden within their window displays, part of a competition, whilst Character Graphics and Stella Creations were corporate sponsors. Coates Willow kindly created a willow boat with Ratty, as part of the Winter Wonderland Exhibition. Thanks to finance from the Cultural Recovery Fund, we were also able to film 'Wind in the Willows' to stream to children at Musgrove

Hospital and to make it available for purchase on-demand elsewhere. The show was offered with BSL interpreted, audio described and relaxed performances. The cast included a deaf performer which led to our sourcing deaf awareness training for staff. Although the show did not achieve its financial target, the artistic quality was very high, it offered great youth engagement through work with professionals and wide-ranging audience involvement across the spectrum of accessibility.

Cinema and Event Cinema

Our curated cinema continued to attract audiences for a wide variety of films, many award-winning. During the year we introduced 'Movie Mondays' – an additional morning showing at affordable prices where those attending meet friends for coffee and a snack – which has proved very popular with local people. We continue to appreciate the assistance of our Cinema Advisers, Eddie Gaines and Andy Childs in building this programme.

Exhibitions

Exhibitions during the year included 'eARTH' with Somerset Art Gallery Trust (SAGT); Somerset Acquainted: Community which was curated by Somerset Art Weeks; 'A Winter Wonderland' to support our Christmas Show and in partnership with GoCreate and Coates Willow. We much appreciate that Freeny Yianni of Close House continues to offer support for art at Taunton Brewhouse.

Creative Engagement: Learn

Digital and blended learning featured across our programme of activities and enabled us to offer cultural interaction even when the pandemic made in-person sessions difficult or impossible. People were welcomed back into the building in June and one-off workshops on performance storytelling and painting sold out immediately. Blended classes using a mix of in-person activity and on-line for those unable to travel in continued despite the challenges to those leading the sessions. Overall, the mix of activities was maintained with dance, singing, contemporary craft making and youth theatre.

Artist Development

An important new strand in our work aims to develop the work and skills of those developing new performing arts in our Region. We are very grateful for the support of the Garfield Weston Foundation in making this work possible and for funds from Cultural Recovery Fund II which also enabled us to give space and seed funding to artists/companies to develop new ideas.

The Garfield Weston Foundation funds enabled us to launch the Distillery Artist Development Programme and to award commissions for new shows including 'SouthWestern' by The Wardrobe Ensemble that uses the tropes of cinema westerns to tell a story about the SouthWest.

The Distillery is a multi-strand programme with opportunities for regional artists to develop their practice and explore creative ideas. Elements included a 'Distillery Takeover' where artists develop new performance work across a week, performing extracts at the end with feedback from other artists and audiences; Distillery Writers where writers meet weekly and are mentored to develop skills in writing for performance. A script reading service saw writers receive critical feedback from professional writers and editors. 'Scratch Nights' presented work in progress with professional actors from across the region.

Similarly, we worked with Take Art (ACE NPO) to present BARNFest – a two-day event for SouthWest venues and artists to come together to share work and ideas about how the creative industries can develop in this Region.

Audience Development and Access

Keeping in contact with our audience was key during this challenging year but we also moved forward by embedding our new branding 'Taunton Brewhouse', in developing our new website, and building partnerships with organisations in the district. We introduced customer-friendly timing of events such as the Movie Mondays mentioned earlier and maintained our commitment to reducing barriers to access. This ranged from installing a hearing loop in the Box Office to improve communication with those who are deaf, to providing accessible productions.

We relaunched our Friends Scheme introducing Mini and Young Friends to encourage participation from early age. We invited Schools to join as School Friends, and others as Best Friends or Soul Mates. This scheme together with its range of benefits is steadily building support.

Grants, Sponsorship and Fundraising

Grants were critical in underpinning activities during the year as our programme experienced continuing intermittent closures and restrictions due to social distancing and therefore reduced audience numbers due to COVID19. It proved difficult to earn at previous levels. We were grateful to Arts Council England, Garfield Western Foundation and Future Arts for their grants, to Somerset West and Taunton Council for their essential core funds and generous support as well as for grants made possible by Government programmes. As mentioned, these grants enabled survival and innovation and, through the choices we made, to support arts both in Taunton and more generally in the SouthWest to develop new work for benefit of all. We are immensely grateful to all our funders.

Business and individuals supported us in other ways, choosing to advertise in our brochures, providing services or loaning equipment and, when it became possible again, choosing to hire our facilities. They make an invaluable contribution.

Many individual supporters made personal donations through the year for which we thank them most sincerely. This makes a real contribution both financially and to the confidence in the staff team.

During the year we formed a Development Committee which is actively pursuing a strategy to raise the funds we need to reinvest in our premises as well as in our work.

The charity does not use professional fundraisers or commercial participators. There were no complaints regarding fundraising. The trustees confirm that their fundraising is compliant with the recognised standards of fundraising.

Investment in the facilities

Work continued in-house on renewal and refurbishment of public areas and backstage with work on the lighting desk and emergency lighting along with repairs associated with an older building.

There were continuing access issues for the theatre due to further delays in contractors completing work on the adjacent site at Coal Orchard. This inhibited plans for the renewal of the Taunton Brewhouse café which was thus inoperable for 2021-22 and into year 2022-23, thus affecting trading income. It is hoped that will be possible to resume work on the café before the end of 2022-23.

FINANCIAL REVIEW

Closure of the premises for periods during the year along with the continuing impact of social distancing for much of the year is reflected in our charitable earnings. There was a significant recovery from the previous year with charitable income totalling £534,571 as against £40,102 in 2020-21. This represents good progress. However, the charitable income for 2021-22 were only just over half those achieved in our last year of regular operation (2019-20) when charitable income totalled £1,038,000.

Although there was a reduction in the cost of mounting the charitable programme from 2019-20, saving £172,000, it proved not possible to cut costs further without limiting our ability to provide the programme necessary to rebuild our audience. At the same time, lower audience numbers affected the performance of TTA Trading and this, in turn, meant that it was unable to make its usual donation to the Charity. As a result, 2021-22 shows a shortfall of £240,345, such sum being funded through our reserves.

