

11Arches

England & Wales · Charity number 1159011

Details

Other names	ELEVEN ARCHES, Kynren
Status	Registered
Legal form	Charitable company
Company number	09055646
Registered	2014-10-29
Register	View on the Charity Commission register

Contact

Address	Eleven Arches Flatts Farm Toronto Bishop Auckland DL14 7SF
Phone	01388311813
Email	finance@elevenarches.org
Website	www.elevenarches.org

Activities

Objects: 3.6 The Charity is a registered charity as defined under the Charities Act 2011 and the provisions of these Articles, including any references to charity, charitable purpose and public benefit shall be construed accordingly. In the event of any ambiguity the interpretation of these Articles shall be in accordance with the Charity's status as a registered charity....4. OBJECTSThe objects of the Charity are specifically restricted to the following exclusively charitable purposes for the public benefit:4.1. To advance education for the public benefit by any or all of the following means:4.1.1. historical and heritage installations, exhibitions, immersive experiences, activities and productions and performing arts projects, including those that celebrate and promote the unique history of Bishop Auckland or England more widely, which increase knowledge, understanding and appreciation of matters of local, regional or national historic interest;4.1.2. conserving, caring for, breeding and raising public awareness of endangered or rare animals, including those of historical or environmental significance to Bishop Auckland or England more widely, and with characteristics worthy of preservation in the interests of public education;4.1.3. providing after-school and training programmes for children and young people that are designed to build skills and self-confidence;4.1.4. such other educational means as the Trustees may think fit from time to time.4.2. To advance community development for the public benefit by the promotion of volunteer programmes that encourage community wide involvement in the Charity's historical and heritage installations, exhibitions, immersive experiences, activities, productions, its performing arts projects or its other educational activities.This Article 4 may not be amended without the prior written consent of the Commission if it would alter the Charity's charitable purposes.

Activities: The development and presentation of a live-action night show of 2,000 years of British History seen through the eyes of North East England on a 71/2 acre stage to an audience of up to 8,000 in the shadow of Auckland Castle, Bishop Auckland, County Durham. Every aspect of the show will be delivered by over 1,000 volunteers to reawaken pride, develop skills and bring the local community together.

Classification

- **How:** Provides Human Resources, Provides Services
- **What:** Education/training, Arts/culture/heritage/science, Economic/community Development/employment
- **Who:** The General Public/mankind

Geography

- Durham

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£10,473,401	£8,199,750	£28,811,266	22
2023-09-30	£1,950,101	£4,839,639	£26,537,615	9
2022-09-30	£11,257,828	£4,327,828	£29,427,153	5
2021-09-30	£2,362,617	£4,246,590	£22,497,153	8
2020-09-30	£3,470,839	£3,595,496	£24,381,126	12

Trustees

Name	Role	Appointed
Stephen Hall	Chair	2018-11-02
Duncan Barrie		2022-04-25
JONATHAN GARNIER RUFFER		2014-05-14
Kevin Eld		2018-09-21
LOUIS GREIG		2015-09-14
Lesley Fairclough		2022-04-25
Nicholas David White		2020-06-17

11Arches

England & Wales - Charity number 1159011

Accounts

11Arches
(A Charitable Company Limited by Guarantee)

Annual Report

For the period ended
31 December 2024

Company Number 09055646
Charity Number 1159011

11Arches
(A Charitable Company Limited by Guarantee)

Report of the Trustees for the period ended 31 December 2024

Report of the Trustees for the period ended 31 December 2024

Reference and administrative information

Trustees

S Hall (Chair)

J Ruffer

L Greig

K Eld

N White

L Fairclough

D Barrie

Key management personnel at 31 December 2024

A Warnecke Chief Executive Officer

G Emerson Chief Technical Officer

M Slavin Chief Operating Officer

Registered office and Principal place of business

Flatts Farm

Toronto

Bishop Auckland

County Durham

DL14 7SF

Charity number

1159011

Company number

09055646 (England & Wales)

Auditor

RSM UK Audit LLP

1 St James Gate

Newcastle upon Tyne

NE1 4AD

Principal bankers

Barclays Bank Plc

6 Market Place

Durham

Co Durham

DH1 3NB

Report of the Trustees for the period ended 31 December 2024

The trustees (who are also directors of the charity for the purpose of company law) present their annual report and audited financial statements of 11Arches (the charity) for the 15 months ended 31 December 2024.

The financial statements comply with the Memorandum and Articles of Association and the requirements of the Charities Act 2011, 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 (FRS102).

Structure, Governance and Management Governing Documents

The companies year end date has been changed from 30th September to 31st December to align our business and charitable reporting. The charity is registered as a charitable company limited by guarantee, was incorporated on 23 May 2014 and is governed by the memorandums of association dated 28 September 2014 as amended by special resolution registered at Companies House on 28 October 2014 as amended on 19 March 2021 as amended on 07 February 2025. The key amendment to the Articles of Association is the advancement of education in relation to endangered or rare animals. The charity is constituted under its Memorandum of Association and is a registered charity, number 1159011. The Articles of Association have been approved by the Charity Commission as follows:

The objectives of the Charity are specifically restricted to the following:

- To advance education for the public benefit by any or all of the following means:
 - historical and heritage installations, exhibitions, immersive experiences, activities and productions and performing arts projects, including those that celebrate and promote the unique history of Bishop Auckland or England more widely, which increase knowledge, understanding and appreciation of matters of local, regional or national historic interest.
 - conserving, caring for, breeding and raising public awareness of endangered or rare animals, including those of historical or environmental significance to Bishop Auckland or England more widely, and with characteristics worthy of preservation in the interests of public education.
 - providing after-school and training programs for children and young people that are designed to build skills and self-confidence.
 - such other educational means as the Trustees may think fit from time to time.
- To advance community development for the public benefit by the promotion of volunteer programs that encourage community wide involvement in the Charity's historical and heritage installations, exhibitions, immersive experiences, activities, productions, its performing arts projects or its other educational activities.

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

S Hall (Chair)
J Ruffer
L Greig
K Eld
N White
L Fairclough
D Barrie

Report of the Trustees for the period ended 31 December 2024

Appointment, Induction and Training of Trustees

The management of the charity is the responsibility of the trustees. New trustees will be selected by existing trustees and will be appointed by Members of the charity. Each trustee, as a member, is a guarantor of the charity to an amount not exceeding £1 in the event of the charity being wound up.

New trustees undergo orientation to brief them on their legal obligations under charity and company law, the Charity Commission guidance on public benefit, and inform them of the content of the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and recent financial performance of the charity. During the induction they meet key employees and other trustees. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Objectives and Activities

“Kynren, An Epic Tale of England”, is an open-air night spectacular. It is the main production of 11Arches.

Kynren is part of a very ambitious scheme to build a world class visitor destination in Bishop Auckland, based in the rich history of the area. This is the vision of philanthropist and investment manager, Jonathan Ruffer. 11Arches is one of two charities he has established in Bishop Auckland, the other being The Auckland Project. Together, the aim of the charities is to establish Bishop Auckland as an international tourist destination, attracting visitors and investment which will contribute to the betterment of the area and empowerment of the community.

Mission Statement

11Arches is a registered charity with the objective to produce a world class historical show, the foundation of which is an innovative and engaging arts, education and community development programme.

11Arches is a catalyst and driver of change which will dramatically shift the paradigm of the North East, by adding a national tourist destination to the region that delivers tangible, measurable, significant social and economic impact.

11Arches is a celebration of heritage bringing our history to life in a spectacular show by a mainly volunteer cast and crew.

Objectives

11Arches is committed to deliver Kynren a must see show year after year: Kynren is a world class display of technical and artistic performance, orchestrated by a cast and crew of volunteers of utmost professionalism, creating enthralling educational entertainment and a high-quality experience to its visitors. Kynren's success is measured by the rating given by our visitors to Kynren, and the enjoyment it's cast, and crew take in bringing Kynren to life.

We acknowledge the cornerstone of Kynren's longevity is to expand into a daytime offer, to support its commercial success. Therefore, the expansion should be the key strategic objective to focus on for the next five seasons, alongside the further establishment of Kynren.

Activities

11Arches produced eight summer performances of Kynren in 2024, along with the annual Pyromusical in November 2023 and November 2024.

Organisation Structure and Delegated Responsibility

11Arches Night Show is the wholly owned subsidiary of 11Arches whose principle activity is the organisation of ticket sales, the operational running of the nights when 11Arches produces Kynren and ancillary commercial and associated retail activities.

The board of trustees administers the charity. The board normally meets quarterly.

Report of the Trustees for the period ended 31 December 2024

A Chief Executive is appointed by the trustees to manage the day-to-day operations of the charity. To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by the trustees, for all operational matters including finance, employment, and artistic performance related activity.

Pay policy for senior staff

The directors consider the board of directors, who are the trustees, and the senior leadership team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day-to-day basis.

All directors give their time freely and no director received any remuneration in the year. Details of directors' expenses and related party transactions are disclosed in note 8 to the accounts.

The pay of the senior staff is reviewed annually. In view of the production industry the charity operates in, the directors benchmark against salary levels in line with similar organisations.

GROUP STRATEGIC REPORT

Season Review: achievements and performance for the period

Our Kynren 2024 season was incredible, we delivered results surpassing all our audience and revenue targets.

Mindful of the cost-of-living crisis being endured by many and the continued impact of world events, our ticket sales of 43,991 (33,048 in 2023) and our average per visitor spend onsite of £8.40 (£4.66 in 2023) was a great achievement. Visits from our travel trade partners increased to 3,329 and Arches dining increased to 1,105.

Dominant markets were North East (59%) and Yorkshire (13%).

Our audience continued to rate Kynren extremely well with fantastic reviews on TripAdvisor and we have retained our 5* rating and Certificate of Excellence.

Recruitment and training of the Cast and Crew

The cast and crew involved in Kynren are called Archers. Our ethos is to train our volunteers to the highest standards, and empower them to take control, and this remains hugely successful. More than 95% of our Archers return from one season to the next consistently, year after year.

2024 again saw a push into recruitment of new volunteers with 5 very successful open call evenings for introductions. This brought fantastic new Archers into our ranks, strengthening our community with new energy.

The rehearsals for the show season began in March. In order to maximise the effectiveness of training, and to make managing the volunteers more efficient, our Archers were then divided into six teams, each containing separate sub-teams focused on various roles, and each led, in the first instance, by 11Arches staff. They are supported by over 45 Team Leaders who are an indispensable part of the core team structure, putting in the effort and time to manage their teams and schedule the complex rotas for show nights. They are not just enablers of pastoral care and communication, but meaningful contributors to the volunteer journey and the successful delivery of the production.

- **Show Team:** Cast and Stage Management.
- **Creative Team:** Costume and Props
- **Visitor Experience:** Experience Team.
- **Cavalry Team:** Horse Riders, Carriage Drivers, and Grooms.
- **Technical Team:** Tech (Sound, Light, Hydraulics, Video, SFX), Pyrotechnics and Rescue Divers/Swimmers.
- **Operations Team:** First Aid, Event Operations, and Estates

Report of the Trustees for the period ended 31 December 2024

Professional training was given to the volunteer teams, including mass choreography, theatrical combat, acting, dance, props making, costume making, technical operation of show (light, sound, video, SFX, hydraulics, machinery, pyrotechnics), performance riding, carriage driving, animal handling, visitor services, show diving, rescue diving, first aid and event control.

Economic benefit

11Arches' mission is to produce Kynren as a world-class show, to be a trip attractor, encouraging overnight visits to County Durham and bringing tourism-related expenditure, capital investment and jobs. It is the overnight visitors who make a significant difference to the regional economy: while day trippers typically spend £20.18 per day, overnight visitors are likely to spend £169.14, a driver for the creation of jobs.

The success achieved to date provides solid foundations on which to build, but the development of Kynren – The Storied Lands from 2026 to 2030 makes a clear step-change in the scale of economic impact. Kynren will grow to generate truly significant regional benefits: generating additional revenue and creating jobs.

Looking ahead

Our five-year vision inspires the next legs of our development.

For 11Arches to be the successful operator of the biggest night show in the UK: more visitors year after year are left in awe, not just with the spectacle itself, but with the fact it is entirely orchestrated by a cast and crew of volunteers.

For 11Arches to open a world class day park visitor attraction, Kynren – The Storied Lands. Showcasing British history through live action stunt show performances and immersive experiences. The day park will be extended year on year up to 2030 to include new immersive attractions.

Risk assessment

11Arches combines several characteristics that increase our risk: an unfamiliar form of visitor attraction to the UK audience, its scale since inception and its boldness. We are still at the beginning of a long journey. Establishing processes that ensure it remains a going concern remains high on our agenda.

The risks and uncertainties were identified as follows:

- Continued recruitment and retention of volunteers to ensure the appropriate running of the show.
- An unfamiliar format means that we are required to build brand and concept awareness from near scratch which can create a high level of uncertainty and risk to ticket sales.
- A unique production also means that the skills are not readily available on a like for like basis, especially in the region, for staff and experts we wish to engage on the project.
- A visitor attraction in its ninth year of operation means consolidating audiences within the regional 30-60 minute radius and search for new ones beyond is needed, and yet this takes considerable time and money to achieve.
- Exposure to the financial health of the British consumer, as the organisation sells a discretionary product.

Management maintains a risk register as a live document assessing all current risks for the group for its tenth year of production across all departments.

It identifies the major risks the group faces, the likelihood of occurrence, the potential impact of the risk, as well as any mitigation in place. It proactively seeks to identify and actions and resources necessary to manage these risks and reduce the risk profile of the organisation.

The Trustee Board is responsible for the oversight of the risks the group faces. The Trustee Board regularly reviews the group risk position, internal controls and compliance with relevant statutory and governance regulations.

Report of the Trustees for the period ended 31 December 2024

Related parties

11Arches and The Auckland Project (TAP) have a close working relationship. TAP was set up to own and enhance Auckland Palace and the other buildings of national, architectural, historic or artistic interest for the benefit of the public.

The charity also has a close working relationship with Lempriere Pringle 2015 and the charity has received substantial financial resources from Lempriere Pringle 2015. Jonathan Ruffer is a trustee of both the charity and Lempriere Pringle 2015.

Further detailed information on related parties is included in note 19 of the financial statements.

Public benefit

The trustees have a due regard to the guidance by the Charity Commission on public benefit. The charity's activities encompass a number of the charitable purposes which are referred to in the Charities Act 2011, the drawing together of the local community and the opportunities members of the local community of all ages, education and skills have of participating as volunteers in the show and the range of educational benefits through learning new skills and audience education.

Fundraising

The charity does not work with commercial participators or professional fundraisers and does not engage third parties to undertake fundraising activities on its behalf.

Impact Value

11Arches researched the extent to which the Kynren experience, in its first year, has helped to advance its aims of education and community development. A report was commissioned to look at the impact of the project on the volunteer team (known individually as Archers) and at their perceptions of what the Trust, through Kynren, is achieving.

The findings of the first season are merely the first instalment of the story of the impact of 11Arches on the fortunes of Bishop Auckland and the surrounding area, in the long term. Findings of each additional year of operations are consolidated and support similar trends.

Volunteers' motivations

Kynren, since its first year, has been a story of individuals and family groups volunteering their time and effort, largely for the benefit of the wider community. While there is substantial evidence of change and gains for individual Archers, Kynren is a bold undertaking by a community for a community. Many Archers have cited, among their motivations for getting involved, the fact that 11Arches is working for a better future for Bishop Auckland. They either remember the town as a different kind of place or can sense its potential and want to see the charity succeed. Although uncertain about what the project might entail or lead to, large numbers of local and not-so-local people recognised that its realisation would depend on the involvement of hundreds of volunteers and the commitment of thousands of hours of voluntary work. Curious, available and with a sense of responsibility for the success of the project, they signed up.

Of the many local residents who were initially, or mainly, attracted by the opportunity to pursue an existing interest (e.g. acting, dancing, building, making, sewing, riding) or develop a new one, to make friends or add to their C.V. (in pursuit of further study or employment), most have become aware of, and are impressed by, the potential impact of their involvement on their community.

From the second season onward, motivations have become more diverse, as the show was now a tangible fact, something many had seen before joining, and the Kynren experience was articulated by a first year of veterans. Existing Archers from the first season were strong advocates and endorsed a bigger role front line in the recruitment of future seasons.

Report of the Trustees for the period ended 31 December 2024

The group places a great value on the contributions that volunteers made to the organisation. Over the course of the year, we benefitted greatly from the considerable time, energy and expertise given by the Board of Trustees.

Placing a monetary value on the contribution of the volunteers presents significant difficulties. With the lack of a market comparator price for general volunteers, it is impractical for their contribution to be measured reliably for accounting purposes. Given the absence of a reliable measurement basis, the contribution of volunteers has not been included as income in the accounts.

The appeal to families and friends

Many Archers had family or friends taking part. The weekend rehearsals meant it was, in many cases, more feasible for someone with a family to commit the time needed if other members of the family were taking part too, but families became involved in different ways and at different paces. In some cases, they were led by a young person's interest, in others by an adult's and in a few cases by a parent child combination.

There were examples of family members and friends attending an audition session together and a signing up together, while others brought relatives and friends along at a later stage.

Mutuality

Mutuality (or interdependence) has been a prominent feature of Kynren. Every Archer belonged to a team, with a team leader. Team members worked together, developed their own practices (e.g. bringing food to share, printing team t-shirts), supported each other, became friends, welcomed newcomers, overcame occasional tensions and became stronger as individuals and as a team.

Diversity and social capital

The Archers are a diverse group with different social, cultural, and family backgrounds and different life experiences, outlooks, and aspirations. Nearly 87% of Archers in 2024 live in Bishop Auckland and surrounding area with 11.7% living elsewhere in the North East and in a few cases, further afield. The diversity of the company has been one of its strengths: people have worked alongside people they would be unlikely to meet socially or at work; they have spent significant amounts of time together in a shared enterprise; they have learned about each other and from each other; they have formed lasting bonds and friendships and they have continued to meet (in some cases weekly) well after the show ended in September. In addition to their feelings of responsibility towards Kynren and 11Arches, Archers are now describing a sense of agency, which underlines the extent to which the charity is building social capital.

Nearly all Archers judged that they had become more skilled at something. Some have had production-related, technical training and experience (e.g. prop making and repair, combat skills, archery, pyrotechnics, riding, driving horses, animal handling and first aid, etc.). Many others have used a mixture of training (e.g. circus skills and World Host Customer Service Training) and the day-to-day practice of working with colleagues and the public, to increase their so-called soft skills, including the ability to work well in a team, to be adaptable, to resolve conflict, to observe behaviour and respond to it, and to communicate effectively.

For many, the acquisition of new knowledge and skills has enhanced their quality of life.

Continuing to be part of something special also shone through for rejoining, and the reasons put forward include principally friendship, confidence, community, skills, achievement and pride.

Report of the Trustees for the period ended 31 December 2024

Financial review

Full details of the group's financial position can be found in the accompanying financial statements attached to this report. The Statement of Financial Activities shows total incoming resources of £10,473,401 for the 15 months ended 31 December 2024 (12 months ended 30 September 2023: £1,950,101) and total resources expended of £8,199,750 (30 September 2023: £4,839,639) resulting in a surplus for the 15 month period of £2,273,651 (30 September 2023: £2,889,538 deficit).

The group has net assets at yearend of £28,811,266 (30 September 2023: £26,537,615) including available cash and short term investments of £6,687,069 (30 September 2023: £6,904,331).

The charity has net assets at yearend of £27,361,607 (30 September 2023: £26,485,305) and available cash and short term investments of £5,517,438 (30 September 2023: £4,779,987).

The group received a donation of £8 million from Lemprier Pringle 2015 to support the ongoing activities of Kynren and to expand into a daytime offer. There is an increase in expenditure due to the extension of the trading period to 15 months. There were also additional staff costs including restructuring costs and an increase in depreciation for infrastructure and buildings.

Key Performance Indicators

Key Performance Indicators for the organisation are set at two main levels, Community Development and Excellence of the show, both are closely linked to the charitable objects of 11Arches.

- The performance of the organisation in Community Development is analysed through the thriving group of Cast and Crew involved in Kynren. Their enjoyment of their experience is measured each season on a variety of indicators.
- The performance of the organisation to produce Kynren to a level of excellence is measured through our Customers' Satisfaction, as carried in our customer surveys.

The trustees have considered the performance of the organisation through the above prisms for the financial period and are satisfied the organisation is performing well.

11Arches Night Show

The results of the charity's subsidiary, 11Arches Night Show, which are consolidated in these financial statements are included in note 11.

Reserves Policy

The Directors review the reserve levels annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Directors have determined the minimum level of unrestricted reserves should be a set amount of approximately £1.5m (2023: £1m) based on 4 months of annual expenditure, excluding depreciation and amortisation. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of income and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

The free reserves as of 31 December 2024, excluding fixed assets and loans are £7,278,729 (30 September 2023: £6,689,282) for the group. This is above the £1.5m minimum level set and this is to further invest in the Kynren production and development of the day park.

Going Concern

There are no material uncertainties in respect of the charity's ability to continue as a going concern based on forecasts in place and committed funding. The trustees believe the group is well placed to manage its risks successfully and thus have adopted the going concern basis of accounting. This is primarily due to the ongoing support from the co-founder.

Report of the Trustees for the period ended 31 December 2024

Auditor

In accordance with the charitable company's articles a resolution proposing that RSM UK Audit LLP be reappointed as auditor of the charitable company will be put at a General Meeting.

Disclosure of Information to auditor

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware.
- The Trustees have taken all steps they ought to have taken to make themselves aware of any relevant audit information and to establish the auditors are aware of that information.

By Order of the Board

Stephen Hall

Stephen Hall
Chair
06/08/25

Statement of Trustees' Responsibilities for the period ended 31 December 2024

The free reserves as of 31 December 2024, excluding fixed assets and loans, are £7,278,729 (2023: £6,689,282) for the group. This is above the £1m minimum level set and this is to further invest in the Kynren production and development of the day park.

Going Concern

There are no material uncertainties in respect of the charity's ability to continue as a going concern. The trustees believe that the group is well placed to manage its risks successfully and thus have adopted the going concern basis of accounting. This is primarily due to the ongoing support from the co-founder.

Principal funding

The principal funding was obtained from ticket sales and donations.

Auditor

In accordance with the charitable company's articles, a resolution proposing that RSM UK Audit LLP be reappointed as auditor of the charitable company will be put at a General Meeting.

Disclosure of information to auditor

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware.
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

By Order of the Board

Stephen Hall

Stephen Hall

Chair

Date: 06/08/25

Statement of Trustees' Responsibilities for the period ended 31 December 2024

Trustees' responsibilities

The Trustees 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 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 the affairs of the charitable company and of the incoming resources and application of resources, including income and expenditure of the charitable company for that period.

In preparing those 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 UK 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 charitable group will continue in business.

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

Independent Auditor's Report to The Trustees of 11Arches

Opinion

We have audited the financial statements of 11Arches (the 'parent charitable company') and its subsidiaries (the 'group') for the period ended 31 December 2024 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Company Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is 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 group's and the parent charitable company's affairs as at 31 December 2024 and of the group's incoming resources and application of resources, including its income and expenditure, for the period 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 of 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 and parent charitable company 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 group's or parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises 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.

Independent Auditor's Report to The Trustees of 11Arches

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 the audit:

- the information given in the Trustees' Report which includes the Directors' Report and the Strategic Report prepared for the purposes of company law for the financial period, for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report, included within the Trustees' Report, have 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 group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report, included within the Trustees' report.

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 10, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent 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.

Independent Auditor's Report to The Trustees of 11Arches

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the group and parent charitable company operate in and how the group and parent charitable company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the parent charitable company's governing document, and tax legislation. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents, inspecting correspondence and minutes and inspecting correspondence with tax authorities.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to health and safety. We performed audit procedures to inquire of management whether the group is in compliance with these laws and regulations and inspected correspondence with regulatory authorities.

The audit engagement team identified the risk of management override of controls and revenue cut off as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed in relation to management override of controls included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates applied in the financial statements. Audit procedures performed in relation to revenue cut off included but were not limited to substantively testing revenue transactions around the period end and assessing whether the associated revenue has been recorded in the correct period.

11Arches
(A Charitable Company Limited by Guarantee)

Independent Auditor's Report to The Trustees of 11Arches

A further description of our responsibilities for the audit of the financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

Lucy Robson

LUCY ROBSON (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
1 St. James' Gate
Newcastle upon Tyne
NE1 4AD

Date: 07/08/25

Consolidated statement of financial activities (incorporating income and expenditure account) for the period ended 31 December 2024

	Notes	Unrestricted funds £	Restricted Funds £	Total funds Period ended 31 December 2024 £	Total funds Year ended 30 September 2023 £
Income from					
Donations and Legacies	2	8,060,000	-	8,060,000	10,850
Trading activities	3	1,951,145	-	1,951,145	1,351,851
Investments	4	170,980	-	170,980	283,497
Other	5	291,276	-	291,276	303,903
			-		
Total income		10,473,401	-	10,473,401	1,950,101
Expenditure on:					
Charitable activities	6	7,606,239	-	7,606,239	4,475,318
Raising funds	6	593,511	-	593,511	364,321
			-		
Total expenditure		8,199,750	-	8,199,750	4,839,639
Net income/(expenditure) and net movement in funds	17	2,273,651	-	2,273,651	(2,889,538)
Total funds brought forward		26,537,615	-	26,537,615	29,427,153
Total funds carried forward		28,811,266	-	28,811,266	26,537,615

The notes on pages 19 to 38 form part of these financial statements.