The Directors judged it prudent to maintain our staff resource to ensure there is the capacity to continue to grow the programme and the charity as we recover fully from the pandemic and on into the future.

We continued to receive a grant from Somerset West and Taunton Council which contributed to our core costs, as well as COVID alleviation funds from other Government sources including the Cultural Recovery Fund administered by Arts Council England. Funds from Garfield Weston Culture Fund enabled us to fund a completely new programme of work – the Distillery Programme – which aims to develop artists across the SouthWest.

We are immensely grateful for the assistance of all our funders through this most difficult period.

RISKS

Our risks policy is managed by Senior Management with Board oversight as set out in our Risk Management Process on page 5 of this report.

Highest rated risks at the start of the year were:

- The continuing impact of COVID-19 with enforced closure of the Theatre to the public for substantial periods and/or the requirement for social distancing severely inhibiting earning potential. This was mitigated to some extent by the DFCS Cultural Recovery Grant and other grant funds. However, the need to build a programme with the costs involved created a latent risk if audience numbers did not recover quickly.
- The impact of the adjacent Coal Orchard development. Work again fell seriously behind schedule during the year and stopped when the Developer went into Administration. The work has been taken forward by Somerset West and Taunton Council but is still not complete and continues to impact negatively on the environment for Taunton Brewhouse. The current estimate is that this work will complete during Autumn 2022.
- Major change in the structure and organisation of the local authority. From 1 April 2023 there will be a new Somerset Council replacing the four District Councils and the County Council. From May 2022 a shadow Council has been in place planning for this change whilst day-to-day operations remain with the District Council. There are also plans for a new Taunton Town Council from April 2023. At time of writing there is no information about which Council will have responsibility for the Brewhouse building nor about grant funding although the previous administration of Somerset County Council gave an undertaking that all charities would be funded in the first year of the new authority at their current level. This is a risk we are working with as we seek to build appropriate new relationships and understanding.

Risks that emerged during the year were:

- the ability to manage the workload of staff during today's economic conditions so that they can continue to perform at a high level without risk to health and wellbeing
- the ability to continue to attract sufficient revenue to support operations and subsidise the cultural offer. We have increased our time devoted to raising funds
- the ability to generate income through our trading subsidiary and to ensure we maximise all opportunities to earn throughout the day. Work to alleviate this risk is ongoing

RESERVES POLICY

Taunton Theatre Association Ltd maintains reserves to underpin the financial stability of the company and mitigate financial risk. The intent of the Reserves Policy is to replenish released reserves and to maintain the reserve balance at six months expenditure, excluding theatre costs. The aim is to hold unrestricted reserves of £200,000 plus £50,000 for designated projects with £50,000 for capital expenditure and a restricted reserve balance as dictated by grant conditions. As at 31 March 2022, the total reserves for the Group and Charity were £119,814.

Free reserves therefore fell short of the policy. Work is ongoing to rebuild the reserves through careful management of resources. Meanwhile, we aim to live within our earned income.

POST BALANCE SHEET EVENTS

After the year-end, in July 2022 our Chief Executive, Amy Bere, decided to leave venue management to pursue a university career. Senior managers stepped up as the Interim Leadership Team whilst Trustees reappraised the management structure, opting for a collegiate style with an Executive Director taking responsibility for the business side of the charity and supporting the Artistic Programmes Manager on artistic direction. After open competition, Vickie Hobbs, formerly Head of Finance at the charity was appointed as Executive Director in October 2022.

At the same time, the organisation experienced continuing challenges to its recovery following the COVID closures and the resultant general worsening of the economic situation. These included:

- negative impact from activity on the adjacent site at Coal Orchard since, through no fault of the site owner, SWT Council, this work was considerably delayed. It meant the theatre had low physical visibility and virtually no passing footfall for three years. This, in turn, impacted on our trading income as well as ticket income

- increased costs of contracting performing companies who themselves had experienced significant challenges through the pandemic. This resulted in increased costs whilst income was still in recovery mode resulting in limited opportunity to raise prices
- slow return of audience members following the COVID experience and, later, the impact of the cost-of-living crisis
- lower audience numbers plus loss of footfall resulted in reduced opportunities for trading income
- despite strenuous efforts, limited success in attracting grants and similar funds due to higher competition during this period.

These financial challenges have resulted in the organisation relying on its own resources. Inevitably this has meant that it could not rebuild its reserves as planned but instead has had to call on them.

Since the year end, these ongoing challenges resulted in TTA generating a net operating loss of £138,000 in the 9 months between 1 April and 31 December 2022. This further depleted reserves after the balance sheet date, with reserves then being depleted.

As a result of these financial difficulties, TTA sought the assistance of its landlord and major funder, SWTC. This has resulted in an additional grant essentially to assist in rebuilding the reserves and ensure ongoing viability. This grant is subject to approval of the regular annual grant by the new Somerset Council in February 2023.

Earlier, a small government grant provided ear-marked funds for our Trading operation to redevelop its facilities and with Coal Orchard open, this work is now going ahead enabling us to resume a day-time catering offer. Trials are already underway, and we look forward to rebuilding this area of activity in future whilst acknowledging that, in the short-term, donations from Trading will be less than in earlier years. We will however continue to receive some income from Trading due to payment of its management fee.

Management have prepared forecasts for the 22/23 and 23/24 financial years, which indicate that the financial position will remain extremely challenging. Forecasts, following the Christmas show, indicate that results from operating activities will lead to a net loss of £139,000 for the financial year ending in March 2023 in and an operating surplus of £46,000 in 23/24 – before taking into account the forecast charitable donation from TTA Trading, Theatre Tax Credits and the additional SWTC grant funding.

We adhere to our 'pay on terms policy' and have no overdue debts.

GOING CONCERN

The financial statements have been prepared on a going concern basis, which assumes the charity and group will continue in operation for a period of at least twelve months from the date of authorisation of the financial statements and have sufficient funds to pay debts as and when they fall due.