Consolidated and company balance sheets for the period ended 31 December 2024

	Notes	Group 31 December 2024 £	30 September 2023 £	Charity 31 December 2024 £	30 September 2023 £
Fixed assets					
Intangible assets	9	291,995	532,902	291,995	532,902
Tangible assets	10	21,240,542	19,315,431	21,240,542	19,315,431
Fixed asset investments	11	-	-	10	10
		<u>21,532,537</u>	<u>19,848,333</u>	<u>21,532,547</u>	<u>19,848,343</u>
Current assets					
Stocks	12	50,237	67,254	-	-
Debtors	13	1,248,729	427,549	2,217,551	2,264,928
Short term investments		4,500,000	-	4,500,000	-
Cash at bank and in hand		2,187,069	6,904,331	1,017,438	4,779,987
		<u>7,986,035</u>	<u>7,399,134</u>	<u>7,734,989</u>	<u>7,044,915</u>
Creditors: Amounts falling within one year	14	(706,949)	(709,495)	(528,411)	(407,953)
		<u>7,279,086</u>	<u>6,689,639</u>	<u>7,206,578</u>	<u>6,636,962</u>
Net current assets		7,279,086	6,689,639	7,206,578	6,636,962
Total assets less current liabilities		28,811,623	26,537,972	28,739,125	26,485,305
Provisions for liabilities	16	(357)	(357)	-	-
		<u>28,811,266</u>	<u>26,537,615</u>	<u>27,361,607</u>	<u>26,485,305</u>
Net assets					
The funds of the charity					
Unrestricted funds:					
General funds	17	27,688,373	25,414,722	27,616,232	25,362,412
Designated funds	17	1,122,893	1,122,893	1,122,893	1,122,893
		<u>28,811,266</u>	<u>26,537,615</u>	<u>28,739,125</u>	<u>26,485,305</u>
Total charity funds		<u>28,811,266</u>	<u>26,537,615</u>	<u>28,739,125</u>	<u>26,485,305</u>

Consolidated and company balance sheets for the period ended 31 December 2024

As permitted by Section 408 of the Companies Act 2006, the statement of financial activities of the parent coming is not presented as part of these accounts. The parent company's net income and net movement in funds for the financial period amounted to a surplus of £2,253,820 (year to 30 September 2023: £2,905,378 deficit).

The financial statements were approved by the Board on 06/08/25 and signed on its behalf by:

Stephen Hall

S Hall
Chair

The notes on pages 19 to 38 form part of these financial statements.

Consolidated statement of cash flows for the period ended 31 December 2024

	Note	Period ended 31 December 2024 £	Year ended 30 September 2023 £
Cash flows from operating activities	18	4,009,507	(1,320,320)
Cash flows from investing activities			
Purchase of property, plant and equipment		(4,396,346)	(1,750,695)
Purchase of intangible assets		(1,403)	-
Interest received		170,980	243,985
Short term investments		(4,500,000)	-
Net cash used in investing activities		(8,726,769)	(1,427,686)
Net cash (used in)/provided by financing activities		-	-
Decrease in cash and cash equivalents		(4,717,262)	(2,748,006)
Cash and cash equivalents at the beginning of the year		6,904,331	9,652,337
Cash and cash equivalents at the end of the year		2,187,069	6,904,331
Relating to:			
Cash at bank and in hand		2,187,069	6,904,331
Total cash and cash equivalents		2,187,069	6,904,331

The notes on pages 19 to 38 form part of these financial statements.

Notes to the financial statements for the period ended 31 December 2024

1 Accounting policies

Company Information

11Arches is a charitable company limited by guarantee, incorporated in England and Wales. The registered office is Flatts Farm, Toronto, Bishop Auckland, Co Durham, DL14 7SF.

Accounting Convention

11Arches meets the definition of a public benefit entity under FRS102. The financial statements are prepared under the historical cost convention and in accordance with the requirements of the 'Accounting and Reporting by Charities' Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK (FRS102) and the Companies Act 2006.

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

The principal accounting policies adopted are set out below.

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Charity and its wholly owned subsidiary, 11Arches Night Show Limited, on a line by line basis.

Going Concern

Budgets have been prepared for the 12 months to December 2026. These incorporate anticipated performances in 2026. The forecasts show that sufficient funds are available for liabilities to be met as they fall due.

The Trustees have prepared cash flow forecasts and reviewed the group and company's resources and have a reasonable expectation that the company and group has adequate resources to continue in operational existence for at least 12 months from date of approval of the financial statements, due to ongoing support provided by the co-founder through his charity Lempriere Pringle 2015. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

Reporting Period

The entity presents its financial statements for the 15 month period ended 31 December 2024 in order to bring the year end in line with the calendar year. Comparative amounts presented in the financial statements are not entirely comparable.

Fund Accounting

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes. Unrestricted funds are available to spend on activities that further any of the general objectives of the charity.

Where the group has allocated income towards specific projects, a designation fund has been established. The amount of each designated fund is set out in note 17 of the financial statements.

Notes to the financial statements for the period ended 31 December 2024

1 Accounting policies *(continued)*

Income

Incoming resources are recognised in the Statement of Financial Activities when the group has entitlement to the funds; any conditions attached to the income have been met; it is probable that the income will be received, and the amount can be measured reliably.

Income from donations and legacies includes donations from individuals and charitable trusts.

Income from trading activities is recognised as earned as the related goods and services are provided.

Investment income is recognised on a receivable basis.

Income relating to events is recognised within trading activities on delivery of the performance. Income is deferred when ticket sales are received or invoiced in advance of the performances or event to which they relate.

Other income from charitable activities is recognised as earned, as the related services are provided.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party; it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Resources expended are included in the Statement of Financial Activities on an accruals basis, exclusive of VAT. They include:

Charitable activities include all costs relating to activities where the primary aim is part of the objects of the charity along with the indirect costs.

Cost of raising funds comprises the costs incurred by 11Arches Night Show Limited.

Governance costs include Trustee expenses along with audit and accountancy fees.

Intangible Fixed Assets

Intangible assets are initially recognised at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortised at their expected useful economic lives on a straight-line basis as follows.

Software	3 years straight line
Artistic direction/music	5-10 years straight line

On disposal, the difference between the net disposal proceeds and the carrying amount of the intangible asset is recognised as income or expenditure.

Notes to the financial statements for the period ended 31 December 2024

1 Accounting policies *(continued)*

Tangible Fixed Assets

Fixed assets are initially measured at cost and subsequently measured at cost less accumulated depreciation.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following basis:

Freehold land	Not depreciated
Freehold buildings	10-30 years straight line
Assets under construction	Not depreciated until brought in to use
Fixtures and fittings	5-10 years straight line
Plant and equipment	3-10 years straight line
Motor vehicles	5 years straight line

Depreciation is not charged on land as under normal circumstances the residual values are considered to be greater than cost. However, the carrying values are viewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

The gain or loss on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to income or expenditure.

Subsequent costs, including replacement parts, are capitalised only when it is probable that such costs will generate future economic benefits. Any replaced parts or remaining carrying amounts are then derecognised. All other costs of repairs and maintenance are charged to the Statement of Financial Activities.

Impairment of Fixed Assets

At each reporting date, the group reviews the carrying amounts of its tangible and intangible 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 any impairment loss (if any).

Stocks

Stocks are valued at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and those overheads that have been incurred in bringing the stock to its present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to sell is recognised as an impairment loss in the income and expenditure account. Reversals of impairment losses are also recognised in profit and loss.

Notes to the financial statements for the period ended 31 December 2024

1 Accounting policies (*continued*)

Fixed Asset Investments

In the charity only accounts, interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

Interests in subsidiaries are assessed for impairment at each reporting date. Any impairment losses are recognised immediately in expenditure.

Leasing

An asset and corresponding liability are recognised for leasing agreements that transfer to the charity substantially all of the risks and rewards incidental to ownership ('Finance Leases'). All other leases are operating leases.

Operating leases – the group as a lessee

The group classifies the lease of properties and equipment as operating leases. Rental charges are charged to the statement of financial activities on a straight line basis over the period of the lease.

Retirement Benefits

The group operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the charitable company. The amount charged to the statement of financial activities is the contributions payable in the year. Differences between contributions payable in the year and actually paid are shown as either prepayments or accruals.

Termination Benefits

Termination benefits are accounted for when the group terminates employment. Amounts are recognised when the group has communicated its plan of termination to the affected employees.

Cash and Cash Equivalents

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

Short Term Investments:

Short term investments include deposit accounts with a maturity of three to twelve months.

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

Notes to the financial statements for the period ended 31 December 2024

1 Accounting policies (*continued*)

Financial Instruments

The group has elected to apply the provisions of Section 11 “Basic Financial Instruments” and Section 12 “Other Financial Instruments Issues” of FRS102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic Financial Assets

Basic financial assets, which include other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Classification of Financial Liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic Financial Liabilities

Basic financial liabilities, including trade and other creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Reduced Disclosure Options

In accordance with FRS 102, the Charity has taken advantage of the exemptions from the following disclosure requirements;

- Section 7 ‘Statement of Cash Flows’ – Presentation of a Statement of Cash Flow and related notes and disclosures (in relation to the Charity’s own statement of cash flows – a consolidated statement of cash flows is presented in these financial statements)

Notes to the financial statements for the period ended 31 December 2024

1 Accounting policies *(continued)*

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

The group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

2 Donations and legacies

	Unrestricted funds	Restricted funds	Period ended 31 December 2024	Year ended 30 September 2023
	£	£	£	£
Donations	8,060,000	-	8,060,000	10,850
Total 2023	10,850	-	10,850	-

Notes to the financial statements for the period ended 31 December 2024

3 Income from trading activities

	Unrestricted Funds £	Restricted Funds £	Period ended 31 December 2024 Total £	Year ended 30 September 2023 Total £
Ticket sales	1,578,332	-	1,578,332	1,133,648
Retail income	80,011	-	80,011	45,238
Catering income	292,802	-	292,802	172,965
	<u>1,951,145</u>	<u>-</u>	<u>1,951,145</u>	<u>1,351,851</u>
Total 2023	<u>1,351,851</u>	<u>-</u>	<u>1,351,851</u>	<u>-</u>

4 Investment income

	Unrestricted Funds £	Restricted Funds £	Period ended 31 December 2024 Total £	Year ended 30 September 2023 Total £
Bank interest	167,100	-	167,100	283,497
Interest on theatre tax relief	3,880	-	3,880	-
	<u>170,980</u>	<u>-</u>	<u>170,980</u>	<u>283,497</u>
Total 2023	<u>283,497</u>	<u>-</u>	<u>283,497</u>	<u>-</u>

5 Other income

	Unrestricted Funds £	Restricted Funds £	Period ended 31 December 2024 Total £	Year ended 30 September 2023 Total £
Other	33,891	-	33,891	51,103
Theatre tax	257,385	-	257,385	252,800
	<u>291,276</u>	<u>-</u>	<u>291,276</u>	<u>303,903</u>
Total 2023	<u>303,903</u>	<u>-</u>	<u>303,903</u>	<u>-</u>

Notes to the financial statements for the period ended 31 December 2024

6 Expenditure

Charitable activities

	Direct costs £	Unrestricted funds Staff costs £	Support costs £	Restricted funds £	Period ended 31 December Total £	Year ended 30 September 2023 Total £
Charitable activities:						
Project costs	1,849,568	-	-	-	1,849,568	1,205,569
Premises costs	-	-	143,368	-	143,368	90,233
Light and heat	-	-	232,145	-	232,145	124,056
Staff costs (note 8)	-	1,748,068	-	-	1,748,068	609,873
Office costs	-	-	49,961	-	49,961	43,082
Equipment	-	-	86,821	-	86,821	37,556
Marketing and advertising	-	-	432,707	-	432,707	232,791
Travel costs	-	-	44,282	-	44,282	68,741
Legal and professional fees	-	-	130,854	-	130,854	32,431
Consultancy and	-	-	17,920	-	17,920	55,935
Other costs	-	-	20,144	-	20,144	32,891
Staff development	-	-	25,022	-	25,022	18,812
Staff recruitment	-	-	52,298	-	52,298	72,002
Governance	-	-	49,700	-	49,700	13,500
Depreciation	-	-	2,464,367	-	2,464,367	1,643,065
Amortisation	-	-	242,310	-	242,310	194,781
Loss on disposal of fixed assets	-	-	6,868	-	6,868	-
Loss on foreign currency exchange	-	-	9,836	-	9,836	-
	<u>1,849,568</u>	<u>1,748,068</u>	<u>4,008,603</u>	<u>-</u>	<u>7,606,239</u>	<u>4,475,318</u>
 Total 2023	 <u>1,205,569</u>	 <u>609,873</u>	 <u>2,659,876</u>	 <u>-</u>	 <u>4,475,318</u>	

Raising funds

	Unrestricted General Funds £	Unrestricted Designated Funds £	Period ended 31 December 2024 Total £	Year ended 30 September 2023 Total £
11Arches Night Show Limited	593,511	-	593,511	364,321
 Total 2023	 <u>364,321</u>	 <u>-</u>	 <u>364,321</u>	

Notes to the financial statements for the period ended 31 December 2024

7 Net income/(expenditure)

	Period ended 31 December 2024 £	Year ended 30 September 2023 £
Net income/(expenditure) is stated after charging/(crediting):		
Auditor's remuneration: - audit	28,000	22,000
- tax advisory	4,000	3,000
- accountancy	8,200	6,500
Operating lease charges	685	593
Exchange losses/(gains)	9,836	(16,174)
Depreciation	2,464,367	1,643,065
Amortisation	242,310	194,782
	<u> </u>	<u> </u>

8 Staff costs, trustee remuneration and expenses and the cost of key management personnel

	Period ended 31 December 2024 £	Year ended 30 September 2023 £
Staff costs:		
Wages and salaries	1,185,066	471,465
Social security costs	136,373	73,149
Other pension costs	55,868	63,509
	<u>1,377,307</u>	<u>608,123</u>
Other staff costs	10,345	1,750
Restructuring costs	360,416	-
	<u>1,748,068</u>	<u>609,873</u>
Subcontract costs	930,588	427,918
Agency costs	41,339	
	<u>971,927</u>	<u>427,918</u>
	2024	2023
	No.	No.
The average number of employees during the year were:		
Management and administration	22	9
	<u> </u>	<u> </u>

Notes to the financial statements for the period ended 31 December 2024

8 Staff costs, trustee remuneration and expenses and the cost of key management personnel
(continued)

Higher paid staff

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

	2024 No.	2023 No.
£110,000 - £119,999	1	-
£170,000 - £179,999	1	-
£270,000 - £279,999	-	1
£430,000 - £439,000	1*	-

**This salary includes £360,416 of restructuring costs.*

Trustee remuneration

No trustee received remuneration during the period (2023: £nil) and no trustee received payment for professional or other services supplied to the charity (2023: £nil).

The aggregate amount of travelling and subsistence expenses reimbursed to trustees during the period was £nil (2023: £nil).

Key Management Personnel

The key management personnel of the group and charity comprise the Trustees, the Executive Director, the Chief Executive Officer, Chief Technical Officer, Chief Operating Officer.

Total employee benefits of the key management personnel for the period were £882,198 (2023: £428,596) including £360,416 (2023: £nil) of restructuring costs. This excludes amounts paid to contracted staff of £149,243 (2023: £286,275).

Restructuring costs

Included in staff restructuring costs are 1 (2023: nil) termination payments totalling £360,416 (2023: £nil). All of the payments were made during the year so that there were £nil outstanding at the year end (2023: £nil).

Notes to the financial statements for the period ended 31 December 2024

9 Intangible fixed assets

Group and charity

	Software £	Artistic Direction £	Total £
Cost			
At 1 October 2023	4,365	2,179,347	2,183,712
Additions	-	1,403	1,403
At 31 December 2024	4,365	2,180,750	2,185,115
Amortisation			
At 1 October 2023	4,365	1,646,445	1,650,810
Charge for period	-	242,310	242,310
At 31 December 2024	4,365	1,888,755	1,893,120
Net book value			
At 31 December 2024	-	291,995	291,995
At 30 September 2023	-	532,902	532,902

The amortisation charge for the period is recognised within expenditure on charitable activities.

Notes to the financial statements for the period ended 31 December 2024

10 Tangible fixed assets

Group

	Freehold Land and Buildings £	Assets Under Construction £	Plant and Equipment £	Fixtures and Fittings £	Motor Vehicles £	Total £
Cost						
At 1 October 2023	23,174,980	361,250	7,694,496	381,057	80,731	31,692,514
Additions	2,135,469	281,356	1,781,865	160,816	36,840	4,396,346
Disposals	-	-	(3,950)	(61,479)	(3,000)	(68,429)
Transfers	2,200,540	-	(2,200,540)	-	-	-
At 31 December 2024	27,510,989	642,606	7,271,871	480,394	114,571	36,020,431
Depreciation						
At 1 October 2023	6,845,901	-	5,299,108	197,912	34,162	12,377,083
Charge for period	1,533,778	-	829,168	83,877	17,544	2,464,367
Disposals	-	-	(33)	(58,528)	(3,000)	(61,561)
Transfers	222,164	-	(222,164)	-	-	-
At 31 December 2024	8,610,843	-	5,906,079	223,261	48,706	14,779,889
Net book value						
At 31 December 2024	18,909,146	642,606	1,365,792	257,133	65,865	21,240,542
At 30 September 2023	16,329,079	361,250	2,395,388	183,145	46,569	19,315,431

Assets under construction relate to assets in development for the new day park which are not complete at 31 December 2024.

During the year management have performed a review of the fixed asset classification and have elected to transfer assets from plant and equipment into land and buildings to better reflect the nature of the assets.

Notes to the financial statements for the period ended 31 December 2024

10 Tangible fixed assets (continued)

Charity

	Freehold Land and Buildings £	Assets Under Construction £	Plant and Equipment £	Fixtures and Fittings £	Motor Vehicles £	Total £
Cost						
At 1 October 2023	23,174,980	361,250	7,694,496	378,765	80,731	31,690,222
Additions	2,135,469	281,356	1,781,865	160,816	36,840	4,396,346
Disposal	-	-	(3,950)	(59,187)	(3,000)	(66,137)
Transfers	2,200,540	-	(2,200,540)	-	-	-
At 31 December 2024	27,510,989	642,606	7,271,871	480,394	114,571	36,020,431
Depreciation						
At 1 October 2023	6,845,901	-	5,299,108	195,620	34,162	12,374,791
Charge for period	1,533,778	-	829,168	83,877	17,544	2,464,367
Disposal	-	-	(33)	(56,236)	(3,000)	(59,269)
Transfers	222,164	-	(222,164)	-	-	-
At 31 December 2024	8,601,843	-	5,906,079	223,261	48,706	14,779,889
Net book value						
At 31 December 2024	18,909,146	642,606	1,365,792	257,133	65,865	21,240,542
At 30 September 2023	16,329,079	361,250	2,395,388	183,145	46,569	19,315,431

All tangible fixed assets are held for charitable purposes.

During the year management have performed a review of the fixed asset classification and have elected to transfer assets from plant and equipment into land and buildings to better reflect the nature of the assets.

Notes to the financial statements for the period ended 31 December 2024

11 Fixed asset investments

Charity

Investment in subsidiary undertaking

	31 Dec 2024 £	30 Sept 2023 £
Investments – shares in group undertakings:		
At 1 October 2023 and 31 December 2024	10	10

The wholly-owned subsidiary, 11Arches Night Show Limited (company number 09235236), which is incorporated in the United Kingdom, pays its taxable profits to the charity by gift aid. The subsidiary's registered office is Flatts Farm, Toronto, Bishop Auckland, Co Durham, United Kingdom, DL14 7SF. The charity owns the entire issued share capital of 10 ordinary shares of £1 each. A summary of the trading results is shown below:

	Period ended 31 December 2024 £	Year ended 30 September 2023 £
Summary profit and loss account		
Turnover	1,982,819	1,378,430
Expenses	(1,971,029)	(1,365,027)
Interest received	60,711	39,266
Net profit before tax	72,501	52,669
	31 Dec 2024 £	30 Sept 2023 £
The assets and liabilities of the subsidiary were:		
Fixed assets	-	-
Current assets	1,233,620	2,197,960
Creditors: amounts falling due in one year	(1,161,111)	(2,145,283)
Provisions for liabilities	(357)	(357)
Total net assets	72,152	52,320
Aggregate share capital and reserves	72,152	52,320

Notes to the financial statements for the period ended 31 December 2024

12 Stocks

	31 Dec 2024 £	Group 30 Sept 2023 £	31 Dec 2024 £	Charity 30 Sept 2023 £
Goods purchased for resale	50,237	67,254	-	-

13 Debtors	31 Dec 2024 £	Group 30 Sept 2023 £	31 Dec 2024 £	Charity 30 Sept 2023 £
Trade debtors	3,180	-	3,180	-
Amounts owed by group undertakings	-	-	945,924	1,807,100
Other debtors	183,072	92,902	205,970	123,181
Prepayments and accrued income	1,062,477	334,647	1,062,477	334,647
	<u>1,248,729</u>	<u>427,549</u>	<u>2,217,551</u>	<u>2,264,928</u>

14 Creditors: Amounts falling due within one year

	31 Dec 2024 £	Group 30 Sept 2023 £	31 Dec 2024 £	Charity 30 Sept 2023 £
Trade creditors	116,094	462,542	115,955	324,867
Other taxation and social security	18,024	41,299	18,024	41,299
Amounts owed to group undertakings	-	-	-	-
Other creditors	2,569	1,818	-	1,352
Accruals and deferred income	570,262	203,836	394,432	40,435
	<u>706,949</u>	<u>709,495</u>	<u>528,411</u>	<u>407,953</u>

Notes to the financial statements for the period ended 31 December 2024

15 Deferred income

	31 Dec 2024 £	Group 30 Sept 2023 £	31 Dec 2024 £	Charity 30 Sept 2023 £
Balance as at 1 October 2023	57,207	57,903	-	-
Released from previous years	(57,207)	(57,903)	-	-
Resources deferred in the year	259,461	57,207	100,000	-
Balance as at 31 December 2024	<u>259,461</u>	<u>57,207</u>	<u>100,000</u>	<u>-</u>

Deferred income comprises ticket income received in advance and a donation of £100,000 received in the year relating to projects in 2025.

16 Provisions for liabilities

Group	31 Dec 2024 £	30 Sept 2023 £
Deferred tax liability	<u>357</u>	<u>357</u>

There was no deferred tax liability in the charity.

17 Movement on funds

Group

	At 1 October 2023 £	Incoming Resources £	Outgoing Resources £	Transfers Between Funds £	At 31 December 2024 £
Unrestricted funds					
Designated funds:					
Land Fund	1,122,893	-	-	-	1,122,893
General funds	<u>25,414,722</u>	<u>10,473,401</u>	<u>(8,199,750)</u>	<u>-</u>	<u>27,688,373</u>
Total funds	<u>26,537,615</u>	<u>10,473,401</u>	<u>(8,199,750)</u>	<u>-</u>	<u>28,811,266</u>
Restricted funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total funds	<u>26,537,615</u>	<u>10,473,401</u>	<u>(8,199,750)</u>	<u>-</u>	<u>28,811,266</u>

Notes to the financial statements for the period ended 31 December 2024

Charity

	At 1 October 2023 £	Incoming Resources £	Outgoing Resources £	Transfers Between Funds £	At 31 December 2024 £
Unrestricted funds					
Designated funds:					
Land Fund	1,122,893	-	-	-	1,122,893
General funds	25,362,412	8,472,705	(7,596,403)	-	26,238,714
Total funds	26,485,305	8,472,705	(7,596,403)	-	27,361,607
Restricted funds	-	-	-	-	-
Total funds	26,485,305	8,472,705	(7,596,403)	-	27,361,607

17 Movement on funds (continued)

Designated funds:

Land Fund – value of the amounts which have been acquired through gifts from third parties for the site on which the 11Arches project is located.

Funds prior year

Group

	At 1 October 2022 £	Incoming Resources £	Outgoing Resources £	Transfers Between Funds £	At 30 September 2023 £
Unrestricted funds					
Designated funds:					
Land Fund	1,122,893	-	-	-	1,122,893
General funds	28,304,260	1,950,101	(4,839,639)	-	25,414,722
Total funds	29,427,153	1,950,101	(4,839,639)	-	26,537,615

Charity

	At 1 October 2022 £	Incoming Resources £	Outgoing Resources £	Transfers Between Funds £	At 30 September 2023 £
Unrestricted funds					
Designated funds:					
Land Fund	1,122,893	-	-	-	1,122,893
General funds	28,267,790	1,569,940	(4,475,318)	-	25,362,412
Total funds	29,390,683	1,569,940	(4,475,318)	-	26,485,305

Notes to the financial statements for the period ended 31 December 2024

17 Movement on funds (continued)

Group

Fund balances at 31 December 2024 are represented by:	Unrestricted General Funds £	Unrestricted Designated Funds £	Total 2024 £
Fixed assets	20,409,644	1,122,893	21,532,537
Current assets	7,986,035	-	7,986,035
Creditors: amounts due within one year	(706,949)	-	(706,949)
Provisions for liabilities	(357)	-	(357)
	<u>27,688,373</u>	<u>1,122,893</u>	<u>28,811,266</u>

Fund balances at 30 September 2023 are represented by:	Unrestricted General Funds £	Unrestricted Designated Funds £	Total 2023 £
Fixed assets	18,725,440	1,122,893	19,848,333
Current assets	7,399,134	-	7,399,134
Creditors: amounts due within one year	(709,495)	-	(709,495)
Provisions for liabilities	(357)	-	(357)
	<u>25,414,722</u>	<u>1,122,893</u>	<u>26,537,615</u>

Charity

Fund balances at 31 December 2024 are represented by:	Unrestricted General Funds £	Unrestricted Designated Funds £	Total 2024 £
Fixed assets	20,409,654	1,122,893	21,532,547
Current assets	6,789,065	-	6,789,065
Creditors: amounts due within one year	(960,005)	-	(960,005)
	<u>26,238,714</u>	<u>1,122,893</u>	<u>27,361,607</u>

Fund balances at 30 September 2023 are represented by:	Unrestricted General Funds £	Unrestricted Designated Funds £	Total 2023 £
Fixed assets	18,725,450	1,122,893	19,848,343
Current assets	7,044,915	-	7,044,915
Creditors: amounts due within one year	(407,953)	-	(407,953)
	<u>25,362,412</u>	<u>1,122,893</u>	<u>26,485,305</u>

Notes to the financial statements for the period ended 31 December 2024

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

	31 Dec	30 Sept
	2024	2023
	£	£
Net income/(expenditure)	2,273,651	(2,889,538)
Interest received	(170,980)	(283,497)
Depreciation	2,464,367	1,643,065
Amortisation	242,310	194,781
Loss on disposal of tangible fixed assets	6,868	-
Decrease/(increase) in stock	17,017	(14,394)
Increase in debtors	(821,180)	(106,587)
(Decrease)/increase in creditors	(2,546)	214,874
Net cash provided by/(used in) operating activities	4,009,507	(1,320,320)

19 Related party transactions

Related party transactions took place in the period of account other than certain trustees and key management personnel remuneration and expenses already disclosed in note 8.

	Relationship	Income	Expenditure	Year end balance
Lempriere Pringle	Common trustee	8,000,000	-	-
The Auckland Project	Common trustee	3,830	110,673	2,172
Twinkle Bee Limited	Common control	-	490,079	-
The Auckland Project	Common control	-	11,619	-

All related party transactions were at an arm's length basis.

There were also purchases of Fixed assets from Weldrack Limited of £135,027.

As at 31 December 2024, £945,924 was owed by 11Arches Night Show Limited to the charity (30 September 2023: £1,807,100).