Recovery from the impact of the pandemic was supported by grant funds and actions were taken to rebuild audience confidence even though, due to delays to the Coal Orchard development, this is taking longer than anticipated. The potential for re-emergence of COVID-19 or a variant continues although vaccinations and similar measures should reduce severity.

However audience numbers and therefore income have not yet returned to pre-pandemic levels and the Theatre has incurred further losses from operating activities and further depleted reserves since the balance sheet date.

Tighter management controls have been implemented with more frequent oversight by the Trustees who currently meet monthly with weekly updates. This will ensure swift remedial action should that be required due to action outside our control such as the impact of the cost-of-living crisis on arts more generally. At present, although it is clear that tickets are frequently purchased very close to performance, our forward sales continue to grow.

The Theatre continues to face a number of significant financial uncertainties which include:

- Approval of the additional SWTC grant funding, which is subject to the new Council approving the annual budget for the Theatre in February 2023
- The reduced level of income generated by 2022 Christmas show
- The ability to rebuild visitor numbers to generate sufficient income to cover costs, particularly in light of the ongoing cost of living crisis

- The level of income generated by the trading subsidiary.

If the additional SWTC grant funding is not confirmed, the charity and group is unlikely to have sufficient funds to continue in operational existence.

In addition, if actual income generated differs to those forecasts, the charity does not have sufficient reserves to enable it to sustain further losses due to reserves having depleted.

These factors indicate that there is a material uncertainty that may cast doubt on the ability of the charity and group to continue as a going concern.

Management and Trustees have prepared forecasts which indicate that, if the additional grant funding is confirmed, the charity should have sufficient cash available to continue to operate and the financial statements have therefore been prepared on a going concern basis.

Nevertheless, as indicated earlier, our reserves have been eroded and, before income from our Trading activities and receipt of Theatre Tax Credit, our current forecasts indicate a loss in the current financial year.

While there is a material uncertainty that may cast doubt upon the ability of the charity and group to continue as a going concern, the Trustees and Management Team are confident that they can manage resources to maintain the charity and delivery of art and culture in ways appropriate to emerging situations.

FUTURE PLANS: REBUILDING THE OPERATION, POST PANDEMIC

Taunton Brewhouse continued to weather the storm of a global pandemic that saw the venue's doors close for the majority of 2020-21 and intermittently through 2021-22. Our major funders continued to invest in the organisation's future as a key figure in our Region's cultural recovery – a testament to its position as a significant creative hub in SouthWest England that is positively commented upon by local and touring companies.

Our plans to 2026 will continue to develop the artistic programme at the venue and beyond, fully optimising our built resources whilst developing ways to reach out into our community and region to take the Brewhouse brand beyond its home base in Taunton.

We will continue to take every opportunity to welcome people to Taunton Brewhouse and will maintain and develop our diverse income streams. We will rebuild our daytime offer with activities and exhibitions and selected performances to promote wider access. We will continue with our redevelopment of our public spaces inside and, using the opportunities outside in the redeveloped Coal Orchard to create spaces that residents and visitors to the town can enjoy whether or not they are engaging with our creative programme. We will be a space that artists regularly visit to develop ideas and concepts, which we will share with audiences.

The artistic vision for Taunton Brewhouse will further grow and develop. The Main House will drive ticket sales. We will bring the best of UK touring from the country's most significant companies to Taunton presenting original music, plays and comedy as well as the best of independent film, restored classics and event screenings from the most important world stages to the cinema. Simultaneously, we will continue to welcome community companies and schools/colleges to perform in our venue. We will use our creative hub and other spaces for learning and creativity for adults and young people that is embedded in all areas of our activity.

Beyond our building we will maintain links with those who cannot travel to Taunton Brewhouse, using digital transmission to share work developed here. We will work in strategic partnerships with others to present performance in other spaces and venues across the region.

Specifically, In the second year of our five-year strategy we will:

- embed our new organisational structure which sees our Executive Director working closely with the artistic manager to both develop our work and bring an enhanced business focus to our operation
- focus our fundraising and development strategy on increasing our financial resilience given changes in the economic climate and in local government and to build support for essential refurbishment of facilities and equipment
- continue to embed our new identity as Taunton Brewhouse through branding and logos on our building and materials.
- Determine our food and beverage offer in the light of developments at Coal Orchard.

- review the Distillery Programme with local and regional artists with a view to maintaining and developing this strand of our work with benefits across the Region
- Strengthen our communications and audience development plans through improved communications across our catchment area and with our different internal communities

Cross-cutting themes within our plan speak to global needs: the Climate Emergency, ongoing social injustices that perpetuate division in our society and the need for strong, engaged and fulfilled intergenerational communications. We will engage with these issues and explore ways to embed learning and evaluation to measure our progress within our civic role as an arts organisation, always mindful of the need to reflect the 10-year strategy for Arts as published by Arts Council England in January 2020. Over the years to 2026, we aim to position Taunton Brewhouse as a regional venue, rooted in place with a national reputation for artistic excellence.

INDEMNITY PROVISION FOR TRUSTEES/DIRECTORS

Charity Trustees Insurance is in place for the benefit of all trustees/directors of the company.

AUDITOR

Our Auditor, A C Mole, initially appointed in March 2018 and reappointed annually, has carried out the Audit this year. A resolution to re-appoint A C Mole as Auditors for the 2022-23 will be proposed at the Annual General Meeting.

Statement of disclosure of information to auditor

The Trustees, who were in office at the date of approval of these accounts, have confirmed that, as far as they are aware, there is no relevant audit information of which the Charitable Company's Auditor is unaware and that they have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant information and to establish that the Auditor is aware of that information.

THANKS

We thank Amy Bere who served as Chief Executive during 2021-22, leaving in July 2022 having made a significant contribution in her time with Taunton Brewhouse. We welcome Vickie Hobbs to her post as Executive Director from October 2022 and look forward to working with her in her new role where she brings a financial and business perspective alongside arts.

We thank our Brewhouse Team: managers, staff and volunteers, and our specialist advisers who work with us to deliver a rich and exciting programme of cultural offers for our community. We are proud of their achievements, especially in the continuing challenging times.