During the financial period, a trustee donated £160,000 to the charity (2023: £nil) of which £100,000 is deferred as at 31 December 2024 (30 September 2023: £nil).

20 Pension scheme

The group operates a defined contribution scheme for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund. The contributions payable by the group charged to income and expenditure amounted to £55,868 (2023: £63,509), and all related to unrestricted funds. Amounts outstanding of £nil (2023: £3,097) are included in other creditors.

Notes to the financial statements for the period ended 31 December 2024

21 Taxation

The charity is exempt from tax on income and gains falling within Section 505 of the Taxes Act 1988 or Section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

22 Volunteers

The group places a great value on the contributions that volunteers made to the organisation. Over the course of the year, we benefitted greatly from the considerable time, energy and expertise given by the Board of Trustees.

Placing a monetary value on the contribution of the volunteers presents significant difficulties. With the lack of a market comparator price for general volunteers, it is impractical for their contribution to be measured reliably for accounting purposes. Given the absence of a reliable measurement basis, the contribution of volunteers has not been included as income in the accounts.

The role played by and contributions the volunteers make is discussed in detail in the Trustee's Report.

23 Capital commitments

As at 31 December 2024, the group and charity had intangible capital commitments of £26,190 (30 September 2023: £nil) and tangible capital commitments of £105,932 (30 September 2023: £nil).

24 Operating lease commitments – Group and Charity

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

	31 Dec 2024 £'000	30 Sept 2023 £'000
Within one year	715	-
Between one and five years	2,145	-
In over five years	-	-
	2,860	-

25 Control

The charity is controlled by the Board of Trustees.

11Arches

England & Wales - Charity number 1159011

Accounts

11Arches
(A Charitable Company Limited by Guarantee)

Annual Report

For the year ended
30 September 2023

Company Number 09055646
Charity Number 1159011

11Arches
(A Charitable Company Limited by Guarantee)

Report of the Trustees for the year ended 30 September 2023

Reference and administrative information

Trustees

S Hall (Chair)
J Ruffer
L Greig
K Eld
N White
L Fairclough
D Barrie

Key management personnel at 30 September 2023

Al Daulon	Chief Executive Officer Executive Producer Kynren and 11Arches Park Artistic Director
A Warnecke	Director of Cavalry and Estates Deputy Executive Producer 11Arches Park
G Emerson	Director of Technical Projects
L Robinson	Head of Cavalry
C Boissinot	Production Advisor
S Blackwell	Finance Director
M Slavin	Operations Directors and Chief of Staff

Registered office and Principal place of business

Flatts Farm
Toronto
Bishop Auckland
County Durham
DL14 7SF

Charity number

1159011

Company number

09055646 (England & Wales)

Auditor

RSM UK Audit LLP
1 St James Gate
Newcastle upon Tyne
NE1 4AD

Principal bankers

Barclays Bank Plc
6 Market Place
Durham
Co Durham
DH1 3NB

11Arches
(A Charitable Company Limited by Guarantee)

Report of the Trustees for the year ended 30 September 2023 (continued)

The trustees (who are also directors of the charity for the purpose of company law) present their annual report and audited financial statements of 11Arches (the charity) for the year ended 30 September 2023.

The financial statements comply with the Memorandum and Articles of Association and the requirements of the Charities Act 2011, 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 (FRS102).

Structure, Governance and Management Governing Documents

The charity is registered as a charitable company limited by guarantee, was incorporated on 23rd May 2014 and is governed by the memorandums of association dated 28 September 2014. The charity is constituted under its Memorandum of Association and is a registered charity, number 1159011. The Articles of Association have been approved by the Charity Commission as follows:

The objectives of the Charity are specifically restricted to the following:

- To advance education for the public benefit by any or all of the following means:
 - historical and heritage productions and performing arts projects that celebrate and promote the unique history of Bishop Auckland and the surrounding area, and increase knowledge, understanding and appreciation of matters of both local and national historic interest.
 - providing after-school and training programmes for young people that are designed to build skills and self-confidence.
- To advance community development for the public benefit by the promotion of volunteer programmes that encourage community wide involvement in the charity's historical and heritage productions and performing arts projects.

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

S Hall (Chair)
J Ruffer
L Greig
K Eld
N White
L Fairclough
D Barrie

Appointment, Induction and Training of Trustees

The management of the charity is the responsibility of the trustees. New trustees will be selected by existing trustees and will be appointed by Members of the charity. Each trustee, as a member, is a guarantor of the charity to an amount not exceeding £1 in the event of the charity being wound up.

New trustees undergo orientation to brief them on their legal obligations under charity and company law, the Charity Commission guidance on public benefit, and inform them of the content of the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and recent financial performance of the charity. During the induction they meet key employees and other trustees. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Objectives and Activities

Kynren, an epic tale of England, is an open-air night spectacular. It is the main production of 11Arches.

Kynren is part of a very ambitious scheme to build a world class visitor destination in Bishop Auckland, around Auckland Castle. This is the vision of philanthropist and investment manager, Jonathan Ruffer. 11Arches is one of two charities he has established in Bishop Auckland, the other being The Auckland Project. Together, the aim of the charities is to establish Bishop Auckland as an international tourist destination, attracting visitors and investment which will contribute to the betterment of the area and empowerment of the community.

Mission Statement

11Arches is a registered charity with the objective to produce a world class historical show, the foundation of which is an innovative and engaging arts, education and community development programme.

11Arches is a catalyst and driver of change which will dramatically shift the paradigm of the North East, by adding a national tourist destination to the region that delivers tangible, measurable, significant social and economic impact.

11Arches is a celebration of heritage bringing our history to life in a spectacular show by a cast and crew.

Objectives

11Arches is committed to deliver Kynren as a must-see show year after year: Kynren is a world class display of technical and artistic performance, orchestrated by a cast and crew of volunteers of utmost professionalism, creating enthralling educative entertainment and a high quality experience to its visitors. Kynren's success is measured by the rating given by our visitors to Kynren, and the enjoyment its cast and crew take in bringing Kynren to life.

We acknowledge that the cornerstone of Kynren's longevity is to expand into a daytime offer, to support its commercial success. Therefore, the expansion should be the key strategic objective to focus on for the next three seasons, alongside the further establishment of Kynren.

Activities

11Arches produced seven summer performances of Kynren in 2023, along with the annual Pyromusical in November.

Organisation Structure and Delegated Responsibility

The board of trustees administers the charity. The board normally meets quarterly.

A Chief Executive is appointed by the trustees to manage the day-to-day operations of the charity. To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by the trustees, for all operational matters including finance, employment, and artistic performance related activity.

Pay policy for senior staff

The directors consider the board of directors, who are the trustees, and the senior Management team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis.

All directors give their time freely and no director received any remuneration in the year. Details of directors' expenses and related party transactions are disclosed in note 8 to the accounts.

The pay of the senior staff is reviewed annually. In view of the production industry the charity operates in, the directors benchmark against salary levels in line with similar organisations.

GROUP STRATEGIC REPORT

Season Review: achievements and performance for the period.

Our 2023 season was very promising, with only Kynren being performed on site, and with no supporting events, visitor numbers compared with previous seasons were strong.

Mindful of the cost-of-living crisis being endured by many and the continued impact of world events, our ticket sales of 33,048 (24,476 in 2022) and our average per visitor spend onsite of £ 4.66 (£3.87 in 2022) was encouraging. Visits from our travel trade partners also increased to 2950 tickets.

Dominant markets were Northeast (55%), Yorkshire (12%) & Lakes & Borders (3%).

Our audience continued to rate Kynren extremely well with fantastic reviews on TripAdvisor and we have retained our 5* rating and Certificate of Excellence.

Recruitment and training of the Cast and Crew

The cast and crew involved in Kynren are called Archers. Our ethos is to train our volunteers to the highest standards, and empower them to take control, remains hugely successful. More than 80% of our Archers return from one season to the next consistently, year after year.

2023 again saw a push into recruitment of new volunteers with four very successful open call evenings for introductions. This brought fantastic new Archers into our ranks, strengthening our community with new energy.

The induction programme started in February. In order to maximise the effectiveness of training, and to make managing the volunteers more efficient, our Archers were then divided into five teams, each containing separate sub-teams focused on various roles, and each led, in the first instance, by 11Arches staff. They are supported by over 60 Team Leaders who are an indispensable part of the core team structure, putting in the effort and time to manage their teams and schedule the complex rotas for show nights. They are not just enablers of pastoral care and communication, but meaningful contributors to the volunteer experience and the successful delivery of the production.

- Show team, including cast, animal handlers, stage management, costume and prop makers.
- Cavalry for our riders, carriage drivers, stage management and grooms.
- Tech team for sound lights pyrotechnics SFX video and hydraulic machinery.
- Experience team for the meet and greet, car parks, merchandise sales, ticket checks, ushers.
- Operations for Estates management, Show Operations, Event Ops, rescue divers and swimmers, and first aid.

11Arches **(A Charitable Company Limited by Guarantee)**

Report of the Trustees for the year ended 30 September 2023 (continued)

Professional training was given to the volunteer teams, including: Mass choreography, theatrical combat, acting, dance, prop making, costume making, technical operation of a show (light, sound, video, SFX, hydraulics, machinery, pyrotechnics), performance riding, carriage driving, animal handling, visitor services, show diving, rescue diving, first aid and event control.

Economic benefit

11Arches' mission is to produce Kynren as world-class show, to be a trip attractor, encouraging overnight visits to County Durham and bringing tourism-related expenditure, capital investment and jobs. It is the overnight visitors who make a significant difference to the regional economy: while day trippers typically spend £20.18 per day, overnight visitors are likely to spend £169.14, a driver for the creation of jobs.

Offsite tourism expenditure around Kynren is expected to be in the region of £4.75million per annum, and that will be compounded by what is spent at other attractions when visitors build a short or long-stay around the show.

Looking ahead

Our five-year vision inspires the next legs of our development.

For 11Arches to be the successful operator of the biggest night show in the UK: more visitors year after year are left in awe, not just with the spectacle itself, but with the fact it is entirely orchestrated by a cast and crew of volunteers.

For 11Arches to open a world class day park visitor attraction. Showcasing British history through live action stunt show performances.

Risk assessment

11Arches combines a number of characteristics that increase our risk: an unfamiliar form of visitor attraction to the UK audience, its scale since inception and its boldness. We are still at the beginning of a long journey. Establishing processes that ensure it remains a going concern remains high on our agenda.

The risks and uncertainties were identified as follows:

- Continued recruitment and retention of volunteers to ensure the appropriate running of the show.
- An unfamiliar format means that we are required to build brand and concept awareness from near scratch which can create a high level of uncertainty and risk to ticket sales.
- A unique production also means that the skills are not readily available on a like for like basis, especially in the region, for staff and experts we wish to engage on the project.
- A visitor attraction in its eighth year of operation means that consolidating audiences within the regional 30-60 min radius and search for new ones beyond is needed, and yet this takes considerable time and money to achieve.
- Exposure to the financial health of the British consumer, as the organisation sells a discretionary product.

Management maintains a risk register as a live document assessing all current risks for the organisation for its fifth year of production across all departments.

It identifies the major risks the charity faces, the likelihood of occurrence, the potential impact of the risk, as well as any mitigation in place. It proactively seeks to identify any actions and resources necessary to manage these risks and reduce the risk profile of the organisation.

11Arches
(A Charitable Company Limited by Guarantee)

Report of the Trustees for the year ended 30 September 2023 (continued)

The Trustee Board is responsible for the oversight of the risks the charity faces. The Trustee Board regularly reviews the charity's risk position, internal controls and compliance with relevant statutory and governance regulations.

Related parties

11Arches and The Auckland Project (TAP) have a close working relationship. TAP was set up to own and enhance Auckland Castle and the other buildings of national, architectural, historic or artistic interest for the benefit of the public.

The charity also has a close working relationship with Lempriere Pringle 2015 and the charity has received substantial financial resources from Lempriere Pringle 2015. Jonathan Ruffer is a trustee of both the charity and Lempriere Pringle 2015.

Further detailed information on related parties is included in note 19 of the financial statements.

Public benefit

The trustees have due regard to the guidance by the Charity Commission on public benefit. The charity's activities encompass a number of the charitable purposes which are referred to in the Charities Act 2011, in particular the drawing together of the local community and the opportunities members of the local community of all ages, education and skills have of participating as volunteers in the show and the range of educational benefits through learning new skills and audience education.

Fundraising

The charity does not work with commercial participators or professional fundraisers and does not engage third parties to undertake fundraising activities on its behalf.

Impact and value

11Arches researched the extent to which the *Kynren* experience, in its first year, has helped to advance its aims of education and community development. A report was commissioned to look at the impact of the project on the volunteer workforce (known individually as Archers) and at their perceptions of what the Trust, through *Kynren*, is achieving.

The findings of the first season are merely the first instalment of the story of the impact of 11Arches on the fortunes of Bishop Auckland and the surrounding area, in the long term. Findings of each additional year of operation are consolidated and support similar trends.

Volunteers' motivations

Kynren, in its first year, has been a story of individuals and family groups volunteering their time and effort, largely for the benefit of the wider community. While there is substantial evidence of change and gains for individual Archers, *Kynren* is a bold undertaking by a community for a community. Many Archers have cited, among their motivations for getting involved, the fact that 11Arches is working for a better future for Bishop Auckland. They either remember the town as a different kind of place or can sense its potential and want to see the charity succeed. Although uncertain about what the project might entail or lead to, large numbers of local and not-so-local people recognised that its realisation would depend on the involvement of hundreds of volunteers and the commitment of thousands of hours of voluntary work. Curious, available and with a sense of responsibility for the success of the project, they signed up.

Report of the Trustees for the year ended 30 September 2023 (continued)

Of the many local residents who were initially, or mainly, attracted by the opportunity to pursue an existing interest (e.g. acting, dancing, building, making, sewing, riding) or develop a new one, to make friends or add to their C.V. (in pursuit of further study or employment), most have become aware of, and are impressed by, the potential impact of their involvement on their community.

From the second season onward, motivations have become more diverse, as the show was now a tangible fact, something many had seen before joining, and the Kynren experience was articulated by a first year of veterans. Existing Archers from the first season were strong advocates and endorsed a bigger role front line in the recruitment of the second season.

The appeal to families and friends

A large number of Archers had family or friends taking part. The weekend rehearsals meant it was, in many cases, more feasible for someone with a family to commit the time needed if other members of the family were taking part too, but families became involved in different ways and at different paces. In some cases, they were led by a young person's interest, in others by an adult's and in a few cases by a parent child combination.

There were examples of family members and friends attending an audition session together and signing up together, while others brought relatives and friends along at a later stage.

Mutuality

Mutuality (or interdependence) has been a prominent feature of *Kynren*. Every Archer belonged to a team, with a team leader. Team members worked together, developed their own practices (e.g. bringing food to share, printing team t-shirts), supported each other, became friends, welcomed newcomers, overcame occasional tensions and became stronger as individuals and as a team.

Diversity and social capital

The Archers are a diverse group with different social, cultural, and family backgrounds and different life experiences, outlooks, and aspirations. Nearly 87% of Archers in 2023 live in Bishop Auckland and the surrounding area with 12.4% living elsewhere in the northeast and in a few cases, further afield. The diversity of the company has been one of its strengths: people have worked alongside people they would be unlikely to meet socially or at work; they have spent significant amounts of time together in a shared enterprise; they have learned about each other and from each other; they have formed lasting bonds and friendships and they have continued to meet (in some cases weekly) well after the show ended in September. In addition to their feelings of responsibility towards *Kynren* and 11Arches, *Archers* are now describing a sense of agency, which underlines the extent to which the charity is building social capital.

Nearly all Archers judged that they had become more skilled at something. Some have had production-related, technical training and experience (e.g. prop making and repair, combat skills, archery, pyrotechnics, riding, driving horses, animal handling and first aid, etc.). Many others have used a mixture of training (e.g. circus skills and World Host Customer Service Training) and the day-to-day practice of working with colleagues and the public, to increase their so-called soft skills, including the ability to work well in a team, to be adaptable, to resolve conflict, to observe behavior and respond to it, and to communicate effectively.

11Arches **(A Charitable Company Limited by Guarantee)**

Report of the Trustees for the year ended 30 September 2023 (continued)

For many, the acquisition of new knowledge and skills has enhanced their quality of life.

Parents/Guardians are very articulate about what this experience is doing for this next generation. The addition of teenage skills camp for the second year in the February half term has been acknowledged as a confidence builder / booster and a unique opportunity to make new friends in a gentle and safe environment.

Continuing to be part of something special also shone through for rejoining, and the reasons put forward include principally, friendship, confidence, community, skills, achievement & pride.

Financial review

Full details of the group's financial position can be found in the accompanying financial statements attached to this report. The Statement of Financial Activities shows total incoming resources of £1,950,101 (2022: £11,257,828) and total resources expended of £4,839,639 (2022: £4,327,828) resulting in a deficit for the year of £2,889,538 (2022: £6,930,000 surplus).

The group has net assets at year end of £26,537,615 (2022: £29,427,153) including available cash of £6,904,331 (2022: £9,652,337).

The charity has net assets at year end of £26,485,305 (2022: £29,390,683) and available cash of £4,779,987 (2022: £8,824,342).

Key Performance Indicators

Key Performance Indicators for the organisation are set on two main levels, Community Development and Excellence of the Show, both of which are closely linked to the charitable objects of 11Arches.

- The performance of the organisation in Community Development is analysed through the thriving group of Cast & Crew involved in Kynren. Their enjoyment of their experience is measured each season on a variety of indicators.
- The performance of the organisation to produce Kynren to a level of excellence is measured through our Customers' Satisfaction, as carried in our customer surveys.

The Trustees have considered the performance of the organisation through the above prisms for the financial year and are satisfied that the organisation is performing well.

11Arches Night Show

The results of the charity's subsidiary, 11Arches Night Show, which are consolidated in these financial statements, are included in note 11.

Reserves policy

The Directors review the reserve levels annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Directors have determined that the minimum level of unrestricted reserves should be a set amount of approximately £1m (2022: £1m) based on 4 months of annual expenditure, excluding depreciation and amortisation. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of income and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

Statement of Trustees' Responsibilities for the year ended 30 September 2023

The free reserves as of 30 September 2023, excluding fixed assets and loans, are £6,689,282 (2022: £9,504,056) for the group. This is above the £1m minimum level set and this is to further invest in the Kynren production and development of the day park.

Going Concern

There are no material uncertainties in respect of the charity's ability to continue as a going concern. The trustees believe that the group is well placed to manage its risks successfully and thus have adopted the going concern basis of accounting. This is primarily due to the ongoing support from the co-founder.

Principal funding

The principal funding was obtained from ticket sales and donations.

Auditor

In accordance with the charitable company's articles, a resolution proposing that RSM UK Audit LLP be reappointed as auditor of the charitable company will be put at a General Meeting.

Disclosure of information to auditor

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware.
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

By Order of the Board



Stephen Hall

Chair Date 25/06/24

Statement of Trustees' Responsibilities for the year ended 30 September 2023

Trustees' responsibilities

The Trustees 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 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 the affairs of the charitable company and of the incoming resources and application of resources, including income and expenditure of the charitable company for that period.

In preparing those 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 UK 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 charitable group will continue in business.

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

Independent Auditor's Report to The Trustees of 11Arches

Opinion

We have audited the financial statements of 11Arches (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 30 September 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Company Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is 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 group's and the parent charitable company's affairs as at 30 September 2023 and of the group's 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 of 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 and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRS'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 group's or parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises 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

Independent Auditor's Report to The Trustees of 11Arches

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 the audit:

- the information given in the Trustees' Report which includes the Directors' Report and the Strategic 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 and the Strategic Report, included within the Trustees' Report, have 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 group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report, included within the Trustees' report.

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 10, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent 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.

Independent Auditor's Report to The Trustees of 11Arches

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the group and parent charitable company operate in and how the group and parent charitable company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the parent charitable company's governing document, and tax legislation. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents, inspecting correspondence and minutes and inspecting correspondence with tax authorities.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to health and safety. We performed audit procedures to inquire of management whether the group is in compliance with these laws and regulations and inspected correspondence with regulatory authorities.

The audit engagement team identified the risk of management override of controls and revenue cut off as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed in relation to management override of controls included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates applied in the financial statements. Audit procedures performed in relation to revenue cut off included but were not limited to substantively testing revenue transactions around the year end and assessing whether the associated revenue has been recorded in the correct period.

Independent Auditor's Report to The Trustees of 11Arches

A further description of our responsibilities for the audit of the financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

Claire Leece

CLAIRE LEECE (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
1 St. James' Gate
Newcastle upon Tyne
NE1 4AD

Date: 25/06/24

Consolidated statement of financial activities (incorporating income and expenditure account) for the year ended 30 September 2023

		Unrestricted	Restricted	Total	Total
	Notes	Funds	Funds	Funds	Funds
		£	£	2023	2022
				£	£
Income from:					
Donations and Legacies	2	10,850	-	10,850	10,006,000
Trading activities	3	1,351,851	-	1,351,851	1,021,002
Investments	4	283,497	-	283,497	3,260
Other	5	303,903	-	303,903	227,566
Total income		1,950,101	-	1,950,101	11,257,828
Expenditure on:					
Charitable activities	6	4,475,318	-	4,475,318	4,058,005
Raising funds	6	364,321	-	364,321	269,823
Total expenditure before taxation		4,839,639	-	4,839,639	4,327,828
Taxation		-	-	-	-
Total expenditure after taxation		4,839,639	-	4,839,639	4,327,828
Net movement in funds	17	(2,889,538)	-	(2,889,538)	6,930,000
Total funds brought forward		29,427,153	-	29,427,153	22,497,153
Total funds carried forward	17	26,537,615	-	26,537,615	29,427,153

The notes on pages 19 to 37 form part of these financial statements.

Consolidated and company balance sheets for the year ended 30 September 2023

	Notes	Group 2023 £	2022 £	Charity 2023 £	2022 £
Fixed assets					
Intangible assets	9	532,902	727,684	532,902	727,684
Tangible assets	10	19,315,431	19,207,801	19,315,431	19,207,801
Fixed asset investments	11	-	-	10	10
		<u>19,848,333</u>	<u>19,935,485</u>	<u>19,848,343</u>	<u>19,935,495</u>
Current assets					
Stocks	12	67,254	52,860	-	-
Debtors	13	427,549	281,450	2,264,928	906,761
Cash at bank and in hand		6,904,331	9,652,337	4,779,987	8,824,342
		<u>7,399,134</u>	<u>9,986,647</u>	<u>7,044,915</u>	<u>9,731,103</u>
Creditors: Amounts falling within one year	14	<u>(709,495)</u>	<u>(494,622)</u>	<u>(407,953)</u>	<u>(275,915)</u>
Net current assets		6,689,639	9,492,025	6,636,962	9,455,188
Total assets less current liabilities		26,537,972	29,427,510	26,485,305	29,390,683
Provisions for liabilities	16	<u>(357)</u>	<u>(357)</u>	<u>-</u>	<u>-</u>
Net assets		<u>26,537,615</u>	<u>29,427,153</u>	<u>26,485,305</u>	<u>29,390,683</u>
The funds of the charity					
Unrestricted funds:					
General funds	17	25,414,722	28,304,260	25,362,412	28,267,790
Designated funds	17	1,122,893	1,122,893	1,122,893	1,122,893
Total charity funds		<u>26,537,615</u>	<u>29,427,153</u>	<u>26,485,305</u>	<u>29,390,683</u>

Consolidated and company balance sheets for the year ended 30 September 2023

As permitted by Section 408 of the Companies Act 2006, the statement of financial activities of the parent coming is not presented as part of these accounts. The parent company's total incoming resources for the financial year amounted to £1,569,940 (2022: £10,933,517) and the net outgoing resources amounted to £4,475,318 (2022: £3,994,532).

The financial statements were approved by the Board on ^{25/06/24}..... and signed on its behalf by:



S Hall
Chair

The notes on pages 19 to 37 form part of these financial statements.

Consolidated statement of cash flows for the year ended 30 September 2023

	Note	2023 £	2022 £
Cash flows from operating activities	18	(1,320,320)	8,554,685
Cash flows from investing activities			
Purchase of property, plant and equipment		(1,750,695)	(782,424)
Interest received		243,985	3,260
Net cash used in investing activities		<u>(1,427,686)</u>	<u>(779,164)</u>
Net cash (used in)/provided by financing activities		<u>-</u>	<u>-</u>
(Decrease)/increase in cash and cash equivalents		(2,748,006)	7,775,521
Cash and cash equivalents at the beginning of the year		9,652,337	1,876,816
Cash and cash equivalents at the end of the year		<u>6,904,331</u>	<u>9,652,337</u>
Relating to:			
Cash at bank and in hand		<u>6,904,331</u>	<u>9,652,337</u>
Total cash and cash equivalents		<u>6,904,331</u>	<u>9,652,337</u>

The notes on pages 19 to 37 form part of these financial statements.

Notes to the financial statements for the year ended 30 September 2023

1 Accounting policies

Company Information

11Arches is a charitable company limited by guarantee, incorporated in England and Wales. The registered office is Flatts Farm, Toronto, Bishop Auckland, Co Durham, DL14 7SF.

Accounting Convention

11Arches meets the definition of a public benefit entity under FRS102. The financial statements are prepared under the historical cost convention and in accordance with the requirements of the 'Accounting and Reporting by Charities' Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK (FRS102) and the Companies Act 2006.

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

The principal accounting policies adopted are set out below.

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Charity and its wholly owned subsidiary, 11Arches Night Show Limited, on a line by line basis.

Going Concern

Budgets have been prepared for the 12 months to June 2025. These incorporate anticipated performances in 2024. The forecasts show that sufficient funds are available for liabilities to be met as they fall due.

The Trustees have prepared cash flow forecasts and reviewed the group and company's resources and have a reasonable expectation that the company and group has adequate resources to continue in operational existence for at least 12 months from date of approval of the financial statements, due to ongoing support provided by the co-founder through his charity Lempriere Pringle 2015. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

Fund Accounting

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes. Unrestricted funds are available to spend on activities that further any of the general objectives of the charity.

Where the group has allocated income towards specific projects, a designation fund has been established. The amount of each designated fund is set out in note 17 of the financial statements.

Notes to the financial statements for the year ended 30 September 2023

1 Accounting policies *(continued)*

Income

Incoming resources are recognised in the Statement of Financial Activities when the group has entitlement to the funds; any conditions attached to the income have been met; it is probable that the income will be received, and the amount can be measured reliably.

Income from donations and legacies includes donations from individuals and charitable trusts.

Income from trading activities is recognised as earned as the related goods and services are provided.

Investment income is recognised on a receivable basis.

Income relating to events is recognised on delivery of the performance. Income is deferred when ticket sales are received or invoiced in advance of the performances or event to which they relate.

Other income from charitable activities is recognised as earned, as the related services are provided.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party; it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Resources expended are included in the Statement of Financial Activities on an accruals basis, exclusive of VAT. They include:

Charitable activities include all costs relating to activities where the primary aim is part of the objects of the charity along with the indirect costs.

Cost of raising funds comprises the costs incurred by 11Arches Night Show Limited.

Governance costs include Trustee expenses along with audit and accountancy fees.

Intangible Fixed Assets

Intangible assets are initially recognised at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortised at their expected useful economic lives on a straight-line basis as follows.

Software	3 years straight line
Artistic direction/music	5-10 years straight line

On disposal, the difference between the net disposal proceeds and the carrying amount of the intangible asset is recognised as income or expenditure.

Notes to the financial statements for the year ended 30 September 2023

1 Accounting policies *(continued)*

Tangible Fixed Assets

Fixed assets are initially measured at cost and subsequently measured at cost less accumulated depreciation.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following basis:

Freehold land	Not depreciated
Freehold buildings	10-30 years straight line
Assets under construction	Not depreciated until brought in to use
Fixtures and fittings	5-10 years straight line
Plant and equipment	3-10 years straight line
Motor vehicles	5 years straight line

Depreciation is not charged on land as under normal circumstances the residual values are considered to be greater than cost. However, the carrying values are viewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

The gain or loss on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to income or expenditure.

Subsequent costs, including replacement parts, are capitalised only when it is probable that such costs will generate future economic benefits. Any replaced parts or remaining carrying amounts are then derecognised. All other costs of repairs and maintenance are charged to the Statement of Financial Activities.

Impairment of Fixed Assets

At each reporting date, the group reviews the carrying amounts of its tangible and intangible 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 any impairment loss (if any).

Stocks

Stocks are valued at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and those overheads that have been incurred in bringing the stock to its present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to sell is recognised as an impairment loss in the income and expenditure account. Reversals of impairment losses are also recognised in profit and loss.

Notes to the financial statements for the year ended 30 September 2023

1 Accounting policies (*continued*)

Fixed Asset Investments

In the separate accounts of the charity, interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

Interests in subsidiaries are assessed for impairment at each reporting date. Any impairment losses are recognised immediately in expenditure.

Leasing

An asset and corresponding liability are recognised for leasing agreements that transfer to the charity substantially all of the risks and rewards incidental to ownership ('Finance Leases'). All other leases are operating leases.

Operating leases – the group as a lessee

The group classifies the lease of properties and equipment as operating leases. Rental charges are charged to the statement of financial activities on a straight line basis over the period of the lease.

Retirement Benefits

The group operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the charitable company. The amount charged to the statement of financial activities is the contributions payable in the year. Differences between contributions payable in the year and actually paid are shown as either prepayments or accruals.

Termination Benefits

Termination benefits are accounted for when the group terminates employment. Amounts are recognised when the group has communicated its plan of termination to the affected employees.

Cash and Cash Equivalents

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

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

Notes to the financial statements for the year ended 30 September 2023

1 Accounting policies (*continued*)

Financial Instruments

The group has elected to apply the provisions of Section 11 “Basic Financial Instruments” and Section 12 “Other Financial Instruments Issues” of FRS102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic Financial Assets

Basic financial assets, which include other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Classification of Financial Liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic Financial Liabilities

Basic financial liabilities, including trade, other creditors and loans, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Reduced Disclosure Options

In accordance with FRS 102, the Charity has taken advantage of the exemptions from the following disclosure requirements;

- Section 7 ‘Statement of Cash Flows’ – Presentation of a Statement of Cash Flow and related notes and disclosures (in relation to the Charity’s own statement of cash flows – a consolidated statement of cash flows is presented in these financial statements)

Notes to the financial statements for the year ended 30 September 2023

1 Accounting policies (*continued*)

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

The group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

Critical areas of judgement

Theatre tax relief

The accrued income in respect of Theatre Tax Relief has been assessed by management based on the guidelines set out by HMRC in relation to eligibility and certainty of income.

2 Donations and legacies

	Unrestricted Funds £	Restricted Funds £	2023 Total £	2022 Total £
Donations	10,850	-	10,850	10,006,000
Total 2022	10,006,000	-	10,006,000	

Notes to the financial statements for the year ended 30 September 2023

3 Income from trading activities

	Unrestricted Funds £	Restricted Funds £	2023 Total £	2022 Total £
Ticket sales	1,133,648	-	1,133,648	838,393
Retail income	45,238	-	45,238	170,722
Catering income	172,965	-	172,965	11,887
	<u>1,351,851</u>	<u>-</u>	<u>1,351,851</u>	<u>1,021,002</u>
Total 2022	<u>1,021,002</u>	<u>-</u>	<u>1,021,002</u>	

4 Investment income

	Unrestricted Funds £	Restricted Funds £	2023 Total £	2022 Total £
Bank interest	283,497	-	283,497	3,260
	<u>283,497</u>	<u>-</u>	<u>283,497</u>	<u>3,260</u>
Total 2022	<u>3,260</u>	<u>-</u>	<u>3,260</u>	

5 Other income

	Unrestricted Funds £	Restricted Funds £	2023 Total £	2022 Total £
Other	51,103	-	51,103	227,566
Theatre tax	<u>252,800</u>	<u>-</u>	<u>252,800</u>	<u>-</u>
Total	<u>303,903</u>	<u>-</u>	<u>303,903</u>	
Total 2022	<u>227,566</u>	<u>-</u>		<u>227,566</u>

Notes to the financial statements for the year ended 30 September 2023

6 Expenditure

Charitable activities

	Direct costs £	Unrestricted Staff costs £	funds Support costs £	Restricted funds £	2023 Total £	2022 Total £
Charitable activities:						
Project costs	1,205,569	-	-	-	1,205,569	1,234,920
Premises costs	-	-	90,233	-	90,233	24,512
Light and heat	-	-	124,056	-	124,056	104,643
Staff costs (note 8)	-	609,873	-	-	609,873	414,097
Office costs	-	-	43,082	-	43,082	36,353
Equipment	-	-	37,556	-	37,556	210,430
Marketing and advertising	-	-	232,791	-	232,791	148,700
Travel costs	-	-	68,741	-	68,741	37,175
Legal and professional fees	-	-	32,431	-	32,431	26,723
Consultancy and subcontractor	-	-	55,935	-	55,935	121,704
Other costs	-	-	32,891	-	32,891	33,453
Staff development	-	-	18,812	-	18,812	34,729
Staff recruitment	-	-	72,002	-	72,002	-
Governance	-	-	13,500	-	13,500	12,000
Depreciation	-	-	1,643,065	-	1,643,065	1,425,499
Amortisation	-	-	194,781	-	194,781	193,067
	<u>1,205,569</u>	<u>609,873</u>	<u>2,659,876</u>	<u>-</u>	<u>4,475,318</u>	<u>4,058,005</u>
Total 2022	<u>1,234,920</u>	<u>414,097</u>	<u>2,408,988</u>	<u>-</u>	<u>4,058,005</u>	

Raising funds

	Unrestricted General Funds £	Unrestricted Designated Funds £	2023 Total £	2022 Total £
11Arches Night Show Limited	364,321	-	364,321	269,823
Total 2022	<u>269,823</u>	<u>-</u>	<u>269,823</u>	

Notes to the financial statements for the year ended 30 September 2023

7 Net (expenditure)/income

	2023	2022
	£	£
Net (expenditure)/income is stated after charging/(crediting):		
Auditor's remuneration: - audit	22,000	19,500
- tax advisory	3,000	3,500
- accountancy	6,500	5,400
Operating lease charges	593	672
Exchange differences	(16,174)	15,856
Depreciation	1,643,065	1,425,499
Amortisation	194,782	193,067
	<u> </u>	<u> </u>

8 Staff costs, trustee remuneration and expenses and the cost of key management personnel

	2023	2022
	£	£
Staff costs:		
Wages and salaries	471,465	297,094
Social security costs	73,149	57,854
Other pension costs	63,509	41,136
	<u> </u>	<u> </u>
	608,123	396,084
Agency costs	-	18,013
Other staff costs	1,750	-
	<u> </u>	<u> </u>
	609,873	414,097
	<u> </u>	<u> </u>

	2023	2022
	No.	No.
Staff numbers:		
The average number of employees during the year were:		
Management and administration	<u> </u>	<u> </u>
	9	5

Notes to the financial statements for the year ended 30 September 2023

8 Staff costs, trustee remuneration and expenses and the cost of key management personnel
(continued)

Higher paid staff

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

	2023	2022
	No.	No.
£220,000 - £229,999	-	1
£270,000 - £280,000	1	-

This value excludes employers' pension contributions. Total pension contributions paid on behalf of the above employee are £63,812 (2022: £38,891).

Trustee remuneration

No trustee received remuneration during the year (2022: £nil) and no trustee received payment for professional or other services supplied to the charity (2022: £nil).

The aggregate amount of travelling and subsistence expenses reimbursed to trustees during the year was £nil (2022: £nil).

Key Management Personnel

The key management personnel of the group and charity comprise the Trustees, the Executive Director and key management as listed on page 1.

Total employee benefits of the key management personnel for the year were £428,596 (2022: £274,779). This excludes amounts paid to contracted staff of £286,275.

Notes to the financial statements for the year ended 30 September 2023

9 Intangible fixed assets

Group and charity

	Software £	Artistic Direction £	Total £
Cost			
At 1 October 2022	4,365	2,179,347	2,183,712
At 30 September 2023	4,365	2,179,347	2,183,712
Depreciation			
At 1 October 2022	4,365	1,451,663	1,456,028
Charge for year	-	194,782	194,782
At 30 September 2023	4,365	1,646,445	1,650,810
Net book value			
At 30 September 2023	-	532,902	532,902
At 30 September 2022	-	727,684	727,684

The amortisation charge for the year is recognised within expenditure on charitable activities.

Notes to the financial statements for the year ended 30 September 2023

10 Tangible fixed assets

Group

	Freehold Land and Buildings £	Assets Under Construction £	Plant and Equipment £	Fixtures and Fittings £	Motor Vehicles £	Total £
Cost						
At 1 October 2022	22,760,143	361,250	6,483,931	302,344	34,151	29,941,819
Additions	414,837	-	1,210,565	78,713	46,580	1,750,695
At 30 September 2023	23,174,980	361,250	7,694,496	381,057	80,731	31,692,514
Depreciation						
At 1 October 2022	5,728,660	-	4,823,865	151,433	30,060	10,734,018
Charge for year	1,117,241	-	475,243	46,479	4,102	1,643,065
At 30 September 2023	6,845,901	-	5,299,108	197,912	34,162	12,377,083
Net book value						
At 30 September 2023	16,329,079	361,250	2,395,388	183,145	46,569	19,315,431
At 30 September 2022	17,031,483	361,250	1,660,066	150,911	4,091	19,207,801

Notes to the financial statements for the year ended 30 September 2023

10 Tangible fixed assets (continued)

Charity

	Freehold Land and Buildings £	Assets Under Construction £	Plant and Equipment £	Fixtures and Fittings £	Motor Vehicles £	Total £
Cost						
At 1 October 2022	22,760,143	361,250	6,483,931	300,052	34,151	29,939,527
Additions	414,837	-	1,210,565	78,713	46,580	1,750,695
At 30 September 2023	23,174,980	361,250	7,694,496	378,765	80,731	31,690,222
Depreciation						
At 1 October 2022	5,728,660	-	4,823,865	149,141	30,060	10,731,726
Charge for year	1,117,241	-	475,243	46,479	4,102	1,643,065
At 30 September 2023	6,845,901	-	5,299,108	195,620	34,162	12,374,791
Net book value						
At 30 September 2023	16,329,079	361,250	2,395,388	183,145	46,569	19,315,431
At 30 September 2022	17,031,483	361,250	1,660,066	150,911	4,091	19,207,801

All tangible fixed assets are held for charitable purposes

Notes to the financial statements for the year ended 30 September 2023

11 Fixed asset investments

Charity

Investment in subsidiary undertaking

Investments – shares in group undertakings:	2023 £	2022 £
At 1 October 2022 and 30 September 2023	10	10

The wholly-owned subsidiary, 11Arches Night Show Limited (company number 09235236), which is incorporated in the United Kingdom, pays its taxable profits to the charity by gift aid. The subsidiary's registered office is Flatts Farm, Toronto, Bishop Auckland, Co Durham, United Kingdom, DL14 7SF. The charity owns the entire issued share capital of 10 ordinary shares of £1 each. A summary of the trading results is shown below:

Summary profit and loss account	2023 £	2022 £
Turnover	1,378,430	1,021,002
Expenses	(1,365,027)	(987,228)
Interest received	39,266	3,055
Net profit before tax	52,669	36,829

	2023 £	2022 £
The assets and liabilities of the subsidiary were:		
Fixed assets	-	-
Current assets	2,197,960	891,255
Creditors: amounts falling due in one year	(2,145,283)	(854,418)
Provisions for liabilities	(357)	(357)
Total net assets	52,320	36,480
Aggregate share capital and reserves	52,320	36,480

12 Stocks

	2023 £	Group 2022 £	2023 £	Charity 2022 £
Goods purchased for resale	67,254	52,860	-	-

Notes to the financial statements for the year ended 30 September 2023

13 Debtors

	2023	Group	2023	Charity
	£	2022	£	2022
		£		£
Amounts owed by group undertakings	-	-	1,807,100	513,350
Other debtors	92,902	27,472	123,181	139,433
Prepayments and accrued income	334,647	253,978	334,647	253,978
	<u>427,549</u>	<u>281,450</u>	<u>2,264,928</u>	<u>906,761</u>

14 Creditors: Amounts falling due within one year

	2023	Group	2023	Charity
	£	2022	£	2022
		£		£
Trade creditors	462,542	310,131	324,867	229,288
Other taxation and social security	41,299	13,832	41,299	13,832
Other creditors	1,818	-	1,352	-
Accruals and deferred income	203,836	170,659	40,435	32,795
	<u>709,495</u>	<u>494,622</u>	<u>407,953</u>	<u>275,915</u>

15 Deferred income

	2023	Group	2023	Charity
	£	2022	£	2022
		£		£
Balance as at 1 October 2022	57,903	97,812	-	-
Released from previous years	(57,903)	(97,812)	-	-
Resources deferred in the year	57,207	57,903	-	-
	<u>57,207</u>	<u>57,903</u>	<u>-</u>	<u>-</u>
Balance as at 30 September 2023				
	<u>57,207</u>	<u>57,903</u>	<u>-</u>	<u>-</u>

Deferred income comprises ticket income received in advance.

Notes to the financial statements for the year ended 30 September 2023

16 Provisions for liabilities

Group

	2023 £	2022 £
Deferred tax liability	357	357

There was no deferred tax liability in the charity.

17 Movement on funds

Group

	At 1 October 2022 £	Incoming Resources £	Outgoing Resources £	Transfers Between Funds £	At 30 September 2023 £
Unrestricted funds					
Designated funds:					
Land Fund	1,122,893	-	-	-	1,122,893
General funds	28,304,260	1,950,101	(4,839,639)	-	25,414,722
	<u>29,427,153</u>	<u>1,950,101</u>	<u>(4,839,639)</u>	<u>-</u>	<u>26,537,615</u>
Restricted funds	-	-	-	-	-
Total funds	<u>29,427,153</u>	<u>1,950,101</u>	<u>(4,839,639)</u>	<u>-</u>	<u>26,537,615</u>

Charity

	At 1 October 2022 £	Incoming Resources £	Outgoing Resources £	Transfers Between Funds £	At 30 September 2023 £
Unrestricted funds					
Designated funds:					
Land Fund	1,122,893	-	-	-	1,122,893
General funds	28,267,790	1,569,940	(4,475,318)	-	25,362,412
Total funds	<u>29,390,683</u>	<u>1,569,940</u>	<u>(4,475,318)</u>	<u>-</u>	<u>26,485,305</u>
Restricted funds	-	-	-	-	-
Total funds	<u>29,390,683</u>	<u>1,569,940</u>	<u>(4,475,318)</u>	<u>-</u>	<u>26,485,305</u>

Notes to the financial statements for the year ended 30 September 2023

17 Movement on funds (continued)

Designated funds:

Land Fund – value of the amounts which have been acquired through gifts from third parties for the site on which the 11Arches project is located.

Funds prior year

Group

	At 1 October 2021 £	Incoming Resources £	Outgoing Resources £	Transfers Between Funds £	At 30 September 2022 £
Unrestricted funds					
Designated funds:					
Land Fund	1,122,893	-	-	-	1,122,893
General funds	21,374,260	11,257,828	(4,327,828)	-	28,304,260
Total funds	22,497,153	11,257,828	(4,327,828)	-	29,427,153

Charity

	At 1 October 2021 £	Incoming Resources £	Outgoing Resources £	Transfers Between Funds £	At 30 September 2022 £
Unrestricted funds					
Designated funds:					
Land Fund	1,122,893	-	-	-	1,122,893
General funds	21,328,805	10,933,517	(3,994,532)	-	28,267,790
Total funds	22,451,698	10,933,517	(3,994,532)	-	29,390,683

Notes to the financial statements for the year ended 30 September 2023

17 Movement on funds (continued)

Group

	Unrestricted General Funds £	Unrestricted Designated Funds £	Total 2023 £
Fund balances at 30 September 2023 are represented by:			
Fixed assets	18,725,440	1,122,893	19,848,333
Current assets	7,399,134	-	7,399,134
Creditors: amounts due within one year	(709,495)	-	(709,495)
Provisions for liabilities	(357)	-	(357)
	<u>25,414,722</u>	<u>1,122,893</u>	<u>26,537,615</u>

	Unrestricted General Funds £	Unrestricted Designated Funds £	Total 2022 £
Fund balances at 30 September 2022 are represented by:			
Fixed assets	18,812,592	1,122,893	19,935,485
Current assets	9,986,647	-	9,986,647
Creditors: amounts due within one year	(494,622)	-	(494,622)
Provisions for liabilities	(357)	-	(357)
	<u>28,304,260</u>	<u>1,122,893</u>	<u>29,427,153</u>

Charity

	Unrestricted General Funds £	Unrestricted Designated Funds £	Total 2023 £
Fund balances at 30 September 2023 are represented by:			
Fixed assets	18,725,450	1,122,893	19,848,343
Current assets	7,044,915	-	7,044,915
Creditors: amounts due within one year	(407,953)	-	(407,953)
	<u>25,362,412</u>	<u>1,122,893</u>	<u>26,485,305</u>

	Unrestricted General Funds £	Unrestricted Designated Funds £	Total 2022 £
Fund balances at 30 September 2022 are represented by:			
Fixed assets	18,812,602	1,122,893	19,935,495
Current assets	9,731,103	-	9,731,103
Creditors: amounts due within one year	(275,915)	-	(275,915)
	<u>28,267,790</u>	<u>1,122,893</u>	<u>29,390,683</u>

Notes to the financial statements for the year ended 30 September 2023

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

	2023	2022
	£	£
Net (expenditure)/income	(2,889,538)	6,930,000
Interest received	(283,497)	(3,260)
Depreciation	1,643,065	1,425,499
Amortisation	194,781	193,067
(Increase)/decrease in stock	(14,394)	5,155
(Increase) in debtors	(106,587)	(26,284)
Increase in creditors	214,874	30,508
Net cash (outflow)/inflow from operating activities	(1,320,320)	8,554,685

19 Related party transactions

Related party transactions took place in the period of account other than certain trustees and key management personnel remuneration and expenses already disclosed in note 8.

	Relationship	Income	Expenditure	Year end balance
Lempriere Pringle	Common trustee	-	-	-
The Auckland Project	Common trustee	-	(177,815)	(191,422)

All related party transactions were at an arm's length basis.

20 Pension scheme

The group operates a defined contribution scheme for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund. The contributions payable by the group charged to income and expenditure amounted to £63,509 (2022: £41,136), and all related to unrestricted funds. Amounts outstanding of £3,097 (2022: £459) are included in other creditors.

21 Taxation

The charity is exempt from tax on income and gains falling within Section 505 of the Taxes Act 1988 or Section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

22 Volunteers

The group places a great value on the contributions that volunteers made to the organisation. Over the course of the year, we benefitted greatly from the considerable time, energy and expertise given by the Board of Trustees.

The role played by and contributions the volunteers make is discussed in detail in the Trustee's Report.

23 Control

The charity is controlled by the Board of Trustees.

11Arches

England & Wales - Charity number 1159011

Accounts

11Arches
(A Charitable Company Limited by Guarantee)

Annual Report

**For the year ended
30 September 2022**

Company Number 09055646
Charity Number 1159011

11Arches
(A Charitable Company Limited by Guarantee)

Report of the Trustees for the year ended 30 September 2022

Reference and administrative information

Trustees

S Hall (Chair)
J Ruffer
L Greig
K Eld
N White
L Fairclough (Appointed 25th April 2022)
D Barrie (Appointed 25th April 2022)

Key management personnel

Al Daulon	Chief Executive Officer Executive Producer Kynren and 11Arches Park Artistic Director
A Warnecke	Director of Cavalry and Estates Deputy Executive Producer 11Arches Park
G Emerson	Director of Technical Projects
L Robinson	Head of Cavalry
C Boissinot	Production Advisor
K Halfpenny	Finance Controller

Registered office and Principal place of business

Flatts Farm
Toronto
Bishop Auckland
County Durham
DL14 7SF

Charity number

1159011

Company number

09055646 (England & Wales)

Auditor

RSM UK Audit LLP
1 St James Gate
Newcastle upon Tyne
NE1 4AD

Principal bankers

Barclays Bank Plc
6 Market Place
Durham
Co Durham
DH1 3NB

Report of the Trustees for the year ended 30 September 2022 (continued)

Chief Executive's Report

One could not think of a starker contrast between two subsequent seasons. In the midst of Covid, 2021 advanced at a pace filled with stops and go's; uncertainty was a tailwind over the latter part of the year. And then the horizon line lifted in unison with the hearts of the nation with Queen Elizabeth II's Platinum Jubilee, in advance of our seventh season.

We at 11Arches felt immense pride to join the heartfelt expressions of gratitude for her selfless lifelong service. We joined the Green Canopy initiative demonstrating our ongoing commitment to environmental issues and sustainability. And true to our charitable object of community development, we extended an invitation to over a thousand of deserving members of our communities to enjoy Kynren for a specially scheduled Jubilee performance over the Jubilee weekend.

The summer long performances were emotionally intense with special moments of communion between our cast and crew and our audiences. Our last performance coincided with the mourning of Queen Elizabeth II, and this specially curated evening was a poignant and tasteful tribute to a truly inspirational monarch.

Travel, tourism and leisure patterns did not resume to pre-covid levels in 2022. Against this prolonged challenging backdrop for our activity, our North East visitors attended Kynren at levels very close to pre-Covid - we would like to thank them from the bottom of our hearts for their loyal support.

Anne-Isabelle Daulon, Chief Executive, 11Arches

Report of the Trustees for the year ended 30 September 2022 (continued)

The trustees (who are also directors of the charity for the purpose of company law) present their annual report and audited financial statements of 11Arches (the charity) for the year ended 30 September 2022.

The financial statements comply with the Memorandum and Articles of Association and the requirements of the Charities Act 2011, 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 (FRS102) (effective 1 January 2015).

Structure, Governance and Management

Governing Documents

The charity is registered as a charitable company limited by guarantee, was set up by a Memorandum of Association signed on 16th May 2014 and was incorporated on 23rd May 2014. The charity is constituted under its Memorandum of Association and is a registered charity, number 1159011. The Articles of Association have been approved by the Charity Commission as follows:

The objectives of the Charity are specifically restricted to the following:

- To advance education for the public benefit by any or all of the following means:
 - historical and heritage productions and performing arts projects that celebrate and promote the unique history of Bishop Auckland and the surrounding area, and increase knowledge, understanding and appreciation of matters of both local and national historic interest
 - providing after school and training programmes for young people that are designed to build skills and self-confidence.
- To advance community development for the public benefit by the promotion of volunteer programmes that encourage community wide involvement in the charity's historical and heritage productions and performing arts projects.

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

S Hall (Chair)

J Ruffer

L Greig

K Eld

N White

L Fairclough (appointed 25th April 2022)

D Barrie (appointed 25th April 2022)

Appointment, Induction and Training of Trustees

The management of the charity is the responsibility of the trustees. New trustees will be selected by existing trustees and will be appointed by Members of the charity. Each trustee, as a member, is a guarantor of the charity to an amount not exceeding £1 in the event of the charity being wound up.

Report of the Trustees for the year ended 30 September 2022 (continued)

New trustees undergo orientation to brief them on: their legal obligations under charity and company law, the Charity Commission guidance on public benefit, and inform them of the content of the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and recent financial performance of the charity. During the induction they meet key employees and other trustees. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Objectives and Activities

Kynren, an epic tale of England, is an open air night spectacular inspired by the Opening Ceremony of London 2012 and templated from the award winning 'Cinescenie' from Puy du Fou (PDF). It is the main production of 11Arches.

Kynren is part of a very ambitious scheme to build a world class visitor destination in Bishop Auckland, around Auckland Castle. This is the vision of philanthropist and investment manager, Jonathan Ruffer. 11Arches is one of two charities he has established in Bishop Auckland, the other being The Auckland Project. Together, the aim of the charities is to establish Bishop Auckland as an international tourist destination, attracting visitors and investment which will contribute to the betterment of the area and empowerment of the community.

Mission Statement

11Arches is a registered charity with the objective to produce a world class historical show, the foundation of which is an innovative and engaging arts, education and community development programme.

11Arches is a catalyst and driver of change which will dramatically shift the paradigm of the North East, by adding a national tourist destination to the region that delivers tangible, measurable, significant social and economic impact.

11Arches is a celebration of heritage bringing our history to life in a spectacular show by a cast and crew drawn from the community based on Puy du Fou's award winning model in Vendée (France).

Objectives

11Arches is committed to deliver Kynren as a must-see show year after year: Kynren is a world class display of technical and artistic performance, orchestrated by a cast and crew of volunteers of utmost professionalism, creating enthralling educative entertainment and a high quality experience to its visitors. Kynren's success is measured by the rating given by our visitors to Kynren, and the enjoyment its cast and crew take in bringing Kynren to life.

We acknowledge that the cornerstone of Kynren's longevity is to expand into a daytime offer, to support its commercial success. Therefore the expansion should be the key strategic objective to focus on for the next three seasons, alongside the further establishment of Kynren.