We thank our funders, sponsors, donors, and our patrons and participants for their support, encouragement, and enthusiasm throughout the year. Without this vital support, we would not exist.

Finally, I thank my colleagues on the Board for their continuing work, support, and enthusiasm for our work which is so much appreciated.

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The charity trustees (who are also directors for the purposes of company law) are responsible for preparing a Trustees' Annual Report (incorporating the directors' report) and financial statement in accordance with applicable law and UK 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).

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 charitable company and the group and of the income and expenditure, of the charitable group 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 judgments and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departure disclosed and explained in the financial statements; and
- Prepare the financial statement 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 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant information and to establish that the examiner is aware of that information.

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

The financial statements, which incorporate the Report of the Trustees and Trustees Responsibility Statement are approved by the board in their meeting on ... 13 January 2023 ... and signed on its behalf by:

V J Berry

Valerie J Berry (Val Hammond)
Chair

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF TAUNTON THEATRE ASSOCIATION LIMITED

Opinion

We have audited the financial statements of Taunton Theatre Association Limited (the parent charitable company") and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cashflows 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 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 group's and the parent charitable company's affairs as at 31 March 2022 and the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 group 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.

Material uncertainty related to going concern

We draw attention to note 1 in the financial statements which indicates that the Theatre has generated further operating losses and depleted reserves since the balance sheet date, in addition to facing a number of significant financial uncertainties include the approval of the additional grant funding.

As stated in note 1 these events or conditions, along with other matters set out in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the company and group's ability to continue as a going concern.

Our opinion is not modified in this matter.

Other information

The other information comprises the information included in the annual report, including the trustees' 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF TAUNTON THEATRE ASSOCIATION LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company 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.

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 20084 require us to report to you if, in our opinion:

- adequate and proper 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 the trustees

As explained more fully in the statement of trustees' responsibilities, 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 they 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's responsibilities for the audit of the financial statements

The trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly, we have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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.

Identifying and assessing potential risks of material misstatement due to irregularities

We considered the following when identifying and assessing risks of material misstatement due to irregularities, including fraud and non-compliance with laws and regulations:

- the legal and regulatory framework in which the charitable company operates
- the sector in which the charitable company operates
- the control environment and controls established to mitigate such risks
- the results of our enquiries of management about their identification and assessment of risks of irregularities
- discussions with the audit engagement team about where fraud might occur
- the incentives for fraud.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF TAUNTON THEATRE ASSOCIATION LIMITED

Laws and regulations which are considered to be significant to the charitable company include those relating to the requirements of financial reporting framework FRS102, the Companies Act 2006, the Charities Act 2011, UK tax legislation, employment law and health and safety. In addition, we consider other laws and regulation which may not directly impact the financial statements but may impact on the operation of the charitable company.

As a result of these procedures we concluded, in accordance with International Auditing Standards, that a risk in relation to the potential for management override of controls existed.

Audit responses to risks identified

We undertook audit procedures to respond to the risks identified, and designed our audit testing to respond to these risks. The additional procedures we undertook included the following:

- gaining an understanding of the charitable company's procedures for ensuring compliance with laws and regulations
- testing the appropriateness of journal entries and other adjustments
- considering whether accounting estimates were indicative of potential bias
- considering whether any transactions arose outside the normal course of business
- making enquiries of management
- corroborating our enquiries through review of Board Minutes and correspondence.

We also communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indicators of fraud or non-compliance with laws and regulations throughout the audit.

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 auditor's report.

Opinions on other matters prescribed by the Companies Act 2006

The previous year's financial statements were not audited as the company was exempt from audit as it qualified as a small company. As such the comparative figures within the current year's financial statements are not audited.

Use of our report

This report is made solely to the Charity's trustees, 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 Charity's trustees 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 charity and the Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Alexandra Shore

Alexandra Shore FCA DChA
Senior Statutory Auditor
For and on behalf of A C Mole
Chartered Accountants and Statutory Auditors
Stafford House
Blackbrook Park Avenue
Taunton
Somerset
TA1 2PX

A C Mole is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

13th January 2023

TAUNTON THEATRE ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Company Number: 08658085

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(including Consolidated Income and Expenditure Account)
FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted Funds	Restricted Funds	Total Funds 2022	Unrestricted Funds	Restricted Funds	Total Funds 2021
		£	£	£	£	£	£
Income							
Donations		13,262	-	13,262	11,669	-	11,669
Charitable Activities							
Grants	2	159,500	119,398	278,898	146,500	354,943	501,443
Ticket Sales							
Performance Revenue		483,393	-	483,393	10,699	-	10,699
Cinema Revenue		25,141	-	25,141	3,742	-	3,742
Learning and Participation		26,037	-	26,037	25,661	-	25,661
Other Trading Activities	3	74,742	-	74,742	9,387	-	9,387
Investment Income		127	-	127	111	-	111
Other income	4	51,282	-	51,282	61,806	-	61,806
Total Income		833,484	119,398	952,882	269,575	354,943	624,518
Expenditure							
Charitable Activities	5	858,051	276,899	1,134,950	241,524	247,030	488,554
Cost of Other Trading Activities		58,277	-	58,277	9,474	-	9,474
Total Expenditure		916,328	276,899	1,193,227	250,998	247,030	498,028
Net (Expenditure)/Income		(82,844)	(157,501)	(240,345)	18,577	107,913	126,490
Tax		-	-	-	(1,801)	-	(1,801)
Net Movement in Funds		(82,844)	(157,501)	(240,345)	16,776	107,913	124,689
Total Funds Brought Forward		200,658	159,501	360,159	222,840	12,630	235,470
Transfer		2,000	(2,000)	-	(38,958)	38,958	-
Total Funds Carried Forward		119,814	-	119,814	200,658	159,501	360,159

The statement of financial activities includes all gains and losses in the year.
The notes on pages 21 to 33 form part of these financial statements.