Report of the Trustees for the year ended 30 September 2022 (continued)

Activities

Uncertainty around Covid was still prevailing at the end of the previous very challenging summer season, and without a definite end in sight, it dominated our thinking to shape the year.

Producing the seventh season of Kynren - an epic tale of England was the top priority - although we knew much might escape our control, in particular when it came to our ability to open. We decided to produce a Jubilee week end double event focusing on our regional and local audiences (Kynren on 3rd June and Fina and the Platinum Street Party on 4th June), and a late and reduced summer season for Kynren (6 shows starting 6th August 2022) to coincide with the best month of the year for tourism in County Durham.

The sustainable success of Kynren is the key objective of the organization, and 11Arches Park is a critical strategic component; after its soft launch in 2021, the team focused in 2022 on establishing an ambitious yet realistic development plan and timeline for the full Grand Opening of 11Arches Park with the production and construction additional live shows, immersive experiences, period villages and nature-based activities.

Organisation Structure and Delegated Responsibility

The board of trustees administers the charity. The board normally meets quarterly. A Chief Executive is appointed by the trustees to manage the day-to-day operations of the charity. To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by the trustees, for all operational matters including finance, employment, and artistic performance related activity.

Pay policy for senior staff

The directors consider the board of directors, who are the trustees, and the senior Management team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis.

All directors give their time freely and no director received remuneration in the year. Details of directors' expenses and related party transactions are disclosed in note 8 to the accounts.

The pay of the senior staff is reviewed annually. In view of the production industry the charity operates in, the directors benchmark against pay levels in line with similar organisations.

Report of the Trustees for the year ended 30 September 2022 (continued)

GROUP STRATEGIC REPORT

Season Review: achievements and performance for the period

Our season performance must be assessed against the context of strong headwinds of shaken consumer confidence and slow return to travel.

After the red-amber-green destinations coding was lifted in early November, boosting hopes for travel, Covid vaccination rate gave hope for some return to normality. And yet, the backdrop for consumer confidence in our financial year was one of a perfect storm: a spike in Covid cases at Christmas, a war in February in Ukraine, an acute cost of living crisis in the early summer combining Brexit, Covid and Ukraine-related inflationary pressures. By June, attendance in visitor attractions was down 50% versus 2019 levels, and the summer did not bring much relief with a political crisis, strikes across the country, and record temperatures in July followed by a cold August. In addition numerous travel trade operators, including large nationwide ones, went bankrupt due to the pandemic. 2022 saw the 65 years + market return last to travel and leisure (and they were still not back to pre-covid levels).

This affected us disproportionately as we have particularly strong following from out-of-region visitors, nationally and internationally. In 2018, 29% of our visitors were from outside the region, they were 40% in 2019. In 2022 we continued to suffer from sharp drops in visitors from outside the region in an environment where people were reluctant to move around.

That said, our regional audience from the North East held up well in absolute terms. We are proud that the significance of our show in the County and the region remains quite high and very grateful that the loyalty of our closest audiences.

Fina and the Platinum Street Party were sold out and our newly completed Arches Hall was full.

As for Kynren, we enjoyed strong momentum after the season started, combined with very late buying, usually in the week or the 2 weeks prior to a show. For example, up to 1000 seats for each of the September shows sold in the 2 weeks prior. This sustained our per show occupancy rate which only dropped 4.3% in 2022 versus 2019, while our revenues per show increased by 13% in 2022 versus 2019.

As for the show, our post visit survey revealed great ratings this year again:

- 97% will be recommending Kynren to friends
- 87% gave their Kynren experience a satisfaction rating of 4 or 5 stars
- 97% agreed that Kynren was excellent value for money
- 97% gave the show a rating of good to excellent

Our audience continued to rate Kynren extremely well with fantastic reviews on TripAdvisor and we have retained our 5* rating and Certificate of Excellence.

Report of the Trustees for the year ended 30 September 2022 (continued)

Recruitment and training of the Cast and Crew

Our cast and crew involved in Kynren are called Archers. Our ethos to train our volunteers by the best, and empower them to take control, remains hugely successful. More than 80% of our Archers return from one season to the next consistently, year after year. This continues to be incredibly high, virtually unheard of in volunteer organisations.

2022 saw a push into recruitment of new volunteers, which had been halted for 2 years. This brought fantastic new Archers in our ranks, strengthening our community with new energy.

The induction programmes start in February. In order to maximise the effectiveness of training, and to make managing the volunteers more efficient, our Archers were then divided into five teams, each containing separate sub-teams focused on various roles, and each led, in the first instance, by 11Arches staff. They are supported by 67 Team Leaders who are an indispensable part of the core team structure, putting in the effort and time to manage their teams and schedule the complex rotas for show nights. They are not just enablers of pastoral care and communication, but meaningful contributors to the volunteer experience and the successful delivery of the production.

- Show team, including cast, animal handlers, stage management, costume and prop makers;
- Cavalry for our riders, carriage drivers, stage management and grooms;
- Tech team for sound lights pyrotechnics SFX video and hydraulic machinery;
- Experience team for the meet and greet, car parks, merchandise sales, ticket checks, ushers; and
- Operations for Estates management, Show Operations, Event Ops, rescue divers and swimmers, and first aid.

On a bright note, we resumed rehearsal operations as pre-Covid, to everyone's relief. Training started in February across the volunteer force, and it included the following areas:

Mass choreography, theatrical combat, acting, dance, prop making, costume making, technical operation of a show (light, sound, video, SFX, hydraulics, machinery, pyrotechnics), performance riding, carriage driving, animal handling, visitor services, show diving, rescue diving, first aid and event control.

Economic benefit

11Arches' mission is to produce Kynren as world-class show, to be a 'trip attractor', encouraging overnight visits to County Durham and bringing tourism-related expenditure, capital investment and jobs. It is the overnight visitors who make a significant difference to the regional economy: while day trippers typically spend £20.18 per day, overnight visitors are likely to spend £169.14, a driver for the creation of jobs.

Offsite tourism expenditure around Kynren is expected to be in the region of £4.75million per annum, and that will be compounded by what is spent at other attractions when visitors build a short or long-stay around the show.

Report of the Trustees for the year ended 30 September 2022 (continued)

Looking ahead

Our five-year vision inspires the next legs of our development.

In 2023, 11Arches is the successful operator of the biggest night show in the UK: more visitors year after year are left in awe, not just with the spectacle itself but with the fact it is entirely orchestrated by a cast and crew of volunteers.

The community has found a new sense of purpose and pride in welcoming visitors to this incredible set of performances from all over the country and even internationally. The combination of entertainment and education has won families over, making Bishop Auckland a thriving day and night tourist destination: visitors are now enjoying more activities from 11Arches, establishing its brand firmly as a widely acclaimed leisure destination.

This vision is built on continued and confirmed success for Kynren year after year. Therefore, our efforts and time are firmly focused on producing Kynren as a world class show.

Risk assessment

11Arches combines a number of characteristics that make it risky in nature: a young start up, a new breed of visitor attraction, its scale since inception and its boldness. We are still at the beginning of a long journey. It comes as no surprise that senior management kept a clear focus on managing and controlling the risk. Establishing processes that ensures it remains a going concern remains high on the agenda.

The risks and uncertainties were identified as follows:

- continued recruitment and retention of volunteers to ensure the appropriate running of the show – volunteer attrition is a given as life demands weigh on uninterrupted commitment to a project –even and especially given the seasonality of Kynren-related activities (Spring and Summer);
- a new breed of visitor attraction means that we require to build brand and concept awareness from near scratch – this creates a high level of uncertainty and risk to ticket sales;
- a new breed of production also means that the skills are not readily available on a like for like basis, especially in the region, for staff and experts we wish to engage on the project;
- a visitor attraction in its seventh year of operation means that consolidating audiences within the regional 30-60 min radius and search for new ones beyond is needed, and yet this takes considerable time and money to achieve,
- funding needs are likely to be high until the operations reach a stable year,
- exposure to the financial health of the British consumer as the organisation sells a discretionary product.

Report of the Trustees for the year ended 30 September 2022 (continued)

Management maintained a risk register as a live document assessing all current risks for the organization for its fourth year of production across all departments.

It identifies the major risks the charity faces, the likelihood of occurrence, the potential impact of the risk, as well as any mitigation in place. It proactively seeks to identify any actions and resources necessary to manage these risks and reduce the risk profile of the organisation.

The Trustee Board is responsible for the oversight of the risks the charity faces. The Trustee Board regularly reviews the charity's risk position, internal controls and compliance with relevant statutory and governance regulations.

In addition to the risk management in place all year long, the pandemic forced us to revisit all risk assessments (office, general operations, visitor operations, shows, cast & crew training and rehearsals, contractors on site and visitor operations) on an ongoing basis to decide what could go ahead and how.

Related parties

The charity and The Auckland Project (TAP) have a close working relationship. TAP was set up to own and enhance the Castle and the other buildings of national, architectural, historic or artistic interest for the benefit of the public. This includes the development of buildings to receive two national exhibitions, "Faith" and a permanent Spanish art gallery to contextualise the thirteen paintings of Jacob and his twelve sons painted by Francisco de Zurbaran housed in the castle, a walled garden with a restaurant, a park, a Viewing Tower, a Mining Art gallery and a research centre.

Jonathan Ruffer is TAP's Founder and it is his vision to see the two charities both work to bring regeneration through heritage to the region. By creating a national quality visitor-hub and night show centred on Auckland Castle and extending it into Bishop Auckland and the surrounding area, the aim is to be a catalyst for change, growth, renewal and economic opportunity.

The charity also has a close working relationship with Lempriere Pringle 2015 and the charity has received substantial financial resources from Lempriere Pringle 2015. Jonathan Ruffer is a trustee of both the charity and Lempriere Pringle 2015.

Further detailed information on related parties is included in note 19 of the financial statements.

Public benefit

The trustees have due regard to the guidance by the Charity Commission on public benefit. The charity's activities encompass a number of the charitable purposes which are referred to in the Charities Act 2011, in particular the drawing together of the local community and the opportunities members of the local community of all ages, education and skills have of participating as volunteers in the show and the range of educational benefits through learning new skills and audience education.

Fundraising

The charity does not work with commercial participators or professional fundraisers and does not engage third parties to undertake fundraising activities on its behalf.

Report of the Trustees for the year ended 30 September 2022 (continued)

Impact and value

11Arches researched the extent to which the *Kynren* experience, in its first year, has helped to advance its aims of education and community development. A report was commissioned to look at the impact of the project on the volunteer workforce (known individually as Archers) and at their perceptions of what the Trust, through *Kynren*, is achieving.

The findings of the first season are merely the first instalment of the story of the impact of 11Arches on the fortunes of Bishop Auckland and the surrounding area, in the long term. Findings of each additional year of operation are consolidated and support similar trends.

Volunteers' motivations

Kynren, in its first year, has been a story of individuals and family groups volunteering their time and effort, largely for the benefit of the wider community. While there is substantial evidence of change and gains for individual Archers, *Kynren* is a bold undertaking by a community for a community.

Many Archers have cited, among their motivations for getting involved, the fact that 11Arches is working for a better future for Bishop Auckland. They either remember the town as a different kind of place or can sense its potential and want to see the charity succeed. Although uncertain about what the project might entail or lead to, large numbers of local and not-so-local people recognised that its realisation would depend on the involvement of hundreds of volunteers and the commitment of thousands of hours of voluntary work. Curious, available and with a sense of responsibility for the success of the project, they signed up.

Of the many local residents who were initially, or mainly, attracted by the opportunity to pursue an existing interest (e.g. acting, dancing, building, making, sewing, riding) or develop a new one, to make friends or add to their C.V. (in pursuit of further study or employment), most have become aware of, and are impressed by, the potential impact of their involvement on their community.

From the second season onward, motivations have become more diverse, as the show was now a tangible fact, something many had seen before joining, and the *Kynren* experience was articulated by a first year of veterans. Existing Archers from the first season were strong advocates and endorsed a bigger role front line in the recruitment of the second season.

The appeal to families and friends

A large number of Archers had family or friends taking part. The weekend rehearsals meant it was, in many cases, more feasible for someone with a family to commit the time needed if other members of the family were taking part too, but families became involved in different ways and at different paces. In some cases, they were led by a young person's interest, in others by an adult's and in a few cases by a parent

Report of the Trustees for the year ended 30 September 2022 (continued)

child combination. *'It was an opportunity for me and my son to do something together,'* wrote one mother. *'We made the decision, as a family, to do it together,'* explained another.

There were examples of family members and friends attending an audition session together and signing up together, while others brought relatives and friends along at a later stage.

The attraction of *Kynren* to families and friends helped to ensure the retention of volunteers because, when the commitment has been made jointly, an individual is much less likely to fall away. The location of the site, necessitating shared lifts, also added to the sense of 'doing this together'.

While some friends opted for the same team, family members (because of their different ages, gender and interests) were often different teams. Archers have described the friendly, inclusive character of 'the *Kynren* family' and there is no evidence that those who knew no one else when they joined felt any less involved than those who came with companions.

Mutuality

Mutuality (or interdependence) has been a prominent feature of *Kynren*. Every Archer belonged to a team, with a team leader. Team members worked together, developed their own practices (e.g. bringing food to share, printing team t-shirts), supported each other, became friends, welcomed newcomers, overcame occasional tensions and became stronger as individuals and as a team. *'I loved that sense of belonging.'*

Diversity and social capital

The Archers are a diverse group with different social, cultural and family backgrounds and different life experiences, outlooks and aspirations. Nearly 87% of Archers in 2023 live in Bishop Auckland and the surrounding area with 12.4% living elsewhere in the north east and in a few cases, further afield. The diversity of the company has been one of its strengths: people have worked alongside people they would be unlikely to meet socially or at work; they have spent significant amounts of time together in a shared enterprise; they have learned about each other and from each other; they have formed lasting bonds and friendships and they have continued to meet (in some cases weekly) well after the show ended in September. In addition to their feelings of responsibility towards *Kynren* and 11Arches, Archers are now describing a sense of agency, which underlines the extent to which the charity is building social capital.

Those who live locally are citing two signs of change: the physical improvements to the town centre, new cafes and shops and the emerging artists' quarter; and a marked increase in friendly interaction between people who have met through *Kynren*, or who are being asked by others about the process and the show, and more generally a higher level of positivity in the town.

Some Archers have found the motivation and confidence to take on new voluntary commitments. What is interesting as well is that the example set by the community of Archers has resulted in a new culture of volunteering in the area –this was commented widely by various organisers of events and other charities who commented that they see the benefit from a more engaged portion of the population.

Nearly all Archers judged that they had 'become more skilled at something'. Some have had production-related, technical training and experience (e.g. prop making and repair, combat skills, archery, pyrotechnics, riding, driving horses, animal handling and first aid, etc.). Many others have used a mixture of training (e.g. circus skills and WorldHost Customer Service Training) and the day-to-day practice of working with colleagues and the public, to increase their so-called soft skills, including the ability to work well in a team, to be adaptable, to resolve conflict, to observe behavior and respond to it, and to communicate effectively.

Report of the Trustees for the year ended 30 September 2022 (continued)

While most volunteers in the first year were employed, working in the home, studying or retired, this trend has continued in the second year with a few continuing to credit the skill and experience they have gained through *Kynren* with creating new opportunities. More interviews or even job offers because volunteering was added to their C.V. was quoted. Even work as extras in films, as well as the potential to volunteer for events such as Lumiere in Durham and at The Great North Run. The Auckland Project recruited a number of *Kynren* volunteers to the newly opened Mining Art Gallery, with numerous archers spotted at the opening event, again pride in the Town and supporting all that is going on.

For many, the acquisition of new knowledge and skills has enhanced their quality of life.

When asked what *they* had gained from being part of *Kynren*, so far, the following continued to be the frequently occurring answers (again, these are paraphrases):

- friendship (ranging from expanded friendship groups to precious, new friendships interrupting isolation, loneliness or grief);
- a sense of belonging, being part of a team; '*a reminder of the necessity of community*';
- how close we have all become and how much we all care about each other.
- pride in the *Kynren* experience, in what has been achieved on and off stage (all the more so because it exceeded their and others' expectations);
- pride in working for a better future for Bishop Auckland and the surrounding area;
- knowledge and skills - New Archers continued to talk of gaining new skills and experiences, returning Archers, some changed to teams to gain a different perspective, whilst others honed skills already learnt.
- Greater levels of fitness
- Greater confidence
- Stronger family relationships

Their level of confidence has greatly improved thanks to their Archer experience - more confident adults, and more importantly more confident kids. When we asked the teenagers to articulate what *Kynren* had brought them, the enjoyment of the social element of it (new friends, hanging out with them on Saturday night) is instantly quoted, and they also say they love being in the show. Strangely enough, it is not really being on stage, but what being in the show changed for us. And they say *Kynren* taught them "to go for it" in life. This makes them more extrovert in the schoolyard and more ambitious in their lives, among other things. A chaperone for a teenage team expresses their admiration 'Working with teens gives insight into how the youth appreciate support not criticism'.

Parents/Guardians are very articulate about what this experience is doing for this next generation. The addition of Teenage skills camp for the second year in the February half term has been acknowledged as a confidence builder / booster and a unique opportunity to make new friends in a gentle and safe environment.

The sense of community is a particular highlight among Archers.

In 2019 we expanded our analysis on the smaller unit of Archer community which was the Archers' individual teams. It is clear that the internal dynamics of a team is a key enabler of the direct and personal benefits experienced by Archers. It shines an even greater light on the importance of team leaders to build a passionate and dedicated Archer community.

Report of the Trustees for the year ended 30 September 2022 (continued)

Archers praise the brotherhood and continuous support offered in the training -difficulty is inevitably linked to a challenging activity, but the togetherness and the ethos of praising small achievement are great tools to overcome them. The culture of positivity that has been fostered in parallel is an igniter of confidence.

Continuing to be part of something special also shone through for rejoining, and the reasons put forward include principally:

- Friends
- Confidence
- Community
- Skills
- Achievement
- Pride

The reasons behind those not returning include:

- Moving away
- College workload
- Going to University
- New Employment
- New Commitments (family or work)
- "I have done 4 years I would like a break, but I will be back!"

Being part of Kynren is a lifestyle the Archers live and breathe.

'People are always surprised when we say we aren't getting paid and they don't understand why we would give up so much of our time for nothing. But to me it certainly isn't for nothing. It is the best thing I have done in my life and I'm so pleased my best mate brought me along.'

'Life changing experience for a large number of volunteers. Putting Bishop Auckland on the map and acting as a catalyst for economic regeneration'

'Created a family of people from all backgrounds and abilities who all have a desire to help each other and that of the surrounding community'

'Given people from Bishop Auckland and the surrounding area a way to improve their wellbeing and skills and general happiness'

'Turning around a town which had lost all hope due to shop closures etc., to now having a town that believes there is hope in bringing Bishop Auckland back to life and a great place to live and visit. Community.... what most archers feel when we together having a shared objective and a shared vision of what we can help achieve. Bring confidence and new skills to all the archers and also new friendships.'

Report of the Trustees for the year ended 30 September 2022 (continued)

Financial review

Full details of the group's financial position can be found in the accompanying financial statements attached to this report. The Statement of Financial Activities shows total incoming resources of £11,257,828 (2021: £2,362,617) and total resources expended of £4,327,828 (2021: £4,246,590) resulting in a surplus for the year of £6,930,000 (2021: £1,883,973 deficit).

Key Performance Indicators

Key Performance Indicators for the organisation are set on two main levels, Community Development and Excellence of the Show, both of which are closely linked to the charitable objects of 11Arches.

- The performance of the organisation in Community Development is analysed through the thriving group of Cast & Crew involved in Kynren. Their enjoyment of their experience is measured each season on a variety of indicators.
- The performance of the organisation to produce Kynren to a level of excellence is measured through our Customers' Satisfaction, as carried in our customer surveys.

The Trustees have considered the performance of the organisation through the above prisms for the financial year and are satisfied that the organisation is performing well.

11Arches Night Show

The results of the charity's subsidiary, 11Arches Night Show, which are consolidated in these financial statements, are included in note 11.

Reserves policy

The Directors review the reserve levels annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Directors have determined that the minimum level of unrestricted reserves should be a set amount of approximately £1m (2021: £1m) based on 4 months of annual expenditure, excluding depreciation and amortisation. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of income and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

The free reserves at 30 September 2022, excluding fixed assets and loans, are £9,504,056 (2021: £1,725,525) for the group. This is above the £1m minimum level set and this is to further invest in the production.

Going Concern

There are no material uncertainties in respect of the charity's ability to continue as a going concern. The trustees believe that the group is well placed to manage its risks successfully and thus have adopted the going concern basis of accounting. This is primarily due to the ongoing support from the co founder.

Report of the Trustees for the year ended 30 September 2022 (continued)

Principal funding

The principal funding was obtained from ticket sales and donations.

Auditor

In accordance with the charitable company's articles, a resolution proposing that RSM UK Audit LLP be reappointed as auditor of the charitable company will be put at a General Meeting.

Disclosure of information to auditor

In so far as the Trustees are aware:

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

By Order of the Board

Stephen Hall

Stephen Hall
Chair

Date: 27/04/23

Statement of Trustees' Responsibilities for the year ended 30 September 2022

Trustees' responsibilities

The Trustees 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 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 the affairs of the charitable company and of the incoming resources and application of resources, including income and expenditure of the charitable company for that period.

In preparing those 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 UK 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 charitable group will continue in business.

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

Independent Auditor's Report to The Trustees of 11Arches

Opinion

We have audited the financial statements of 11Arches (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 30 September 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Company Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is 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 group's and the parent charitable company's affairs as at 30 September 2022 and of the group's 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 of 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 and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRS'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 group's or parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial

Independent Auditor's Report to The Trustees of 11Arches

statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report which includes the Directors' Report and the Strategic 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 and the Strategic Report, included within the Trustees' Report, have 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 group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report, included within the Trustees' report.

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 16, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent 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.

Independent Auditor's Report to The Trustees of 11Arches

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the group and parent charitable company operate in and how the group and parent charitable company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the parent charitable company's governing document, and tax legislation. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents, inspecting correspondence and minutes.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to health and safety. We performed audit procedures to inquire of management and those charged with governance whether the group is in compliance with these laws and regulations and inspected correspondence with regulatory authorities.

The group audit engagement team identified the risk of management override of controls and revenue cut off as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates, as well as substantively testing revenue transactions around the year end.

Independent Auditor's Report to The Trustees of 11Arches

A further description of our responsibilities for the audit of the financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

RSM UK Audit LLP

CLAIRE LEECE (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
1 St. James' Gate
Newcastle upon Tyne
NE1 4AD

Date: *28 April 2023*.

Consolidated statement of financial activities for the year ended 30 September 2022

		Unrestricted	Restricted	Total Funds	Total Funds
	Notes	Funds £	Funds £	2022 £	2021 £
Income from:					
Donations and Legacies	2	10,006,000	-	10,006,000	1,028,937
Trading activities	3	1,021,002	-	1,021,002	1,043,731
Investments	4	3,260	-	3,260	78
Other	5	227,566	-	227,566	289,871
Total income		11,257,828	-	11,257,828	2,362,617
Expenditure on:					
Charitable activities	6	4,058,005	-	4,058,005	4,108,781
Raising funds	6	269,823	-	269,823	137,809
Total expenditure before taxation		4,327,828	-	4,327,828	4,246,590
Taxation		-	-	-	-
Total expenditure after taxation		4,327,828	-	4,327,828	4,246,590
Net movement in funds	17	6,930,000	-	6,930,000	(1,883,973)
Total funds brought forward		22,497,153	-	22,497,153	24,381,126
Total funds carried forward	17	29,427,153	-	29,427,153	22,497,153

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

All income and expenditure derive from continuing activities.

Consolidated and company balance sheets for the year ended 30 September 2022

	Notes	Group 2022 £	2021 £	Charity 2022 £	2021 £
Fixed assets					
Intangible assets	9	727,684	920,751	727,684	920,751
Tangible assets	10	19,207,801	19,850,877	19,207,801	19,850,877
Fixed asset investments	11	-	-	10	10
		<u>19,935,485</u>	<u>20,771,628</u>	<u>19,935,495</u>	<u>20,771,638</u>
Current assets					
Stocks	12	52,860	58,015	-	-
Debtors	13	281,450	255,166	906,761	1,603,401
Cash at bank and in hand		9,652,337	1,876,816	8,824,342	392,647
		<u>9,986,647</u>	<u>2,189,997</u>	<u>9,731,103</u>	<u>1,996,048</u>
Creditors: Amounts falling within one year	14	<u>(494,622)</u>	<u>(464,115)</u>	<u>(275,915)</u>	<u>(315,988)</u>
Net current assets / (liabilities)		9,492,025	1,725,882	9,455,188	1,680,060
Total assets less current liabilities		29,427,510	22,497,510	29,390,683	22,451,698
Provisions for liabilities	16	<u>(357)</u>	<u>(357)</u>	<u>-</u>	<u>-</u>
Net assets		<u>29,427,153</u>	<u>22,497,153</u>	<u>29,390,683</u>	<u>22,451,698</u>
The funds of the charity					
Unrestricted funds:					
General funds	17	28,304,260	21,374,260	28,267,790	21,328,805
Designated funds	17	1,122,893	1,122,893	1,122,893	1,122,893
Total charity funds		<u>29,427,153</u>	<u>22,497,153</u>	<u>29,390,683</u>	<u>22,451,698</u>

Consolidated and company balance sheets for the year ended 30 September 2022

As permitted by Section 408 of the Companies Act 2006, the statement of financial activities of the parent coming is not presented as part of these accounts. The parent company's total incoming resources for the financial year amounted to £10,933,517 (2021: £2,189,702) and the net outgoing resources amounted to £3,994,532 (2021: £4,117,799).

The financial statements were approved by the Board on ^{27/04/23}..... and signed on its behalf by:

Stephen Hall

S Hall
Chair

The notes on pages 25 to 44 form part of these financial statements.

Consolidated statement of cash flows for the year ended 30 September 2022

	Note	2022 £	2021 £
Cash flows from operating activities	18	8,554,685	534,198
Cash flows from investing activities			
Purchase of property, plant and equipment		(782,424)	(680,500)
Proceeds from the sale of property, plant and equipment		-	-
Interest received		3,260	78
Net cash used in investing activities		(779,164)	(680,422)
Net cash (used in)/provided by financing activities		-	-
Increase/(decrease) in cash and cash equivalents		7,775,521	(146,224)
Cash and cash equivalents at the beginning of the year		1,876,816	2,023,040
Cash and cash equivalents at the end of the year		9,652,337	1,876,816
Relating to:			
Cash at bank and in hand		9,652,337	1,876,816
Total cash and cash equivalents		9,652,337	1,876,816

The notes on pages 25 to 44 form part of these financial statements.

Notes to the financial statements for the year ended 30 September 2022

1 Accounting policies

Company Information

11Arches is a charitable company limited by guarantee, incorporated in England and Wales. The registered office is Flatts Farm, Toronto, Bishop Auckland, County Durham, DL14 7SF.

Accounting Convention

11Arches meets the definition of a public benefit entity under FRS102. The financial statements are prepared under the historical cost convention and in accordance with the requirements of the 'Accounting and Reporting by Charities' Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK (FRS102) and the Companies Act 2006.

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

The principal accounting policies adopted are set out below.

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Charity and its wholly owned subsidiary, 11Arches Night Show Limited, on a line by line basis.

Going Concern

Budgets have been prepared for the 12 months to March 2024. These incorporate anticipated performances in 2023. The forecasts show that sufficient funds are available for liabilities to be met as they fall due.

The Trustees have prepared cash flow forecasts and reviewed the group and company's resources and have a reasonable expectation that the company and group has adequate resources to continue in operational existence for at least 12 months from date of approval of the financial statements, due to ongoing support provided by the co-founder through his charity Lempriere Pringle 2015. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

Fund Accounting

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes. Unrestricted funds are available to spend on activities that further any of the general objectives of the charity.

Where the group has allocated income towards specific projects, a designation fund has been established. The amount of each designated fund is set out in note 17 of the financial statements.

Notes to the financial statements for the year ended 30 September 2022

1 Accounting policies (continued)

Income

Incoming resources are recognised in the Statement of Financial Activities when the group has entitlement to the funds; any conditions attached to the income have been met; it is probable that the income will be received, and the amount can be measured reliably.

Income from donations and legacies includes donations from individuals and charitable trusts.

Income from trading activities is recognised as earned as the related goods and services are provided.

Investment income is recognised on a receivable basis.

Income relating to events is recognised on delivery of the performance. Income is deferred when ticket sales are received or invoiced in advance of the performances or event to which they relate.

Other income from charitable activities is recognised as earned, as the related services are provided.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party; it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Resources expended are included in the Statement of Financial Activities on an accruals basis, exclusive of VAT. They include:

Charitable activities include all costs relating to activities where the primary aim is part of the objects of the charity along with the indirect costs.

Cost of raising funds comprises the costs incurred by 11Arches Night Show Limited.

Governance costs include Trustee expenses along with audit and accountancy fees.

Intangible Fixed Assets

Intangible assets are initially recognised at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortised at their expected useful economic lives on a straight-line basis as follows.

Software	3 years straight line
Artistic direction/music	5-10 years straight line

On disposal, the difference between the net disposal proceeds and the carrying amount of the intangible asset is recognised as income or expenditure.

Notes to the financial statements for the year ended 30 September 2022

1 Accounting policies *(continued)*

Tangible Fixed Assets

Fixed assets are initially measured at cost and subsequently measured at cost less accumulated depreciation.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following basis:

Freehold land	Not depreciated
Freehold buildings	10-30 years straight line
Assets under construction	Not depreciated
Fixtures and fittings	5-10 years straight line
Plant and equipment	3-10 years straight line
Motor vehicles	5 years straight line

Depreciation is not charged on land as under normal circumstances the residual values are considered to be greater than cost. However, the carrying values are viewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

The gain or loss on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to income or expenditure.

Subsequent costs, including replacement parts, are capitalised only when it is probable that such costs will generate future economic benefits. Any replaced parts or remaining carrying amounts are then derecognised. All other costs of repairs and maintenance are charged to the Statement of Financial Activities.

Impairment of Fixed Assets

At each reporting date, the group reviews the carrying amounts of its tangible and intangible 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 any impairment loss (if any).

Stocks

Stocks are valued at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and those overheads that have been incurred in bringing the stock to its present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to sell is recognised as an impairment loss in the income and expenditure account. Reversals of impairment losses are also recognised in profit and loss.

Notes to the financial statements for the year ended 30 September 2022

1 Accounting policies *(continued)*

Fixed Asset Investments

In the separate accounts of the charity, interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

Interests in subsidiaries are assessed for impairment at each reporting date. Any impairment losses are recognised immediately in expenditure.

Leasing

An asset and corresponding liability are recognised for leasing agreements that transfer to the charity substantially all of the risks and rewards incidental to ownership ('Finance Leases'). All other leases are operating leases.

Operating leases – the group as a lessee

The group classifies the lease of properties and equipment as operating leases. Rental charges are charged to the statement of financial activities on a straight line basis over the period of the lease.

Operating leases – the group as a lessor

Rental income from operating leases is recognised on a straight line basis over the term of the lease.

Retirement Benefits

The group operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the charitable company. The amount charged to the Statement of financial activities is the contributions payable in the year. Differences between contributions payable in the year and actually paid are shown as either prepayments or accruals.

Termination Benefits

Termination benefits are accounted for when the group terminates employment. Amounts are recognised when the group has communicated its plan of termination to the affected employees.

Cash and Cash Equivalents

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

Notes to the financial statements for the year ended 30 September 2022

1 Accounting policies *(continued)*

Financial Instruments

The group has elected to apply the provisions of Section 11 "Basic Financial Instruments" and Section 12 "Other Financial Instruments Issues" of FRS102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic Financial Assets

Basic financial assets, which include trade, other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Classification of Financial Liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic Financial Liabilities

Basic financial liabilities, including trade, other creditors and loans, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Reduced Disclosure Options

In accordance with FRS 102, the Charity has taken advantage of the exemptions from the following disclosure requirements;

- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures (in relation to the Charity's own statement of cash flows – a consolidated statement of cash flows is presented in these financial statements)

Notes to the financial statements for the year ended 30 September 2022

1 Accounting policies *(continued)*

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

The group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

Critical areas of judgement

Theatre tax relief

The accrued income in respect of Theatre Tax Relief has been assessed by management based on the guidelines set out by HMRC in relation to eligibility and certainty of income.

2 Donations and legacies

	Unrestricted Funds £	Restricted Funds £	2022 Total £	2021 Total £
Donations	10,006,000	-	10,006,000	1,028,937
Total 2021	1,028,937	-	1,028,937	

Notes to the financial statements for the year ended 30 September 2022

3 Income from trading activities

	Unrestricted Funds £	Restricted Funds £	2022 Total £	2021 Total £
Ticket sales	838,393	-	838,393	911,048
Retail income	170,722	-	170,722	103,495
Catering income	11,887	-	11,887	29,188
	<u>1,021,002</u>	<u>-</u>	<u>1,021,002</u>	<u>1,043,731</u>
Total 2021	<u>1,043,731</u>	<u>-</u>	<u>1,043,731</u>	

4 Investment income

	Unrestricted Funds £	Restricted Funds £	2022 Total £	2021 Total £
Bank interest	3,260	-	3,260	78
	<u>3,260</u>	<u>-</u>	<u>3,260</u>	<u>78</u>
Total 2021	<u>78</u>	<u>-</u>	<u>78</u>	

5 Other income

	Unrestricted Funds £	Restricted Funds £	2022 Total £	2021 Total £
Other	227,566	-	227,566	289,871
	<u>227,566</u>	<u>-</u>	<u>227,566</u>	<u>289,871</u>
Total 2021	<u>289,871</u>	<u>-</u>	<u>289,871</u>	

Notes to the financial statements for the year ended 30 September 2022

6 Expenditure

Charitable activities

	Direct costs £	Unrestricted Staff costs £	funds Support costs £	Restricted funds £	2022 Total £	2021 Total £
Charitable activities:						
Project costs	1,234,920	-	-	-	1,234,920	1,224,073
Premises costs	-	-	24,512	-	24,512	31,686
Light and heat	-	-	104,643	-	104,643	64,971
Staff costs (note 8)	-	414,097	-	-	414,097	531,382
Office costs	-	-	36,353	-	36,353	58,939
Equipment	-	-	210,430	-	210,430	64,483
Marketing and advertising	-	-	148,700	-	148,700	92,986
Travel costs	-	-	37,175	-	37,175	20,194
Legal and professional fees	-	-	26,723	-	26,723	42,457
Consultancy and subcontractor	-	-	121,704	-	121,704	107,039
Other costs	-	-	33,453	-	33,453	16,655
Staff development	-	-	34,729	-	34,729	22,204
Governance	-	-	12,000	-	12,000	2,750
Depreciation	-	-	1,425,499	-	1,425,499	1,598,686
Amortisation	-	-	193,067	-	193,067	230,276
	<u>1,234,920</u>	<u>414,097</u>	<u>2,408,988</u>	<u>-</u>	<u>4,058,005</u>	<u>4,108,781</u>
Total 2021	1,331,112	531,382	2,246,287	-	4,108,781	

Raising funds

	Unrestricted General Funds £	Unrestricted Designated Funds £	2022 Total £	2021 Total £
11Arches Night Show Limited	269,823	-	269,823	137,809
Total 2021	<u>137,809</u>	<u>-</u>	<u>137,809</u>	

Notes to the financial statements for the year ended 30 September 2022

7 Net outgoing resources

	2022 £	2021 £
Net incoming resources is stated after charging/(crediting):		
Auditor's remuneration: - audit	19,500	17,000
- tax advisory	3,500	2,750
- accountancy	5,400	4,500
Operating lease charges	672	4,337
Profit on sale of fixed assets	-	-
Exchange differences	15,856	(54)
	<u> </u>	<u> </u>

8 Staff costs, trustee remuneration and expenses and the cost of key management personnel

	2022 £	2021 £
Staff costs:		
Wages and salaries	297,094	279,945
Social security costs	57,854	179,335
Other pension costs	41,136	63,828
Agency costs	18,013	8,274
	<u>414,097</u>	<u>531,382</u>

	2022 No.	2021 No.
Staff numbers:		
The average number of employees during the year were:		
Management and administration	<u>5</u>	<u>8</u>

Notes to the financial statements for the year ended 30 September 2022

8 Staff costs, trustee remuneration and expenses and the cost of key management personnel
(continued)

Higher paid staff

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

	2022 No.	2021 No.
£130,000 - £139,999	-	1
£220,000 - £229,999	1	-

This value excludes employers' pension contributions. Total pension contributions paid on behalf of the above employee are £38,891 (2021: £14,586).

Trustee remuneration

No trustee received remuneration during the year (2021: £nil) and no trustee received payment for professional or other services supplied to the charity (2021: £nil).

The aggregate amount of travelling and subsistence expenses reimbursed to trustees during the year was £nil (2021: £nil).

Key Management Personnel

The key management personnel of the group and charity comprise the Trustees, the Executive Director and key management as listed on page 1.

Total employee benefits of the key management personnel for the year were £274,779 (2021: £223,572). This excludes amounts paid to contracted staff.

Notes to the financial statements for the year ended 30 September 2022

9 Intangible fixed assets

Group and charity

	Software £	Artistic Direction £	Total £
Cost			
At 1 October 2021	4,365	2,179,347	2,183,712
At 30 September 2022	4,365	2,179,347	2,183,712
Depreciation			
At 1 October 2021	4,365	1,258,596	1,262,961
Charge for year	-	193,067	193,067
At 30 September 2022	4,365	1,451,663	1,456,028
Net book value			
At 30 September 2022	-	727,684	727,684
At 30 September 2021	-	920,751	920,751

The amortisation charge for the year is recognised within expenditure on charitable activities.

Notes to the financial statements for the year ended 30 September 2022

10 Tangible fixed assets

Group

	Freehold Land and Buildings £	Assets Under Construction £	Plant and Equipment £	Fixtures and Fittings £	Motor Vehicles £	Total £
Cost						
At 1 October 2021	22,428,372	-	6,479,931	221,101	29,991	29,159,395
Additions	331,771	361,250	4,000	81,243	4,160	782,424
At 30 September 2022	22,760,143	361,250	6,483,931	302,344	34,151	29,941,819
Depreciation						
At 1 October 2021	4,763,933	-	4,384,909	130,636	29,041	9,308,519
Charge for year	964,727	-	438,956	20,797	1,019	1,425,499
At 30 September 2022	5,728,660	-	4,823,865	151,433	30,060	10,734,018
Net book value						
At 30 September 2022	17,031,483	361,250	1,660,066	150,911	4,091	19,207,801
At 30 September 2021	17,664,439	-	2,095,022	90,465	950	19,850,877

Notes to the financial statements for the year ended 30 September 2022

10 Tangible fixed assets (continued)

Charity

	Freehold Land and Buildings £	Assets Under Construction £	Plant and Equipment £	Fixtures and Fittings £	Motor Vehicles £	Total £
Cost						
At 1 October 2021	22,428,372	-	6,479,931	218,809	29,991	29,157,103
Additions	331,771	361,250	4,000	81,243	4,160	782,424
At 30 September 2022	22,760,143	361,250	6,483,931	300,052	34,151	29,939,527
Depreciation						
At 1 October 2021	4,763,933	-	4,384,909	128,344	29,041	9,306,227
Charge for year	964,727	-	438,956	20,797	1,019	1,425,499
At 30 September 2022	5,728,660	-	4,823,865	149,141	30,060	10,731,726
Net book value						
At 30 September 2022	17,031,483	361,250	1,660,066	150,911	4,091	19,207,801
At 30 September 2021	17,664,439	-	2,095,022	90,465	950	19,850,877

All tangible fixed assets are held for charitable purposes

Notes to the financial statements for the year ended 30 September 2022

11 Fixed asset investments

Charity

Investment in subsidiary undertaking

Investments – shares in group undertakings:	2022 £	2021 £
At 1 October 2021 and 30 September 2022	10	10

The wholly-owned subsidiary, 11Arches Night Show Limited (company number 09235236), which is incorporated in the United Kingdom, pays its taxable profits to the charity by gift aid. The subsidiary's registered office is Flatts Farm, Toronto, Bishop Auckland, Co Durham, United Kingdom, DL14 7SF. The charity owns the entire issued share capital of 10 ordinary shares of £1 each. A summary of the trading results is shown below:

Summary profit and loss account	2022 £	2021 £
Turnover	1,021,002	1,038,745
Expenses	(987,228)	(992,930)
Interest received	3,055	-
Net profit before tax	36,829	45,815
	2022 £	2021 £

The assets and liabilities of the subsidiary were:

Fixed assets	-	-
Current assets	891,255	1,588,468
Creditors: amounts falling due in one year	(854,418)	(1,542,645)
Provisions for liabilities	(357)	(357)
Total net assets	36,480	45,466
Aggregate share capital and reserves	36,480	45,466

12 Stocks

	2022 £	Group 2021 £	2022 £	Charity 2021 £
Goods purchased for resale	52,860	58,015	-	-

Notes to the financial statements for the year ended 30 September 2022

13 Debtors

	2022	Group	2022	Charity
	£	2021	£	2021
		£		£
Amounts owed by group undertakings	-	-	513,350	1,353,239
Other debtors	27,472	202,532	139,433	209,705
Prepayments and accrued income	253,978	52,634	253,978	40,457
	<u>281,450</u>	<u>255,166</u>	<u>906,761</u>	<u>1,603,401</u>

14 Creditors: Amounts falling due within one year

	2022	Group	2022	Charity
	£	2021	£	2021
		£		£
Trade creditors	310,131	320,893	229,288	264,005
Amounts owed to group undertakings	-	-	-	-
Other taxation and social security	13,832	6,576	13,832	6,576
Other creditors	-	11,390	-	20,346
Accruals and deferred income	170,659	125,256	32,795	25,061
	<u>494,622</u>	<u>464,115</u>	<u>275,915</u>	<u>315,988</u>

15 Deferred income

	2022	Group	2022	Charity
	£	2021	£	2021
		£		£
Balance as at 1 October 2021	97,812	213,959	-	-
Released from previous years	(97,812)	(213,959)	-	-
Resources deferred in the year	57,903	97,812	-	-
	<u>57,903</u>	<u>97,812</u>	<u>-</u>	<u>-</u>
Balance as at 30 September 2022	<u>57,903</u>	<u>97,812</u>	<u>-</u>	<u>-</u>

Deferred income comprises ticket income received in advance.

Notes to the financial statements for the year ended 30 September 2022

16 Provisions for liabilities

Group

	2022 £	2021 £
Deferred tax liability	357	357

There was no deferred tax liability in the charity.

17 Movement on funds

Group

	At 1 October 2021 £	Incoming Resources £	Outgoing Resources £	Transfers Between Funds £	At 30 September 2022 £
Unrestricted funds					
Designated funds:					
Land Fund	1,122,893	-	-	-	1,122,893
General funds	21,374,260	11,257,828	(4,327,828)	-	28,304,260
	<u>22,497,153</u>	<u>11,257,828</u>	<u>(4,327,828)</u>	<u>-</u>	<u>29,427,153</u>
Restricted funds	-	-	-	-	-
Total funds	<u>22,497,153</u>	<u>11,257,828</u>	<u>(4,327,828)</u>	<u>-</u>	<u>29,427,153</u>

Charity

	At 1 October 2021 £	Incoming Resources £	Outgoing Resources £	Transfers Between Funds £	At 30 September 2022 £
Unrestricted funds					
Designated funds:					
Land Fund	1,122,893	-	-	-	1,122,893
General funds	21,328,805	10,933,517	(3,994,532)	-	28,267,790
Total funds	<u>22,451,698</u>	<u>10,933,517</u>	<u>(3,994,532)</u>	<u>-</u>	<u>29,390,683</u>
Restricted funds	-	-	-	-	-
Total funds	<u>22,451,698</u>	<u>10,933,517</u>	<u>(3,994,532)</u>	<u>-</u>	<u>29,390,683</u>

Notes to the financial statements for the year ended 30 September 2022

17 Movement on funds (continued)

Designated funds:

Land Fund – value of the amounts which have been acquired through gifts from third parties for the site on which the 11Arches project is located.

Funds prior year

Group

	At 1 October 2020 £	Incoming Resources £	Outgoing Resources £	Transfers Between Funds £	At 30 September 2021 £
Unrestricted funds					
Designated funds:					
Land Fund	1,122,893	-	-	-	1,122,893
General funds	23,258,233	2,362,617	(4,246,590)	-	21,374,260
Total funds	24,381,126	2,362,617	(4,246,590)	-	22,497,153

Charity

	At 1 October 2020 £	Incoming Resources £	Outgoing Resources £	Transfers Between Funds £	At 30 September 2021 £
Unrestricted funds					
Designated funds:					
Land Fund	1,122,893	-	-	-	1,122,893
General funds	23,256,902	2,189,702	(4,117,799)	-	21,328,805
Total funds	24,379,795	2,189,702	(4,117,799)	-	22,451,698

Notes to the financial statements for the year ended 30 September 2022

Fund balances at 30 September 2022 are represented by:	Unrestricted General Funds £	Unrestricted Designated Funds £	Total 2022 £
Fixed assets	18,812,592	1,122,893	19,935,485
Current assets	9,986,647	-	9,986,647
Creditors: amounts due within one year	(494,622)	-	(494,622)
Provisions for liabilities	(357)	-	(357)
	<u>28,304,260</u>	<u>1,122,893</u>	<u>29,427,153</u>

Fund balances at 30 September 2021 are represented by:	Unrestricted General Funds £	Unrestricted Designated Funds £	Total 2022 £
Fixed assets	19,648,735	1,122,893	20,771,628
Current assets	2,189,997	-	2,189,997
Creditors: amounts due within one year	(464,115)	-	(464,115)
Provisions for liabilities	(357)	-	(357)
	<u>21,374,260</u>	<u>1,122,893</u>	<u>22,497,153</u>

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

	2022 £	2021 £
Net movement in funds	6,930,000	(1,883,973)
Interest received	(3,260)	(78)
Depreciation	1,425,499	1,598,683
Amortisation	193,067	230,276
Profit on sale of fixed assets	-	-
Decrease in stock	5,155	29,078
(Increase)/decrease in debtors	(26,284)	612,880
Increase/(decrease) in creditors	30,508	(52,668)
Net cash inflow/(outflow) from operating activities	<u>8,554,685</u>	<u>534,198</u>

Notes to the financial statements for the year ended 30 September 2022

19 Related party transactions

Related party transactions took place in the period of account other than certain trustees and key management personnel remuneration and expenses already disclosed in note 8.

	Relationship	Income	Expenditure	Year end balance
Lempriere Pringle	Common trustee	10,000,000	-	-
The Auckland Project	Common trustee	-	(33,629)	(33,381)

11Arches supplied 11Arches Night Show Limited, its 100% subsidiary, with various agreed services totalling £699,747 for the year ended 30 September 2022 (2021: 870,479). At 30 September 2022 11Arches was owed £513,350 (2021: 1,353,239) by 11Arches Night Show Limited.

All related party transactions were at an arm's length basis.

Notes to the financial statements for the year ended 30 September 2022

20 Pension scheme

The group operates a defined contribution scheme for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund. The contributions payable by the group charged to income and expenditure amounted to £38,891 (2021: £14,586), and all related to unrestricted funds. Amounts outstanding of £459 (2021: £1,612) are included in other creditors.

21 Taxation

The charity is exempt from tax on income and gains falling within Section 505 of the Taxes Act 1988 or Section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

22 Volunteers

The group places a great value on the contributions that volunteers made to the organisation. Over the course of the year, we benefitted greatly from the considerable time, energy and expertise given by the Board of Trustees.

The role played by and contributions the volunteers make is discussed in detail in the Trustee's Report.

23 Control

The charity is controlled by the Board of Trustees.

11Arches

England & Wales - Charity number 1159011

Accounts

11Arches
(A Charitable Company Limited by Guarantee)

**Trustees' Report and Consolidated
Financial Statements**

**For the year ended
30 September 2021**

**Company Number 09055646
Charity Number 1159011**

Reference and administrative information

Trustees

S Hall (Chair)
J Ruffer
L Greig
D Tindall (Resigned 16th June 2020)
K Eld
N White
L Fairclough (Appointed 25th April 2022)
D Barrie (Appointed 25th April 2022)

Key management personnel

Al Daulon	Chief Executive Officer Executive Producer Kynren and 11Arches Park Artistic Director
A Warnecke	Director of Cavalry and Estates Deputy Executive Producer 11Arches Park
G Emerson	Director of Technical Projects
L Robinson	Head of Cavalry
A Baxter	Head of Marketing & Sales
C Boissinot	Production Advisor
K Halfpenny	Finance Controller
N Winterbottom	Head of Technical Operations

Registered office and Principal place of business

Flatts Farm
Toronto
Bishop Auckland
County Durham
DL14 7SF

Charity number

1159011

Company number

09055646 (England & Wales)

Auditor

RSM UK Audit LLP
1 St James Gate
Newcastle upon Tyne
NE1 4AD

11Arches

(A Charitable Company Limited by Guarantee)

Principal bankers

Barclays Bank Plc
6 Market Place
Durham
Co Durham
DH1 3NB

Chief Executive's Report

2020 was a devastating year for the leisure, culture and hospitality sectors, depriving us of our audiences and our revenues in the summer 2020, and blessing the rest of 2020 and the first half of 2021 with a total lack of visibility. Like many others, our organization kept an eye on the summer of 2021 with the hope that the government roadmap would materialise in clear protocols enabling us to be ready to reopen for the season.

The entire production cycle takes most of a full year under normal conditions; lockdowns, remote work, social distancing, international travel ban, decimated staff and volunteer teams, covid infections and Brexit were amounting to the perfect storm, even to put our main show Kynren back on the road. Adding a new family visitor attraction with three new shows in pre-production and more infrastructure built was possibly one challenge too many.

We opened on 7th August 2021 11Arches Park, followed in the evening by Kynren. To open despite the covid-induced chaos compounded by Brexit delays, price increases and supply chain disruptions was a miracle. To welcome tens of thousands of visitors over a handful of dates, and to remain open on all scheduled dates, providing a safe and enjoyable experience was even more of a miracle.

We owe this miracle to our volunteers who create the magic of Kynren and 11Arches Park, and of course to our visitors.

Thank you for your loyalty and your faith in us, 2021 was a soft opening for 11Arches Park and we will be back with more epic shows to complete its offering in the next couple of years.

Anne-Isabelle Daulon, Chief Executive, 11Arches

Report of the Trustees for the year ended 30 September 2021

The trustees (who are also directors of the charity for the purpose of company law) present their annual report and audited financial statements of 11Arches (the charity) for the year ended 30 September 2021.

The financial statements comply with the Memorandum and Articles of Association and the requirements of the Charities Act 2011, 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 (FRS102) (effective 1 January 2019).

Structure, Governance and Management

Governing Documents

The charity is registered as a charitable company limited by guarantee, was set up by a Memorandum of Association signed on 16th May 2014 and was incorporated on 23rd May 2014. The charity is constituted under its Memorandum of Association and is a registered charity, number 1159011. The Articles of Association have been approved by the Charity Commission as follows:

The objects of the Charity are specifically restricted to the following:

- To advance education for the public benefit by any or all of the following means:
 - historical and heritage productions and performing arts projects that celebrate and promote the unique history of Bishop Auckland and the surrounding area, and increase knowledge, understanding and appreciation of matters of both local and national historic interest
 - providing after school and training programmes for young people that are designed to build skills and self-confidence.
- To advance community development for the public benefit by the promotion of volunteer programmes that encourage community wide involvement in the charity's historical and heritage productions and performing arts projects.

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

S Hall (Chair)
J Ruffer
L Greig
D Tindall (Resigned 16th June 2020)
K Eld
N White
L Fairclough (Appointed 25th April 2022)
D Barrie (Appointed 25th April 2022)

Appointment, Induction and Training of Trustees

The management of the charity is the responsibility of the trustees. New trustees will be selected by existing trustees and will be appointed by Members of the charity. Each trustee, as a member, is a guarantor of the charity to an amount not exceeding £1 in the event of the charity being wound up.

New trustees undergo orientation to brief them on: their legal obligations under charity and company law, the Charity Commission guidance on public benefit, and inform them of the content of the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and recent financial performance of the charity. During the induction they meet key employees and other trustees.

Report of the Trustees for the year ended 30 September 2021 (continued)

Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Objectives and Activities

Kynren, an epic tale of England, is an open air night spectacular inspired by the Opening Ceremony of London 2012 and templated from the award winning 'Cinescenie' from Puy du Fou (PDF). It is the main production of 11Arches.

Kynren is part of a very ambitious scheme to build a world class visitor destination in Bishop Auckland, around Auckland Castle. This is the vision of philanthropist and investment manager, Jonathan Ruffer. 11Arches is one of two charities he has established in Bishop Auckland, the other being The Auckland Project. Together, the aim of the charities is to establish Bishop Auckland as an international tourist destination, attracting visitors and investment which will contribute to the betterment of the area and empowerment of the community.