TAUNTON THEATRE ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Company Number: 08658085

CONSOLIDATED AND CHARITY BALANCE SHEETS AS AT 31 MARCH 2022

		2022		2021	
	Notes	Group £	Charity £	Group £	Charity £
Fixed Assets					
Tangible Assets	9	14,434	12,989	9,421	8,405
Investments	10	-	1	-	1
		<hr/>	<hr/>	<hr/>	<hr/>
		14,434	12,990	9,421	8,406
Current Assets					
Stocks		4,273	-	1,812	-
Debtors	11	114,247	108,965	22,516	28,151
Cash at bank and in hand		286,381	276,852	523,419	516,441
		<hr/>	<hr/>	<hr/>	<hr/>
		404,901	385,817	547,747	544,592
Creditors:					
Amounts falling due within one year	12	(299,521)	(289,888)	(197,009)	(200,306)
		<hr/>	<hr/>	<hr/>	<hr/>
Net Current Assets		105,380	95,929	350,738	344,286
		<hr/>	<hr/>	<hr/>	<hr/>
Net Assets		119,814	108,919	360,159	352,692
		<hr/>	<hr/>	<hr/>	<hr/>
The Funds of the Charity					
Unrestricted funds	13	119,814	108,919	200,658	193,191
Restricted funds	13	-	-	159,501	159,501
		<hr/>	<hr/>	<hr/>	<hr/>
Total Charity Funds		119,814	108,919	360,159	352,692
		<hr/>	<hr/>	<hr/>	<hr/>

The notes on pages 21 to 33 form part of these financial statements.

BALANCE SHEETS AS AT 31 MARCH 2022 (continued)

The trustees acknowledge their responsibilities for:

- (a) ensuring that the group and company keep accounting records which comply with Section 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the group and company as at the end of each financial year and of the group's profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company and group.

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

Approved by the Trustees and Directors and signed on its behalf by:-

..... V J Berry Valerie J Berry (Val Hammond)

..... E Gaines Eddie Gaines

Date: 13 January 2023

TAUNTON THEATRE ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Company Number: 08658085

STATEMENTS OF CASHFLOWS AS AT 31 MARCH 2022

Notes	2022		2021	
	Group £	Charity £	Group £	Charity £
Cashflows from operating activities				
Net cash provided by operating activities 18	(226,495)	(229,881)	165,809	186,407
Cashflows from investing activities				
Purchase of tangible fixed assets	(10,670)	(9,835)	(1,109)	-
Interest received	127	127	111	111
Net cash (used in)/generated by investing activities	<u>(10,543)</u>	<u>(9,708)</u>	<u>(998)</u>	<u>111</u>
Net increase in cash and cash equivalents	(237,038)	(239,589)	164,811	186,518
Cash and cash equivalents at beginning of year	523,419	516,441	358,608	329,923
Cash and cash equivalents at end of year	<u>286,381</u>	<u>276,852</u>	<u>523,419</u>	<u>516,441</u>

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are as follows:

1.1 Company Information

The charitable company is incorporated in England and Wales under registration number 08658085 and is registered with the Charity Commission under charity number 1156472. The registered office is The Brewhouse Theatre and Arts Centre, Coal Orchard, Taunton, Somerset, TA1 1JL. It is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited £10 per member. As at 31 March 2022 there were 15 members.

1.2 Basis of Preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statements 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 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.

Taunton Theatre Association Limited meets the definition of a public entity under FRS 102.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless stated otherwise within these notes.

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

1.3 Going Concern

The financial statements have been prepared on a going concern basis, which assumes the charity and group will continue in operation for a period of at least twelve months from the date of authorisation of the financial statements and have sufficient funds to pay debts as and when they fall due.

Recovery from the impact of the pandemic was supported by grant funds and actions were taken to rebuild audience confidence even though, due to delays to the Coal Orchard development, means this is taking longer than anticipated. The potential for re-emergence of COVID-19 or a variant continues although vaccinations and similar measures should reduce severity.

However, audience numbers and therefore income have not yet returned to pre-pandemic levels and the Theatre has incurred further losses from operating activities and further depleted reserves since the balance sheet date.

Tighter management controls have been implemented with more frequent oversight by the Trustees who currently meet monthly with weekly updates. This will ensure swift remedial action should that be required due to action outside our control such as the impact of the cost-of-living crisis on arts more generally. At present, although it is clear that tickets are frequently purchased very close to performance, our forward sales continue.

The Theatre continues to face a number of significant financial uncertainties which include:

- Approval of the additional grant funding, which is subject to the new Council approving the annual budget for the Theatre in February 2023
- The level of income which the 2022 Christmas show will generate
- The ability to rebuild visitor numbers to generate sufficient income to cover costs, particularly in light of the ongoing cost of living crisis
- The level of income generated by the trading subsidiary.

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies (continued)

1.3 Going concern (continued)

If the additional grant funding is not confirmed, the charity and group is unlikely to have sufficient funds to continue in operational existence.

In addition, if actual income generated differs to those forecasts, the charity may not have sufficient reserves to enable it to sustain further losses due to reserves having depleted.

These factors indicate that there is a material uncertainty that may cast doubt on the ability of the charity and group to continue as a going concern.

Management and Trustees have prepared forecasts which indicate that, if the additional grant funding is confirmed, the charity should have sufficient cash available to continue to operate and the financial statements have therefore been prepared on a going concern basis.

Nevertheless, as indicated earlier, our reserves have been eroded and, before income from our Trading activities and receipt of Theatre Tax Credit, our current forecasts indicate a small loss in the current financial year.

While there is a material uncertainty that may cast doubt upon the ability of the charity and group to continue as a going concern, the Trustees and Management Team are confident that they can manage resources to maintain the charity and delivery of art and culture in ways appropriate to emerging situations.

1.4 Basis of Consolidation

These financial statements consolidate the results of the Charity and its wholly owned subsidiary, TTA Trading Limited, on a line by line basis. The "Group" heading within the balance sheet refers to the consolidated accounts of Taunton Theatre Association Limited and TTA Trading Limited. All intra-group transactions are eliminated on consolidation.

In the parent company financial statements the investment in the trading subsidiary is accounted for at cost less impairment.