Mission Statement

11Arches is a registered charity with the objective to produce a world class historical show, the foundation of which is an innovative and engaging arts, education and community development programme.

11Arches is a catalyst and driver of change which will dramatically shift the paradigm of the North East, by adding a national tourist destination to the region that delivers tangible, measurable, significant social and economic impact.

11Arches is a celebration of heritage bringing our history to life in a spectacular show by a cast and crew drawn from the community based on Puy du Fou's award winning model in Vendée (France).

Objectives

11Arches is committed to deliver Kynren as a must-see show year after year: Kynren is a world class display of technical and artistic performance, orchestrated by a cast and crew of volunteers of utmost professionalism, creating enthralling educative entertainment and a high quality experience to its visitors.

Kynren's success is measured by the rating given by our visitors to Kynren, and the enjoyment its cast and crew take in bringing Kynren to life.

We acknowledge that the cornerstone of Kynren's longevity is to expand into a daytime offer, to support its commercial success. Therefore the expansion should be the key strategic objective to focus on for the next three seasons, alongside the further establishment of Kynren.

Activities

The sustainable success of Kynren is the key objective of the organisation; the extension into a daytime offer was sought to widen the audience demographics, to ignite awareness and interest for our productions and to contribute as an additional source of funding for the charitable objects of 11Arches.

11Arches Park is a strategic extension of the successful concept of Kynren of a live action and epic show, presented in a daytime format with similar high production values; this is to encourage engagement with

Report of the Trustees for the year ended 30 September 2021 (continued)

Kynren, attract wider demographics (in particular families with young children) and provide further support to the establishment of Bishop Auckland as a Tourist Destination.

The multi-year development plan to create 11Arches Park was revisited in light of the pandemic and all milestones were pushed back; the production of additional shows and experiences to Kynren visitors never materialized in 2020, and 11Arches Park launched in 2021 as a separate ticketed attraction on the afternoons of a reduced Kynren performance calendar; the continued organic expansion of the offering and the move to a seasonal opening are expected in 2023 at the earliest.

In that context, the focus for 2021 was twofold:

1. to produce the sixth season of Kynren - an epic tale of England,
2. to produce the first iteration of a daytime offer in 11Arches Park.

Sold as a separate ticket and set in the beautifully landscaped grounds of Kynren, 11Arches Park offered visitors an action-packed afternoon of fun and new experiences including the biggest Horse Stunt Show in the UK -Fina and the Golden Cape, the Maze of Fame with a cast of colourful, iconic characters and the mini explorers' themed Adventure Playground which sat alongside existing favourites the walkthrough Viking Village, Animal Croft and Georgian Shop. Live Music on the Lake completed the offering.

All the above took place against the backdrop of a worldwide pandemic.

Organisation Structure and Delegated Responsibility

The board of trustees administers the charity. The board normally meets quarterly.

A Chief Executive is appointed by the trustees to manage the day-to-day operations of the charity. To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by the trustees, for all operational matters including finance, employment, and artistic performance related activity.

Pay policy for senior staff

The directors consider the board of directors, who are the trustees, and the senior Management team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis.

All directors give their time freely and no director received remuneration in the year. Details of directors' expenses and related party transactions are disclosed in note 8 to the accounts.

The pay of the senior staff is reviewed annually. In view of the nature of the charity, the directors benchmark against pay levels in line with similar organisations.

GROUP STRATEGIC REPORT

Season Review: achievements and performance for the period

The Kynren annual production cycle was radically disturbed. We could not recruit any additional member of our cast & crew in a lockdown environment of social distancing; our own ranks of volunteers shrunk at a time family, work, health reasons prevailed. The training of our cast & crew was dramatically constrained and innovative solutions were put in place. The choreographies themselves were revisited to account for social distancing. The build programmes for 11Arches Park were coordinated to respect social distancing, introducing delays and rocketing costs. Sales, marketing and media plans accounted for limited media availability, capacity constraints, staff shortages in customer care and uncertainty in consumer behaviour. Production of the new shows for 11Arches Park became overly complex due to production staff redundant, on furlough or unable to travel, and international supply chains disruption. The Food&Beverage provision could not be delivered as intended, as the hospitality industry was not back yet to operations after the pandemic closures and systemic staff shortages -and tweaks were made.

In the month leading up to opening, as the country reopened largely, our organisation had to be agile to adapt all drafted operations plans to the guidance that became known only on a drip feed basis. The rehearsal logistics were obviously reshaped to stay in open air socially distanced formats. In the same month, the NHS-pinging sent chaos to the critical procurement, delivery, and final touches timeframes. While our shows were mostly ready, the completion of the building and landscaping site infrastructure were impacted. As capacity constraints were lifted a few days before we opened, we still decided to implement some level of social distancing in our open air Tribune and created a seating plan accordingly (the manual process was cumbersome) and all visitor operational requirements (including access to site and on-site measures) incorporated many levels of safeguarding as recommended by the industry association, well beyond government strict requirements. We felt strongly that this was much needed to reinstate confidence with visitors and allow a safe and enjoyable experience.

Despite the incredibly challenging backdrop, it is worth noting that the opening of a new visitor attraction, with a new concept, was an achievement in itself, as was the attendance across the summer.

Staff update

As our activity came to a halt in 2020, we used the Government Job Retention Scheme to protect jobs among our team for as long as we could. In the Fall we acknowledged our activity levels would be impacted well into 2021. We took stock that we have to keep doing what we are still able or allowed to do, but differently, until better days come. We made very difficult decisions about how to shape the organization. Previously we had created a staff structure ready not just for Kynren, but mainly for the multi-year development plan to create the Park, with the targets of a proof of concept in 2020, a soft launch in 2021 and a more intense opening schedule from 2022. Not only had the Covid pandemic pushed our timescales by a year at a minimum, but we expected more uncertainty for the British consumer and a continued lack of visibility on the operational feasibility of our 2021 plans. As a consequence, we were forced to size the team for the downtime of the Kynren out-of-season, and decided to grow the team seasonally as we gear up to opening.

Economic benefit

11Arches' mission is to produce Kynren as world-class show, to be a 'trip attractor', encouraging overnight visits to County Durham and bringing tourism-related expenditure, capital investment and jobs. It is the overnight visitors who make a significant difference to the regional economy: while day trippers typically spend £20.18 per day, overnight visitors are likely to spend £169.14, a driver for the creation of jobs.

Report of the Trustees for the year ended 30 September 2021 (continued)

Offsite tourism expenditure around Kynren is expected to be in the region of £4.75million per annum, and that will be compounded by what is spent at other attractions when visitors build a short or long-stay around the show.

Looking ahead

Our five-year vision inspires the next legs of our development.

In 2023, 11Arches is the successful operator of the biggest night show in the UK: more visitors year after year are left in awe, not just with the spectacle itself but with the fact it is entirely orchestrated by a cast and crew of volunteers.

The community has found a new sense of purpose and pride in welcoming visitors to this incredible set of performances from all over the country and even internationally. The combination of entertainment and education has won families over, making Bishop Auckland a thriving day and night tourist destination: visitors are now enjoying more activities from 11Arches, establishing its brand firmly as a widely acclaimed leisure destination.

This vision is built on continued and confirmed success for Kynren year after year. Therefore, our efforts and time are firmly focused on producing Kynren as a world class show.

Risk assessment

11Arches combines a number of characteristics that make it risky in nature: a young start up, a new breed of visitor attraction, its scale since inception, its boldness. We are still at the beginning of a long journey. It comes as no surprise that senior management kept a clear focus on managing and controlling the risk. Establishing processes fit for a going concern remains high on the agenda.

The risks and uncertainties were identified as follows:

- continued recruitment and retention of volunteers to ensure the appropriate running of the show – volunteer attrition is a given as life demands weigh on uninterrupted commitment to a project – even and especially given the seasonality of Kynren-related activities (Spring and Summer);
- a new breed of visitor attraction means that we require to build brand and concept awareness from near scratch – this creates a high level of uncertainty and risk to ticket sales;
- a new breed of production also means that the skills are not readily available on a like for like basis, especially in the region, for staff and experts we wish to engage on the project;
- a visitor attraction in its sixth year of operation means that consolidating audiences within the regional 30-60 min radius and search for new ones beyond is needed, and yet this takes considerable time and money to achieve,
- Funding needs are likely to be high until the operations reach a stable year,
- Exposure to the financial health of the British consumer as the organisation sells a discretionary product.

Report of the Trustees for the year ended 30 September 2021 (continued)

Management maintained a risk register as a live document assessing all current risks for the organization for its fourth year of production across all departments.

It identifies the major risks the charity faces, the likelihood of occurrence, the potential impact of the risk, as well as any mitigation in place. It proactively seeks to identify any actions and resources necessary to manage these risks and reduce the risk profile of the organisation.

The Trustee Board is responsible for the oversight of the risks the charity faces. The Trustee Board regularly reviews the charity's risk position, internal controls and compliance with relevant statutory and governance regulations.

In addition to the risk management in place all year long, the pandemic forced us to revisit all risk assessments (office, general operations, visitor operations, shows, cast & crew training and rehearsals, contractors on site, visitor operations) on an ongoing basis to decide what could go ahead and how.

Related parties

The charity and The Auckland Project (TAP) have a close working relationship. TAP was set up to own and enhance the Castle and the other buildings of national, architectural, historic or artistic interest for the benefit of the public. This includes the development of buildings to receive two national exhibitions, "Faith" and a permanent Spanish art gallery to contextualise the thirteen paintings of Jacob and his twelve sons painted by Francesco de Zurbaran housed in the castle, a walled garden with a restaurant, a park, a Viewing Tower, a Mining Art gallery and a research centre.

Jonathan Ruffer is TAP's Founder and it is his vision to see the two charities both work to bring regeneration through heritage to the region. By creating a national quality visitor-hub and night show centred on Auckland Castle and extending it into Bishop Auckland and the surrounding area, the aim is to be a catalyst for change, growth, renewal and economic opportunity.

The charity also has a close working relationship with Lempriere Pringle 2015 and the charity has received substantial financial resources from Lempriere Pringle 2015. Jonathan Ruffer is a trustee of both the charity and Lempriere Pringle 2015.

Further detailed information on related parties is included in note 22 of the financial statements.

Public benefit

The trustees have due regard to the guidance by the Charity Commission on public benefit. The charity's activities encompass a number of the charitable purposes which are referred to in the Charities Act 2011, in particular the drawing together of the local community and the opportunities members of the local community of all ages, education and skills have of participating as volunteers in the show and the range of educational benefits through learning new skills and audience education.

Fundraising

The charity does not work with commercial participators or professional fundraisers and does not engage third parties to undertake fundraising activities on its behalf.

Report of the Trustees for the year ended 30 September 2021 (continued)

Impact and value

11Arches researched the extent to which the *Kynren* experience, in its first year, has helped to advance its aims of education and community development. A report was commissioned to look at the impact of the project on the volunteer workforce (known individually as Archers) and at their perceptions of what the Trust, through *Kynren*, is achieving.

The findings of the first season are merely the first instalment of the story of the impact of 11Arches on the fortunes of Bishop Auckland and the surrounding area, in the long term. Findings of each additional year of operation are consolidated and support similar trends.

Volunteers' motivations

Kynren, in its first year, has been a story of individuals and family groups volunteering their time and effort, largely for the benefit of the wider community. While there is substantial evidence of change and gains for individual Archers, *Kynren* is a bold undertaking *by* a community *for* a community.

Many Archers have cited, among their motivations for getting involved, the fact that 11Arches is working for a better future for Bishop Auckland. They either remember the town as a different kind of place or can sense its potential and want to see the charity succeed. Although uncertain about what the project might entail or lead to, large numbers of local and not-so-local people recognised that its realisation would depend on the involvement of hundreds of volunteers and the commitment of thousands of hours of voluntary work. Curious, available and with a sense of responsibility for the success of the project, they signed up.

Of the many local residents who were initially, or mainly, attracted by the opportunity to pursue an existing interest (e.g. acting, dancing, building, making, sewing, riding) or develop a new one, to make friends or add to their cv (in pursuit of further study or employment), most have become aware of, and are impressed by, the potential impact of their involvement on their community.

From the second season onward, motivations have become more diverse, as the show was now a tangible fact, something many had seen before joining, and the *Kynren* experience was articulated by a first year of veterans. Existing Archers from the first season were strong advocates and endorsed a bigger role front line in the recruitment of the second season.

The appeal to families and friends

A large number of Archers had family or friends taking part. The weekend rehearsals meant it was, in many cases, more feasible for someone with a family to commit the time needed if other members of the family were taking part too, but families became involved in different ways and at different paces. In some cases, they were led by a young person's interest, in others by an adult's and in a few cases by a parent

Report of the Trustees for the year ended 30 September 2021 (continued)

child combination. *'It was an opportunity for me and my son to do something together,'* wrote one mother. *'We made the decision, as a family, to do it together,'* explained another.

There were examples of family members and friends attending an audition session together and signing up together, while others brought relatives and friends along at a later stage.

The attraction of *Kynren* to families and friends helped to ensure the retention of volunteers because, when the commitment has been made jointly, an individual is much less likely to fall away. The location of the site, necessitating shared lifts, also added to the sense of 'doing this together'.

While some friends opted for the same team, family members (because of their different ages, gender and interests) were often different teams. Archers have described the friendly, inclusive character of 'the *Kynren* family' and there is no evidence that those who knew no one else when they joined felt any less involved than those who came with companions.

Mutuality

Mutuality (or interdependence) has been a prominent feature of *Kynren*. Every Archer belonged to a team, with a team leader. Team members worked together, developed their own practices (e.g. bringing food to share, printing team t-shirts), supported each other, became friends, welcomed newcomers, overcame occasional tensions and became stronger as individuals and as a team. *'I loved that sense of belonging.'*

Diversity and social capital

The Archers are a diverse group with different social, cultural and family backgrounds and different life experiences, outlooks and aspirations. Nearly 80% of Archers in 2019 live in Bishop Auckland and the surrounding area with 20% living elsewhere in the north east and in a few cases, further afield. The diversity of the company has been one of its strengths: people have worked alongside people they would be unlikely to meet socially or at work; they have spent significant amounts of time together in a shared enterprise; they have learned about each other and from each other; they have formed lasting bonds and friendships and they have continued to meet (in some cases weekly) well after the show ended in September. In addition to their feelings of responsibility towards *Kynren* and 11Arches, Archers are now describing a sense of agency, which underlines the extent to which the charity is building social capital.

Those who live locally are citing two signs of change: the physical improvements to the town centre, new cafes and shops and the emerging artists' quarter; and a marked increase in friendly interaction between people who have met through *Kynren*, or who are being asked by others about the process and the show, and more generally a higher level of positivity in the town.

Some Archers have found the motivation and confidence to take on new voluntary commitments. What is interesting as well is that the example set by the community of Archers has resulted in a new culture of volunteering in the area –this was commented widely by various organisers of events and other charities who commented they see the benefit from a more engaged portion of the population.

Nearly all Archers judged that they had 'become more skilled at something'. Some have had production-related, technical training and experience (e.g. prop making and repair, combat skills, archery, pyrotechnics, riding, driving horses, animal handling and first aid, etc.). Many others have used a mixture of training (e.g. circus skills and WorldHost Customer Service Training) and the day-to-day practice of working with colleagues and the public, to increase their so-called soft skills, including the ability to work well in a team, to be adaptable, to resolve conflict, to observe behavior and respond to it, and to communicate effectively.

Report of the Trustees for the year ended 30 September 2021 (continued)

While most volunteers in the first year were employed, working in the home, studying or retired, this trend has continued in the second year with a few continuing to credit the skill and experience they have gained through *Kynren* with creating new opportunities. More interviews or even job offers because volunteering was added to their CV was quoted. Even work as extras in films, as well as the potential to volunteer for events such as Lumiere in Durham and at The Great North Run. The Auckland Project recruited a number of Kynren volunteers to the newly opened Mining Art Gallery, with numerous archers spotted at the opening event, again pride in the Town and supporting all that is going on.

For many, the acquisition of new knowledge and skills has enhanced their quality of life.

When asked what *they* had gained from being part of *Kynren*, so far, the following continued to be the frequently occurring answers (again, these are paraphrases):

- friendship (ranging from expanded friendship groups to precious, new friendships interrupting isolation, loneliness or grief);
- a sense of belonging, being part of a team; '*a reminder of the necessity of community*';
- how close we have all become and how much we all care about each other.
- pride in the *Kynren* experience, in what has been achieved on and off stage (all the more so because it exceeded their and others' expectations);
- pride in working for a better future for Bishop Auckland and the surrounding area;
- knowledge and skills - New Archers continued to talk of gaining new skills and experiences, returning Archers, some changed to teams to gain a different perspective, whilst others honed skills already learnt.
- Greater levels of fitness
- Greater confidence
- Stronger family relationships

Their level of confidence has greatly improved thanks to their Archer experience. More confident adults, and more importantly more confident kids. When we asked the teenagers to articulate what Kynren had brought them, the enjoyment of the social element of it (new friends, hanging out with them on Saturday night) is instantly quoted, and they also say they love being in the show. Strangely enough, it is not really being on stage, but what being in the show changed for us. And they say Kynren taught them "to go for it" in life. This makes them more extrovert in the schoolyard, more ambitious in their lives, among other things. A chaperone for a teenage team expresses their admiration 'Working with teens gives insight into how the youth appreciate support not criticism'

Parents/Guardians are very articulate about what this experience is doing for this next generation. The addition of Teenage skills camp for the second year in the February half term has been acknowledged as a confidence builder / booster and a unique opportunity to make new friends in a gentle and safe environment.

The sense of community is a particular highlight among Archers.

In 2019 we expanded our analysis on the smaller unit of Archer community which was the Archers' individual teams. It is clear that the internal dynamics of a team is a key enabler of the direct and personal benefits experienced by Archers. It shines an even greater light on the importance of team leaders to build a passionate and dedicated Archer community.

Archers praise the brotherhood and continuous support offered in the training -difficulty is inevitably linked to a challenging activity, but the togetherness and the ethos of praising small achievement are great tools to overcome them. The culture of positivity that has been fostered in parallel is an igniter of confidence.

Report of the Trustees for the year ended 30 September 2021 (continued)

Continuing to be part of something special also shone through for rejoining, and the reasons put forward include principally:

Friends
Confidence
Community
Skills
Achievement
Pride

The reasons behind those not returning include

Moving away
College workload
Going to University
New Employment
New Commitments (family or work)
I have done 4 years I would like a break, but I will be back!

Being part of Kynren is a lifestyle the Archers live and breathe.

'People are always surprised when we say we aren't getting paid and they don't understand why we would give up so much of our time for nothing. But to me it certainly isn't for nothing. It is the best thing I have done in my life and I'm so pleased my best mate brought me along.'

'Life changing experience for a large number of volunteers. Putting Bishop Auckland on the map and acting as a catalyst for economic regeneration'

'Created a family of people from all backgrounds and abilities who all have a desire to help each other and that of the surrounding community'

'Given people from Bishop Auckland and the surrounding area a way to improve their wellbeing and skills and general happiness'

'Turning around a town which had lost all hope due to shop closures etc, to now having a town that believes there is hope in bringing bishop Auckland back to life and a great place to live and visit. Community.... what most archers feel when we together having a shared objective and a shared vision of what we can help achieve. Bring confidence and new skills to all the archers and also new friendships.'

Financial review

Full details of the group's financial position can be found in the accompanying financial statements attached to this report. The Statement of Financial Activities shows total incoming resources of £2,362,617 (2020: £3,470,839) and total resources expended of £4,246,590 (2020: £3,595,496) resulting in a deficit for the year of £1,883,973 (2020: £124,657 deficit).

Key Performance Indicators

Key Performance Indicators for the organisation are set on two main levels, Community Development and Excellence of the Show, both of which are closely linked to the charitable objects of 11Arches.

Report of the Trustees for the year ended 30 September 2021 (continued)

- The performance of the organisation in Community Development is analysed through the thriving group of Cast & Crew involved in Kynren. Their enjoyment of their experience is measured each season on a variety of indicators.
- The performance of the organisation to produce Kynren to a level of excellence is measured through our Customers' Satisfaction, as carried in our customer surveys.

The Trustees have considered the performance of the organisation through the above prisms for the financial year and are satisfied that the organisation is performing well.

11Arches Night Show

The results of the charity's subsidiary, 11Arches Night Show, which are consolidated in these financial statements, are included in note 11.

Reserves policy

The Directors review the reserve levels annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Directors have determined that the minimum level of unrestricted reserves should be a set amount of approximately £1m (2020: £1m) based on 4 months of annual expenditure, excluding depreciation and amortisation. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of income and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

The free reserves at 30 September 2021, excluding fixed assets and loans, are £1,725,525 (2020: £2,461,039) for the group. This is above the £1m minimum level set and this is to further invest in the production.

Going Concern

There are no material uncertainties in respect of the charity's ability to continue as a going concern. The trustees believe that the group is well placed to manage its risks successfully and thus have adopted the going concern basis of accounting. This is primarily due to the support from the co founder, director and philanthropist, Jonathan Ruffer.

Principal funding

The principal funding was obtained from ticket sales and donations.

Trustees' responsibilities

The Trustees 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 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 the affairs of the charitable company and of the incoming resources and application of resources, including income and expenditure of the charitable company for that period.

Report of the Trustees for the year ended 30 September 2021 (continued)

In preparing those 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 UK 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 charitable group will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for safeguarding the assets of the 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 auditor is unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors

In accordance with the charitable company's articles, a resolution proposing that RSM UK Audit LLP be reappointed as auditor of the charitable company will be put at a General Meeting.

By Order of the Board



Stephen Hall
Chair

Date: 27/06/22

Opinion

We have audited the financial statements of 11Arches (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 30 September 2021 which comprise the Group Statement of Financial Activities, the Group and Company Balance Sheets, the Group Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is 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 group's and the parent charitable company's affairs as at 30 September 2021 and of the group's 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 of 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 and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRS'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 group's or parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises 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.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report which includes the Directors' Report and the Strategic 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 and the Strategic Report, included within the Trustees' Report, have 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 group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report, included within the Trustees' report.

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on pages 14 and 15, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

Independent auditor's report to the members of 11Arches

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the group and parent charitable company operate in and how the group and parent charitable company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the parent charitable company's governing document, and tax legislation. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents, inspecting correspondence and minutes.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to health and safety. We performed audit procedures to inquire of management and those charged with governance whether the group is in compliance with these laws and regulations and inspected correspondence with regulatory authorities.

The group audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates.

A further description of our responsibilities for the audit of the financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

Claire Leece

CLAIRE LEECE (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
1 St. James' Gate
Newcastle upon Tyne
NE1 4AD

Date: 28/06/22

Consolidated statement of financial activities
For the year ended 30 September 2021

		Unrestricted	Restricted	Total Funds	Total Funds
	Notes	Funds £	Funds £	2021 £	2020 £
Income from:					
Donations and Legacies	2	1,028,937	-	1,028,937	2,631,300
Trading activities	3	1,043,731	-	1,043,731	66,421
Investments	4	78	-	78	11,913
Other	5	289,871	-	289,871	761,205
Total income		<u>2,362,617</u>	<u>-</u>	<u>2,362,617</u>	<u>3,470,839</u>
Expenditure on:					
Charitable activities	6	4,108,781	-	4,108,781	3,543,268
Raising funds	6	137,809	-	137,809	52,228
Total expenditure before taxation		<u>4,246,590</u>	<u>-</u>	<u>4,246,590</u>	<u>3,595,496</u>
Taxation		-	-	-	-
Total expenditure after taxation		<u>4,246,590</u>	<u>-</u>	<u>4,246,590</u>	<u>3,595,496</u>
Net movement in funds	17	(1,883,973)	-	(1,883,973)	(124,657)
Total funds brought forward		<u>24,381,126</u>	<u>-</u>	<u>24,381,126</u>	<u>24,505,783</u>
Total funds carried forward	17	<u>22,497,153</u>	<u>-</u>	<u>22,497,153</u>	<u>24,381,126</u>

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

All income and expenditure derive from continuing activities.

Consolidated and company balance sheets
For the year ended 30 September 2021

	Notes	Group 2021 £	2020 £	Charity 2021 £	2020 £
Fixed assets					
Intangible assets	9	920,751	1,151,026	920,751	1,151,026
Tangible assets	10	19,850,877	20,769,061	19,850,877	20,769,061
Fixed asset investments	11	-	-	10	10
		<u>20,771,628</u>	<u>21,920,087</u>	<u>20,771,638</u>	<u>21,920,097</u>
Current assets					
Stocks	12	58,015	87,093	-	-
Debtors	13	255,166	868,046	1,603,401	2,578,434
Cash at bank and in hand		1,876,816	2,023,040	392,647	137,988
		<u>2,189,997</u>	<u>2,978,179</u>	<u>1,996,048</u>	<u>2,716,422</u>
Creditors: Amounts falling within one year	14	<u>(464,115)</u>	<u>(516,783)</u>	<u>(315,988)</u>	<u>(256,724)</u>
Net current assets / (liabilities)		<u>1,725,882</u>	<u>2,461,396</u>	<u>1,680,060</u>	<u>2,459,698</u>
Total assets less current liabilities		<u>22,497,510</u>	<u>24,381,483</u>	<u>22,451,698</u>	<u>24,379,795</u>
Provisions for liabilities	16	<u>(357)</u>	<u>(357)</u>	<u>-</u>	<u>-</u>
Net assets		<u>22,497,153</u>	<u>24,381,126</u>	<u>22,451,698</u>	<u>24,379,795</u>
The funds of the charity					
Unrestricted funds:					
General funds	17	21,374,260	23,258,233	21,328,805	23,256,902
Designated funds	17	1,122,893	1,122,893	1,122,893	1,122,893
Total charity funds		<u>22,497,153</u>	<u>24,381,126</u>	<u>22,451,698</u>	<u>24,379,795</u>

The results of the unconsolidated entity charity for the year are income of £2,189,702 (2020: £3,416,922) and net outgoing resources of £4,117,799 (2020: £64,494).

27/06/22

The financial statements were approved by the Board on and signed on its behalf by:



S Hall
Chair

The notes on pages 23 to 42 form part of these financial statements.