A separate Statement of Financial Activities or income and expenditure account, for the Charity itself has not been presented because the Charity has taken advantage of the exemptions afforded by Section 408 of the Companies Act 2006. The deficit in the year for the charity was £243,773 (2021: surplus £142,786). Note 10 gives details of the results of the subsidiary undertaking for the year to 31 March 2022.

1.5 Fund Accounting

Unrestricted income funds are available for the general purpose of the charity 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 income funds are unrestricted funds earmarked by the trustees for particular reason or activity.

Restricted income funds are only available for specific purposes designated by the donor or through the terms of an appeal or a specific object of the charity.

1.6 Cash and Cash Equivalents

Cash and cash equivalents include cash and short term highly liquid investments that are readily convertible to a known amount of cash and subject to an insignificant risk of change in value.

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies (continued)

1.7 Financial Instruments

The charity and group only has financial assets and liabilities that qualify as basic financial instruments including bank balances, cash, debtors and creditors. Basic financial instruments are therefore recognised at transaction price and subsequently amortised cost.

1.8 Tangible Fixed Assets

Fixed assets are stated at cost less accumulated depreciation. The costs of minor additions, items under £1,000 are not capitalised. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the costs, less estimated residual value of each asset evenly over its expected useful life, as follows:-

Sound and lighting equipment	20% on cost
Tools and equipment	20% on cost
IT equipment	25% on cost

1.9 Stocks

Stocks are stated at the lower of cost and net realisable value.

1.10 Taxation

The company is a registered charity and is therefore not liable to corporation tax or capital gains tax to the extent that its income and gains are applicable to charitable purposes only. Value added taxation is not recoverable by the charity, and is therefore included in the relevant costs in the Statement of Financial Activities

1.11 Pension costs

The group and charity make contributions to defined contribution pension schemes on behalf of employees. The assets of these schemes are held separately from the group in independently administered schemes. The amount included in the statement of financial activities represents the contributions payable to the schemes in respect of the accounting period.

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies (continued)

1.12 Income

All incoming resources are included in the SOFA when the Charity and Group is legally entitled to the income, it is probable the income will be received and the amount can be measured reliably. The following specific policies are applied to particular categories of income.

Income from donations and gifts are recognised in the year in which they are receivable.

Income from grants is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. Where grant income is received in advance of conditions being met which are outside of the charity's control, income is deferred within creditors: grants received in advance until grant conditions are met. Where the charity has entitlement to funds but these have not yet been received, income is recognised within debtors: accrued grant income.

Income from grants which relate to the Government's Coronavirus Job Retention Scheme are included within other income, in the period in which the charity becomes entitled to the income.

Income from ticket sales is recognised when the charity has entitlement to the funds. Where ticket sales income relates to future performances income is deferred within Creditors: Ticket sales received in advance.

Investment income is recognised when receivable.

1.13 Expenditure and Irrecoverable VAT

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing to that expenditure, it is probable that settlement will be required and the obligation can be measured reliably.

All expenditure is recognised on the accruals basis.

Costs of other trading activities includes expenditure incurred in generating the trading subsidiary funds.

Expenditure on charitable activities comprises costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and costs of an indirect nature necessary to support them.

1.14 Critical accounting estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions. 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 resulting accounting estimates will, by definition, seldom equal the related actual results.

The trustees are of the opinion that 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.

1.15 Volunteered Services

The charity benefits greatly from the involvement and support of its many volunteers. In accordance with FRS102 and the Charities SORP (FRS102) the economic contribution of general volunteers is not recognised in the financial statements.

TAUNTON THEATRE ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Company Number: 08658085

NOTES TO THE FINANCIAL STATEMENTS

2. Income from Charitable Activities – Grants

	Unrestricted £	Restricted £	Total 2022 £	Unrestricted £	Restricted £	Total 2021 £
Somerset West and Taunton Council	132,000	-	132,000	132,000	-	132,000
Arts Council	-	96,878	96,878	-	34,551	34,551
Arts Council: Cultural Recovery Fund	-	-	-	-	182,512	182,512
Arts Council - Railway Children	-	-	-	-	1,630	1,630
Garfield Weston Foundation	-	-	-	-	136,250	136,250
Covid-19 SWT Grants	27,500	-	27,500	14,500	-	14,500
Here and Now	-	2,000	2,000	-	-	-
Access to Work	-	20,520	20,520	-	-	-
	<u>159,500</u>	<u>119,398</u>	<u>278,898</u>	<u>146,500</u>	<u>354,943</u>	<u>501,443</u>

3. Income from Other Trading Activities

	Unrestricted £	Restricted £	Total 2022 £	Unrestricted £	Restricted £	Total 2021 £
TTA Trading Limited	74,676	-	74,676	3,414	-	3,414
Business Sponsorship	-	-	-	5,279	-	5,279
Fundraising	66	-	66	38	-	38
Other	-	-	-	656	-	656
	<u>74,742</u>	<u>-</u>	<u>74,742</u>	<u>9,387</u>	<u>-</u>	<u>9,387</u>

4. Other income	<u>51,282</u>	<u>-</u>	<u>51,282</u>	<u>61,806</u>	<u>-</u>	<u>61,806</u>
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NOTES TO THE FINANCIAL STATEMENTS

5. Expenditure on Charitable Activities

	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Unrestricted Funds £	Restricted Funds £	Total 2021 £
Theatre costs						
Artists' Payments	344,030	114,401	458,431	14,702	33,923	48,625
Sound & Lighting						
Consumables	593	-	593	158	-	158
Cinema Film Rental	13,348	-	13,348	4,892	6,834	11,726
Cinema & Equipment						
Repairs	3,426	11,665	15,091	6,472	416	6,888
Depreciation on Sound & Lighting Equipment	3,772	-	3,772	5,937	9,665	15,602
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	365,169	126,066	491,235	32,161	50,838	82,999
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Premises Costs						
Business Rates	1,319	-	1,319	-	-	-
Water Rates	(1,158)	-	(1,158)	4,112	739	4,851
Insurance	4,893	465	5,358	6,235	-	6,235
Light & Heat	27,222	1,692	28,914	8,017	6,619	14,636
Cleaning & Waste Disposal	-	-	-	360	-	360
Repairs & Maintenance	12,081	1,683	13,764	1,424	1,876	3,300
Fire & Security	2,815	480	3,295	1,202	826	2,028
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	47,172	4,320	51,492	21,350	10,060	31,410
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Staff Costs						
Wages & Salaries	299,024	67,985	367,009	152,135	144,745	296,880
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Publicity & Marketing						
Publicity & Marketing	56,071	17,131	73,202	1,613	6,274	7,887
Social Media	3,572	1,770	5,342	979	455	1,434
Website	-	-	-	2,713	1,884	4,597
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	59,643	18,901	78,544	5,305	8,613	13,918
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TAUNTON THEATRE ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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NOTES TO THE FINANCIAL STATEMENTS

5. **Expenditure on Charitable Activities (Continued)**

	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Unrestricted Funds £	Restricted Funds £	Total 2021 £
Support Costs						
Recruitment & HR	1,302	-	1,302	470	1,277	1,747
Training	1,813	9,324	11,137	-	-	-
Travel & Subsistence	924	228	1,152	409	-	409
Health & Safety	1,275	15	1,290	1,102	481	1,583
Licences	20,095	-	20,095	2,623	60	2,683
Printing, Postage & Stationery	2,197	-	2,197	555	178	733
IT support & Telephone	-	-	-	3,724	1,949	5,673
Legal & Professional Fees	19,478	-	19,478	7,074	19,356	26,430
Audit & Accountancy	8,005	-	8,005	7,366	-	7,366
Bank & Credit Card Charges	761	-	761	562	-	562
Ticketing Charges	28,438	50,060	78,498	5,026	7,508	12,534
Sundry Expenses	777	-	777	-	-	-
Depreciation of Equipment	1,478	-	1,478	1,662	1,965	3,627
Bad debt	500	-	500	-	-	-
	<u>87,043</u>	<u>59,627</u>	<u>146,670</u>	<u>30,573</u>	<u>32,774</u>	<u>63,347</u>
Total Charitable Activities Expenditure	<u>858,051</u>	<u>276,899</u>	<u>1,134,950</u>	<u>241,524</u>	<u>247,030</u>	<u>488,554</u>

NOTES TO THE FINANCIAL STATEMENTS

6. Staff Costs

	2022	2021
	£	£
Salaries & Wages	337,080	273,716
Social Security Costs	22,989	17,418
Pension Contributions	6,940	5,746
	<hr/>	<hr/>
	367,009	296,880
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No employee earned £60,000 per annum or more (2021: none).

The average number of persons (excluding trustees) employed during the year was 18 (2021: 15).

The key management personnel of the group comprise those of the charity and those of its wholly owned subsidiary TTA Trading Ltd. The key management personnel is identified as the chief executive, marketing and communications manager, technical and facility manager, artistic programmer, head of finance and administration, front of house manager and learning and participation manager. The total employee benefits, inclusive of pension and social security costs of key management personnel of the charity and group were £210,119 (2021: £190,961).

7. Trustee Remuneration and Related Party Transactions

The Trustees who are all directors received no remuneration during the year. No expenses have been reimbursed to directors during the year (2021: £nil).

The Trustee Nick White is also the artistic director of the Wassail Theatre Company. During the 2020/21 year Taunton Theatre Association and the Wassail Theatre Company had a partnership agreement to produce Whispering Willows as part of the Future Arts Councils Here and Now project. Taunton Theatre Association received grant income of £10,000 of which £9,000 was paid over to the Wassail Theatre Company. The final instalment was paid after 31 March 2022. During the year £1,300 of expenditure was recognised in relation to Wassail Theatre Company for Youth Theatre Company.

The Charity's wholly owned subsidiary, TTA trading, operates the Brewhouse bar, kiosks, sales of merchandise and art works and the hire of all facilities not required for core purpose. In the previous financial year it also managed the contract for the provision of the on-site café. This was operated by Singing Fish Ltd under the brand name of Freddie Sunshine until February 2020. Profits from these activities are transferred to Taunton Theatre Association Ltd by means of a charitable donation. TTA Trading also pay a service charge to the Charity to cover costs associated with TTA trading overheads and operating costs.

8. Taxation

As a charity, Taunton Theatre Association Limited is exempt from tax on income and gains falling within section 505 of the Income and Corporation Taxes Act 1988 and section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that these are applied to its charitable objects.

NOTES TO THE FINANCIAL STATEMENTS

9. Tangible Fixed Assets – Charity and Group

	Sound & Lighting £	IT Equipment £	Tools & Other Equipment £	Total £
Cost				
At 1 April 2021	84,645	14,649	16,513	115,807
Additions	9,835	-	835	10,670
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2022	94,480	14,649	17,348	126,477
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1 April 2021	79,302	14,416	12,668	106,386
Charge for Year	3,772	233	1,652	5,657
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2022	83,074	14,649	14,320	112,043
	<hr/>	<hr/>	<hr/>	<hr/>
Net Book Value				
At 31 March 2022	11,406	-	3,028	14,434
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2021	5,343	233	3,845	9,421
	<hr/>	<hr/>	<hr/>	<hr/>

Included within tools and equipment of group fixed assets are assets with a net book value of £1,017 which are held in the trading subsidiary.

10. Investments

	Total 2022 £	Charity Total 2021 £
TTA Trading Limited		
Ordinary shares of £1 each	1	1
	<hr/>	<hr/>

TTA Trading Ltd (Company no 09011008) was incorporated on 25 April 2014 as a wholly owned trading subsidiary of Taunton Theatre Association Limited. The parent charity holds 100% of the issued share capital and 100% of the voting rights of the subsidiary trading company.

The principal activities of the company was that of a theatre bar and café. The trading subsidiary gift aids its taxable profits to Taunton Theatre Association Limited. The Registered Office is The Brewhouse Theatre and Arts Centre, Coal Orchard, Taunton, Somerset, TA1 1JZ.

TAUNTON THEATRE ASSOCIATION LIMITED
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NOTES TO THE FINANCIAL STATEMENTS

10. Investments (Continued)

The results of TTA Trading Limited were as follows:-

	2022	2021
	£	£
Turnover	74,676	3,414
Costs of sales	(28,486)	(2,732)
	<hr/>	<hr/>
Gross profit	46,190	682
Administrative expenses	(42,762)	(17,242)
Tax on (loss)	-	(1,537)
	<hr/>	<hr/>
Operating profit/(loss)	3,428	(18,097)
	<hr/>	<hr/>
Gift aid to Taunton Theatre Association Limited	-	-
	<hr/>	<hr/>
The assets and liabilities were:-		
Fixed assets	1,445	1,017
Current assets	19,179	19,822
Current liabilities	(9,729)	(13,373)
	<hr/>	<hr/>
Total assets less current liabilities	10,895	7,466
	<hr/>	<hr/>
Called up share capital	1	1
Retained earnings	10,894	7,465
	<hr/>	<hr/>
	10,895	7,466
	<hr/>	<hr/>

11. Debtors

	2022		2021	
	Group	Charity	Group	Charity
	£	£	£	£
Trade Debtors	48,453	46,824	3,965	12,983
Prepayments	1,234	825	3,201	3,201
Accrued Grant Income	20,520	20,520	7,898	7,898
Other Debtors	44,040	40,701	7,452	4,069
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	114,247	108,870	22,516	28,151
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TAUNTON THEATRE ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Company Number: 08658085

NOTES TO THE FINANCIAL STATEMENTS

12. Creditors: Amounts falling due within one year

	2022		2021	
	Group	Charity	Group	Charity
	£	£	£	£
Trade Creditors	51,975	44,530	10,477	14,314
Taxation & Social Security	8,679	8,679	18,599	18,599
Accruals	63,267	61,903	37,051	36,511
Ticket sales received in advance	141,776	141,776	130,882	130,882
Grant income received in advance	33,000	33,000	-	-
VAT	824	-	-	-
	<u>299,521</u>	<u>289,888</u>	<u>197,009</u>	<u>200,306</u>

13. Statement of Funds – Group and Charity

	At 1 April 2021	Income	Expenditure	Tax	Transfer	At 31 March 2022
	£	£	£	£	£	£
Unrestricted funds						
General	200,658	833,484	(916,328)	-	2,000	119,814
	<u>200,658</u>	<u>833,484</u>	<u>(916,328)</u>	<u>-</u>	<u>2,000</u>	<u>119,814</u>
Restricted funds						
Garfield Weston Culture Fund	136,250	-	(136,250)	-	-	-
Arts Council	22,251	-	(22,251)	-	-	-
Arts Council – Cultural Recovery Fund	-	96,878	(96,878)	-	-	-
Future Arts	1,000	-	(1,000)	-	-	-
Here and Now	-	2,000	-	-	(2,000)	-
Access to Work	-	20,520	(20,520)	-	-	-
	<u>159,501</u>	<u>119,398</u>	<u>(276,899)</u>	<u>-</u>	<u>(2,000)</u>	<u>-</u>

Sufficient resources are held in an appropriate form to enable the above funds to be applied in accordance with their designated purpose.

Other restricted income funds are for specific artistic productions and activities undertaken by the company.

NOTES TO THE FINANCIAL STATEMENTS

14. Analysis of Net Assets Between Funds – Group

	Unrestricted	Restricted	2022 Total	Unrestricted	Restricted	2021 Total
	£	£	£	£	£	£
Fixed Assets	14,434	-	14,434	9,421	-	9,421
Net Current Assets	105,380	-	105,380	191,237	159,501	350,738
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	119,814	-	119,814	200,658	159,501	360,159
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

15. Capital Commitments

At 31 March 2022 the charity had no capital commitments (2021: nil).

16. Called up Share Capital

The company is limited by guarantee and as such has no issued share capital.

17. Auditors/Independent Examiner's Remuneration

	<u>Charity</u>		<u>Subsidiary</u>		<u>Total</u>	
	2022	2021	2022	2021	2022	2021
	£	£	£	£	£	£
Audit	4,045	1,183	-	-	4,045	1,183
Independent examiner	(96)	2,196	-	-	(96)	2,196
Accounting services	3,288	2,550	610	486	3,898	3,036
Corporation tax	768	927	-	-	768	927
Other services	5,640	510	-	-	5,640	510
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	13,645	7,366	610	486	14,255	7,852
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

18. Reconciliation of Net Movements in Funds to Net Cashflows from Operating Activities

	2022		2021	
	Group £	Charity £	Group £	Charity £
Net Movement in Funds (as per statement of financial activities)	(240,345)	(243,771)	124,689	142,785
Adjustments for:-				
Investment Income	(127)	(127)	(111)	(111)
Depreciation	5,657	5,250	19,322	19,229
Movements in Working Capital:-				
(Increase)/Decrease in Stock	(2,461)	-	811	100
(Increase)/Decrease in Debtors	(91,731)	(80,719)	62,670	54,033
Increase/(Decrease) in Creditors	102,512	89,486	(41,572)	(29,629)
Cash (Used in)/Provided by Operating Activities	(226,495)	(229,881)	165,809	186,407

19. Prior Year Statement of Funds – Group and Charity

	At 1 April 2020 £	Income £	Expenditure £	Tax Credit £	Transfer £	31 March 2021 £
Unrestricted Fund						
General	222,840	269,575	(250,998)	(1,801)	(38,958)	200,658
Restricted Funds						
Cinema	9,665	-	(9,665)	-	-	-
Studio Refurbishment	1,965	-	(1,965)	-	-	-
Garfield Weston Culture Fund	-	136,250	-	-	-	136,250
Arts Council	-	34,551	(12,300)	-	-	22,251
Arts Council Culture Recovery fund	-	182,512	(221,470)	-	38,958	-
Future Arts	1,000	-	-	-	-	1,000
SCF Take Part	-	1,630	(1,630)	-	-	-
	12,630	354,943	(247,030)	-	38,958	159,501

20. Post Balance Sheet Events

As set out in full in the Trustees' Annual Report a number of events arose after the balance sheet date. These are all considered to be non-adjusting events for the purposes of these financial statements.