Consolidated statement of cash flows for the year ended 30 September 2021

	Note	2021 £	2020 £
Cash flows from operating activities	21	534,198	1,646,764
Cash flows from investing activities			
Purchase of property, plant and equipment		(680,500)	(283,668)
Proceeds from the sale of property, plant and equipment		-	5,000
Interest received		78	11,913
		<u>(680,422)</u>	<u>(266,755)</u>
Net cash used in investing activities			
		<u>(680,422)</u>	<u>(266,755)</u>
Net cash (used in)/provided by financing activities		-	-
		<u>-</u>	<u>-</u>
Increase/(decrease) in cash and cash equivalents		(146,224)	1,380,009
Cash and cash equivalents at the beginning of the year		2,023,040	643,031
Cash and cash equivalents at the end of the year		<u>1,876,816</u>	<u>2,023,040</u>
Relating to:			
Cash at bank and in hand		<u>1,876,816</u>	<u>2,023,040</u>
Total cash and cash equivalents		<u>1,876,816</u>	<u>2,023,040</u>

The notes on pages 23 to 42 form part of these financial statements.

Notes to the financial statements for the year ended 30 September 2021

1 Accounting policies

Company Information

11Arches is a charitable company limited by guarantee, incorporated in England and Wales. The registered office is Flatts Farm, Toronto, Bishop Auckland, County Durham, DL14 7SF.

Accounting Convention

11Arches meets the definition of a public benefit entity under FRS102. The financial statements are prepared under the historical cost convention and in accordance with the requirements of the 'Accounting and Reporting by Charities' Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK (FRS102) and the Companies Act 2006.

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

The principal accounting policies adopted are set out below.

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Charity and its wholly owned subsidiary, 11Arches Night Show Limited, on a line by line basis.

Going Concern

Budgets have been prepared for the 12 months to June 2023. These incorporate anticipated performances in 2022. The forecasts show that sufficient funds are available for liabilities to be met as they fall due.

The Trustees have prepared cash flow forecasts and reviewed the group's resources and have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and have the ability to draw down upon the support provided by the co-founder through his charity Lempriere Pringle 2015. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

Fund Accounting

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes. Unrestricted funds are available to spend on activities that further any of the general objectives of the charity.

Where the group has allocated income towards specific projects, a designation fund has been established. The amount of each designated fund is set out in note 17 of the financial statements.

Notes to the financial statements for the year ended 30 September 2021

1 Accounting policies *(continued)*

Income

Incoming resources are recognised in the Statement of Financial Activities when the group has entitlement to the funds; any conditions attached to the income have been met; it is probable that the income will be received, and the amount can be measured reliably.

Income from donations and legacies includes donations from individuals and charitable trusts.

Income from trading activities is recognised as earned as the related goods and services are provided.

Investment income is recognised on a receivable basis.

Income relating to events is recognised on delivery of the performance. Income is deferred when ticket sales are received or invoiced in advance of the performances or event to which they relate.

Other income from charitable activities is recognised as earned, as the related services are provided.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party; it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Resources expended are included in the Statement of Financial Activities on an accruals basis, exclusive of VAT. They include:

Charitable activities include all costs relating to activities where the primary aim is part of the objects of the charity along with the indirect costs.

Cost of raising funds comprises the costs incurred by 11Arches Night Show Limited.

Governance costs include Trustee expenses along with audit and accountancy fees.

Intangible Fixed Assets

Intangible assets are initially recognised at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortised at their expected useful economic lives on a straight-line basis as follows.

Software	3 years straight line
Artistic direction/music	5-10 years straight line

On disposal, the difference between the net disposal proceeds and the carrying amount of the intangible asset is recognised as income or expenditure.

Notes to the financial statements for the year ended 30 September 2021

1 Accounting policies *(continued)*

Tangible Fixed Assets

Fixed assets are initially measured at cost and subsequently measured at cost less accumulated depreciation.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following basis:

Freehold land	Not depreciated
Freehold buildings	10-30 years straight line
Fixtures and fittings	5-10 years straight line
Plant and equipment	3-10 years straight line
Motor vehicles	5 years straight line

Depreciation is not charged on land as under normal circumstances the residual values are considered to be greater than cost. However, the carrying values are viewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

The gain or loss on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to income or expenditure.

Subsequent costs, including replacement parts, are capitalised only when it is probable that such costs will generate future economic benefits. Any replaced parts or remaining carrying amounts are then derecognised. All other costs of repairs and maintenance are charged to the Statement of Financial Activities.

Impairment of Fixed Assets

At each reporting date, the group reviews the carrying amounts of its tangible and intangible 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 any impairment loss (if any).

Stocks

Stocks are valued at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and those overheads that have been incurred in bringing the stock to its present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to sell is recognised as an impairment loss in the income and expenditure account. Reversals of impairment losses are also recognised in profit and loss.

Notes to the financial statements for the year ended 30 September 2021

1 Accounting policies *(continued)*

Fixed Asset Investments

In the separate accounts of the charity, interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

Interests in subsidiaries are assessed for impairment at each reporting date. Any impairment losses are recognised immediately in expenditure.

Leasing

An asset and corresponding liability are recognised for leasing agreements that transfer to the charity substantially all of the risks and rewards incidental to ownership ('Finance Leases'). All other leases are operating leases.

Operating leases – the group as a lessee

The group classifies the lease of properties and equipment as operating leases. Rental charges are charged to the statement of financial activities on a straight line basis over the period of the lease.

Operating leases – the group as a lessor

Rental income from operating leases is recognised on a straight line basis over the term of the lease.

Retirement Benefits

The group operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the charitable company. The amount charged to the Statement of financial activities is the contributions payable in the year. Differences between contributions payable in the year and actually paid are shown as either prepayments or accruals.

Termination benefits

Termination benefits are accounted for when the group terminates employment. Amounts are recognised when the group has communicated its plan of termination to the affected employees.

Cash and Cash Equivalents

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

Notes to the financial statements for the year ended 30 September 2021

1 Accounting policies *(continued)*

Financial instruments

The group has elected to apply the provisions of Section 11 “Basic Financial Instruments” and Section 12 “Other Financial Instruments Issues” of FRS102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic Financial Assets

Basic financial assets, which include trade, other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Classification of Financial Liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic Financial Liabilities

Basic financial liabilities, including trade, other creditors and loans, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Reduced Disclosure Options

In accordance with FRS 102, the Charity has taken advantage of the exemptions from the following disclosure requirements;

- Section 7 ‘Statement of Cash Flows’ – Presentation of a Statement of Cash Flow and related notes and disclosures (in relation to the Charity’s own statement of cash flows – a consolidated statement of cash flows is presented in these financial statements)

Notes to the financial statements for the year ended 30 September 2021

1 Accounting policies *(continued)*

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

The group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

Critical areas of judgement

Theatre tax relief

The accrued income in respect of Theatre Tax Relief has been assessed by management based on the guidelines set out by HMRC in relation to eligibility and certainty of income.

2 Donations and legacies

	Unrestricted Funds £	Restricted Funds £	2021 Total £	2020 Total £
Donations	1,028,937	-	1,028,937	2,631,300
Total 2020	2,631,300	-	2,631,300	

Notes to the financial statements for the year ended 30 September 2021

3 Income from trading activities

	Unrestricted Funds £	Restricted Funds £	2021 Total £	2020 Total £
Ticket sales	911,048	-	911,048	60,537
Retail income	103,495	-	103,495	178
Catering income	29,188	-	29,188	5,706
	<u>1,043,731</u>	<u>-</u>	<u>1,043,731</u>	<u>66,421</u>
Total 2020	<u>66,421</u>	<u>-</u>	<u>66,421</u>	

4 Investment income

	Unrestricted Funds £	Restricted Funds £	2021 Total £	2020 Total £
Bank interest	78	-	78	2,839
Interest on theatre tax relief	-	-	-	9,074
	<u>78</u>	<u>-</u>	<u>78</u>	<u>11,913</u>
Total 2020	<u>11,913</u>	<u>-</u>	<u>11,913</u>	

5 Other income

	Unrestricted Funds £	Restricted Funds £	2021 Total £	2020 Total £
Other	289,871	-	289,871	761,205
Total 2020	<u>761,205</u>	<u>-</u>	<u>761,205</u>	

Notes to the financial statements for the year ended 30 September 2021

6 Expenditure

Charitable activities

	Direct costs £	Unrestricted Staff costs £	funds Support costs £	Restricted funds £	2021 Total £	2020 Total £
Charitable activities:						
Project costs	1,251,429	-	-	-	1,251,429	687,223
Premises costs	-	-	31,686	-	31,686	39,375
Light and heat	-	-	64,971	-	64,971	57,200
Staff costs (note 8)	-	531,382	-	-	531,382	592,929
Office costs	-	-	58,939	-	58,939	32,021
Equipment	-	-	64,483	-	64,483	9,392
Marketing and advertising	-	-	92,986	-	92,986	72,906
Travel costs	-	-	20,194	-	20,194	16,468
Legal and professional fees	-	-	42,457	-	42,457	15,493
Consultancy	79,683	-	-	-	79,683	80,145
Other costs	-	-	16,709	-	16,709	2,144
Staff development	-	-	22,204	-	22,204	9,174
Governance	-	-	2,750	-	2,750	21,292
Exchange rate	-	-	(54)	-	(54)	961
Depreciation	-	-	1,598,686	-	1,598,686	1,664,494
Amortisation	-	-	230,276	-	230,276	242,041
Impairment	-	-	-	-	-	-
	<u>1,331,112</u>	<u>531,382</u>	<u>2,246,287</u>	<u>-</u>	<u>4,108,781</u>	<u>3,543,268</u>
Total 2020	<u>767,368</u>	<u>592,939</u>	<u>2,182,961</u>	<u>-</u>	<u>3,543,268</u>	

Raising funds

	Unrestricted General Funds £	Unrestricted Designated Funds £	2021 Total £	2020 Total £
11Arches Night Show Limited	137,809	-	137,809	52,228
Total 2020	<u>52,228</u>	<u>-</u>	<u>52,228</u>	

Notes to the financial statements for the year ended 30 September 2021

7 Net outgoing resources

	2021	2020
	£	£
Net incoming resources is stated after charging/(crediting):		
Auditor's remuneration: - audit	17,000	16,500
- tax advisory	2,750	2,750
- accountancy	4,500	4,500
Operating lease charges	4,337	4,337
Profit on sale of fixed assets	-	2,592
Exchange differences	(54)	961
	<u> </u>	<u> </u>

8 Staff costs, trustee remuneration and expenses and the cost of key management personnel

	2021	2020
	£	£
Staff costs:		
Wages and salaries	279,945	487,307
Social security costs	179,335	51,569
Other pension costs	63,828	23,513
Agency costs	8,274	30,550
	<u>531,382</u>	<u>592,939</u>

	2021	2020
	No.	No.
Staff numbers:		
The average number of employees during the year were:		
Management and administration	<u>8</u>	<u>12</u>

Notes to the financial statements for the year ended 30 September 2021

8 Staff costs, trustee remuneration and expenses and the cost of key management personnel
(continued)

Higher paid staff

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

	2021 No.	2020 No.
£130,000 – £139,999	1	-
£150,000 – £159,999	-	1
	<u> </u>	<u> </u>

This value excludes employers' pension contributions. Total pension contributions paid on behalf of the above employee are £14,586 (2020: £12,885).

Trustee remuneration

No trustee received remuneration during the year (2020: £nil) and no trustee received payment for professional or other services supplied to the charity (2020: £nil).

The aggregate amount of travelling and subsistence expenses reimbursed to trustees during the year was £nil (2020: £nil).

Key Management Personnel

The key management personnel of the group and charity comprise the Trustees, the Executive Director and key management as listed on page 1.

Total employee benefits of the key management personnel for the year were £223,572 (2020: £384,183).

Notes to the financial statements for the year ended 30 September 2021

9 Intangible fixed assets

Group and charity

	Software £	Artistic Direction £	Total £
Cost			
At 1 October 2020	4,365	2,179,347	2,183,712
At 30 September 2021	4,365	2,179,347	2,183,712
Depreciation			
At 1 October 2020	4,365	1,028,321	1,032,686
Charge for year	-	230,276	230,276
At 30 September 2021	4,365	1,258,596	1,262,961
Net book value			
At 30 September 2021	-	920,751	920,751
At 30 September 2020	-	1,151,026	1,151,026

The amortisation charge for the year is recognised within expenditure on charitable activities.

10 Tangible fixed assets

Group

	Freehold Land and Buildings £	Plant and Equipment £	Fixtures and Fittings £	Motor Vehicles £	Total £
Cost					
At 1 October 2020	21,758,269	6,479,931	210,704	29,991	28,478,895
Additions	670,103	-	10,397	-	680,500
At 30 September 2021	22,428,372	6,479,931	221,101	29,991	29,159,396
Depreciation					
At 1 October 2020	3,844,697	3,730,586	109,321	25,230	7,709,834
Charge for year	919,236	654,323	21,315	3,811	1,598,685
At 30 September 2021	4,763,933	4,384,909	130,636	29,041	9,308,519
Net book value					
At 30 September 2021	17,664,439	2,095,022	90,465	950	19,850,877
At 30 September 2020	17,913,572	2,749,345	101,383	4,761	20,769,061

Notes to the financial statements for the year ended 30 September 2021

10 Tangible fixed assets (continued)

Charity

	Freehold Land and Buildings £	Plant and Equipment £	Fixtures and Fittings £	Motor Vehicles £	Total £
Cost					
At 1 October 2020	21,758,269	6,479,931	208,412	29,991	28,476,603
Additions	670,103	-	10,397	-	680,500
At 30 September 2021	22,428,372	6,479,931	218,809	29,991	29,157,103
Depreciation					
At 1 October 2020	3,844,697	3,730,586	107,029	25,230	7,707,542
Charge for year	919,236	654,323	21,315	3,811	1,598,685
At 30 September 2021	4,763,933	4,384,909	128,344	29,041	9,306,227
Net book value					
At 30 September 2021	17,664,439	2,095,022	90,465	950	19,850,877
At 30 September 2020	17,913,572	2,749,345	101,383	4,761	20,769,061

All tangible fixed assets are held for charitable purposes.

Notes to the financial statements for the year ended 30 September 2021

11 Fixed asset investments

Charity

Investment in subsidiary undertaking

Investments – shares in group undertakings:	2021 £	2020 £
At 1 October 2020 and 30 September 2021	10	10

The wholly-owned subsidiary, 11Arches Night Show Limited (company number 09235236), which is incorporated in the United Kingdom, pays its taxable profits to the charity by gift aid. The charity owns the entire issued share capital of 10 ordinary shares of £1 each. A summary of the trading results is shown below:

Summary profit and loss account	2021 £	2020 £
Turnover	1,038,745	75,856
Expenses	(992,930)	(76,339)
Interest received	-	2,172
Net profit before tax	45,815	1,689
	2021 £	2020 £

The assets and liabilities of the subsidiary were:

Fixed assets	-	-
Current assets	1,588,468	2,024,478
Creditors: amounts falling due in one year	(1,542,645)	(2,022,780)
Provisions for liabilities	(357)	(357)
Total net assets	45,466	1,341
Aggregate share capital and reserves	45,466	1,341

12 Stocks

	2021 £	Group 2020 £	2021 £	Charity 2020 £
Goods purchased for resale	58,015	87,093	-	-

Notes to the financial statements for the year ended 30 September 2021

13 Debtors

	2021	Group	2021	Charity
	£	2020	£	2020
		£		£
Trade debtors	-	13	-	-
Amounts owed by group undertakings	-	-	1,353,239	1,762,721
Other debtors	202,532	846,846	209,708	794,526
Prepayments and accrued income	52,634	21,187	40,457	21,187
	<u>255,166</u>	<u>868,046</u>	<u>1,603,401</u>	<u>2,578,434</u>

14 Creditors: Amounts falling due within one year

	2021	Group	2021	Charity
	£	2020	£	2020
		£		£
Trade creditors	320,893	149,246	264,005	148,895
Other taxation and social security	6,576	14,997	6,576	14,997
Other creditors	11,390	8,289	20,346	-
Accruals and deferred income	125,256	344,251	25,061	92,832
	<u>464,115</u>	<u>516,783</u>	<u>315,988</u>	<u>256,724</u>

15 Deferred income

	2021	Group	2021	Charity
	£	2020	£	2020
		£		£
Balance as at 1 October 2020	213,959	37,682	-	37,682
Released from previous years	(213,959)	(37,682)	-	(37,682)
Resources deferred in the year	97,812	213,959	-	-
	<u>97,812</u>	<u>213,959</u>	<u>-</u>	<u>-</u>
Balance as at 30 September 2021	<u>97,812</u>	<u>213,959</u>	<u>-</u>	<u>-</u>

Deferred income comprises ticket income received in advance.

Notes to the financial statements for the year ended 30 September 2021

16 Provisions for liabilities

Group

	2021	2020
	£	£
Deferred tax liability	357	357

There was no deferred tax liability in the charity.

17 Movement on funds

Group

	At 1 October 2020 £	Incoming Resources £	Outgoing Resources £	Transfers Between Funds £	At 30 September 2021 £
Unrestricted funds					
Designated funds:					
Land Fund	1,122,893	-	-	-	1,122,893
General funds	23,258,233	2,362,617	(4,246,590)	-	21,374,260
	<u>24,381,126</u>	<u>2,362,617</u>	<u>(4,246,590)</u>	<u>-</u>	<u>22,497,153</u>
Restricted funds	-	-	-	-	-
Total funds	<u>24,381,126</u>	<u>2,362,617</u>	<u>(4,246,590)</u>	<u>-</u>	<u>22,497,153</u>

Charity

	At 1 October 2020 £	Incoming Resources £	Outgoing Resources £	Transfers Between Funds £	At 30 September 2021 £
Unrestricted funds					
Designated funds:					
Land Fund	1,122,893	-	-	-	1,122,893
General funds	23,256,902	2,189,702	(4,117,799)	-	21,328,805
Total funds	<u>24,379,795</u>	<u>2,189,702</u>	<u>(4,117,799)</u>	<u>-</u>	<u>22,451,698</u>
Restricted funds	-	-	-	-	-
Total funds	<u>24,379,795</u>	<u>2,189,702</u>	<u>(4,117,799)</u>	<u>-</u>	<u>22,451,698</u>

Notes to the financial statements for the year ended 30 September 2021

17 Movement on funds (continued)

Designated funds:

Land Fund – value of the amounts which have been acquired through gifts from third parties for the site on which the 11Arches project is located.

Funds prior year

Group

	At 1 October 2019 £	Incoming Resources £	Outgoing Resources £	Transfers Between Funds £	At 30 September 2020 £
Unrestricted funds					
Designated funds:					
Land Fund	1,122,893	-	-	-	1,122,893
General funds	23,382,890	3,470,839	(3,595,496)	-	23,258,233
Total funds	24,505,783	3,470,839	(3,595,496)	-	24,381,126

Charity

	At 1 October 2019 £	Incoming Resources £	Outgoing Resources £	Transfers Between Funds £	At 30 September 2020 £
Unrestricted funds					
Designated funds:					
Land Fund	1,122,893	-	-	-	1,122,893
General funds	23,321,396	3,416,922	(3,481,416)	-	23,256,902
Total funds	24,444,289	3,416,922	(3,481,416)	-	24,379,795

Notes to the financial statements for the year ended 30 September 2021

18 Analysis of group net assets by funds

	Unrestricted General	Unrestricted Designated	Total
	Funds	Funds	2021
	£	£	£
Fund balances at 30 September 2021 are represented by:			
Fixed assets	19,648,735	1,122,893	20,771,628
Current assets	2,189,997	-	2,189,997
Creditors: amounts due within one year	(464,115)	-	(464,115)
Provisions for liabilities	(357)	-	(357)
	<u>21,374,260</u>	<u>1,122,893</u>	<u>22,497,153</u>
	Unrestricted General	Unrestricted Designated	Total
	Funds	Funds	2020
	£	£	£
Fund balances at 30 September 2020 are represented by:			
Fixed assets	20,797,194	1,122,893	21,920,087
Current assets	2,978,179	-	2,978,179
Creditors: amounts due within one year	(516,783)	-	(516,783)
Provisions for liabilities	(357)	-	(357)
	<u>23,258,233</u>	<u>1,122,893</u>	<u>24,381,126</u>

Notes to the financial statements for the year ended 30 September 2021

19 Commitments under operating leases

Group as Lessee

The total future minimum lease payments under non-cancellable operating leases are set out below:

	2021	Other
	£	2020
		£
Amounts due:		
Within one year	-	567
Between 2 to 5 years	-	-
Total	-	567

Operating leases relate to properties and items of plant and equipment. Leases are generally short term.

Notes to the financial statements for the year ended 30 September 2021

20 Financial instruments

	2021 £	2020 £
Carrying amount of financial assets		
Measured at amortised cost	45,860	13
Carrying amount of financial liabilities		
Measured at amortised cost	419,857	464,104

21 Reconciliation of movements in funds to net cash flow from operating activities

	2021 £	2020 £
Net movement in funds	(1,883,973)	(124,657)
Interest received	(78)	(11,913)
Depreciation	1,598,683	1,664,494
Amortisation	230,276	242,041
Profit on sale of fixed assets	-	(2,592)
(Increase)/decrease in stock	29,078	-
(Increase)/decrease in debtors	612,880	(196,613)
(Decrease)/increase in creditors	(52,668)	76,004
Net cash inflow/(outflow) from operating activities	534,198	1,646,764

22 Related party transactions

Related party transactions took place in the period of account other than certain trustees and key management personnel remuneration and expenses already disclosed in note 9.

	Relationship	Income	Expenditure	Year end balance
Lempriere Pringle	Common trustee	1,000,000	-	-
L Greig	Trustee	2,534	-	-

Notes to the financial statements for the year ended 30 September 2021

23 Pension scheme

The group operates a defined contribution scheme for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund. The contributions payable by the group charged to income and expenditure amounted to £14,586 (2020: £23,518), and all related to unrestricted funds. Amounts outstanding of £6,576 (2020: £14,997) are included in other creditors.

24 Taxation

The charity is exempt from tax on income and gains falling within Section 505 of the Taxes Act 1988 or Section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

25 Volunteers

The group places a great value on the contributions that volunteers made to the organisation. Over the course of the year, we benefitted greatly from the considerable time, energy and expertise given by the Board of Trustees.

The role played by and contributions the volunteers make is discussed in detail in the Trustee's Report.

26 Control

The charity is controlled by the Board of Trustees.

11Arches

England & Wales - Charity number 1159011

Accounts

**11Arches Limited
(formerly Eleven Arches)**

(A Charitable Company Limited by Guarantee)

**Trustees' Report and Consolidated
Financial Statements**

**For the year ended
30 September 2020**

**Company Number 09055646
Charity Number 1159011**



11Arches Limited
(formerly Eleven Arches)
(A Charitable Company Limited by Guarantee)

Reference and administrative information

Trustees

S Hall (Chair)
J Ruffer
S McManners (resigned 16 May 2020)
L Greig
D Tindall
N D White (appointed 17 June 2020)
K Eld

Key management personnel

Al Daulon	Chief Executive Officer
J Rutherford	Chief Operating Officer
A Warnecke	Head of Cavalry
D Boissinot	Senior Production Advisor
J Armstrong	Interim Director of Marketing & Sales
D Wanley	Head of Business Development & Communication
G Smith	Technical Director
G Emerson	Director of Technical Projects
C Boissinot	Creative Producer
M Armstrong	Head of Volunteer Casting
K Halfpenny	Finance Controller
S Sinclair	Head of Technical Operations
N Winterbottom	Head of Technical Operations
A Baxter	Head of Sales & Marketing

Registered office and Principal place of business

Flatts Farm
Toronto
Bishop Auckland
County Durham
DL14 7SF

Charity number

1159011

Company number

09055646 (England & Wales)

Auditor

RSM UK Audit LLP
1 St James Gate
Newcastle upon Tyne
NE1 4AD

11Arches Limited
(formerly Eleven Arches)
(A Charitable Company Limited by Guarantee)

Principal bankers

Barclays Bank Plc
6 Market Place
Durham
Co Durham
DH1 3NB

Chief Executive's Report

We never cancelled a show, so to not be allowed to open this season was heart-breaking.

As a result of the pandemic, the situation of 11Arches Limited (formerly Eleven Arches) was not dissimilar to so many cultural venues across the country. 11Arches Limited (formerly Eleven Arches) operates on the previous year's proceeds, without any public funding; so not having revenues at all in the only season in the year we are open was a massive blow. Especially as we invested so much in the new Park. We took stock of the situation, looked into the ramifications and are now working hard on rising again from the ashes of season 5.

Kynren means so much to so many people. We all knew that and this is why we cared so much. To ensure we did not fall victim of the pandemic, Jonathan Ruffer offered to underwrite the 2021 season of Kynren, and we are immensely grateful for his generosity.

This allows us to say out loud: YES we will open next year, to our and our visitors' greatest joy and to keep the legacy alive for our children and grandchildren. No one will forget 2020, but it will be only one year in a much longer journey.

Anne-Isabelle Daulon, Chief Executive, 11Arches Limited (formerly Eleven Arches)

11Arches Limited
(formerly Eleven Arches)
(A Charitable Company Limited by Guarantee)

Report of the Trustees for the year ended 30 September 2020

The trustees (who are also directors of the charity for the purpose of company law) present their annual report and audited financial statements of 11Arches Limited (formerly Eleven Arches) (the charity) for the year ended 30 September 2020. On 15 April 2021, the charity changed its name at Companies House to 11Arches Limited

The financial statements comply with the Memorandum and Articles of Association and the requirements of the Charities Act 2011, 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 (FRS102) (effective 1 January 2015).

Structure, Governance and Management

Governing Documents

The charity is registered as a charitable company limited by guarantee, was set up by a Memorandum of Association signed on 16th May 2014 and was incorporated on 23rd May 2014. The charity is constituted under its Memorandum of Association and is a registered charity, number 1159011. The Articles of Association have been approved by the Charity Commission as follows:

The objects of the Charity are specifically restricted to the following:

- To advance education for the public benefit by any or all of the following means:
 - historical and heritage productions and performing arts projects that celebrate and promote the unique history of Bishop Auckland and the surrounding area, and increase knowledge, understanding and appreciation of matters of both local and national historic interest
 - providing after school and training programmes for young people that are designed to build skills and self-confidence.
- To advance community development for the public benefit by the promotion of volunteer programmes that encourage community wide involvement in the charity's historical and heritage productions and performing arts projects.

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

S Hall (Chair)
J Ruffer
S McManners (Resigned 16 June 2020)
L Greig
D Tindall
N White (Appointed 17 June 2020)
K Eld

Appointment, Induction and Training of Trustees

The management of the charity is the responsibility of the trustees. New trustees will be selected by existing trustees and will be appointed by Members of the charity. Each trustee, as a member, is a guarantor of the charity to an amount not exceeding £1 in the event of the charity being wound up.

New trustees undergo an orientation day to brief them on: their legal obligations under charity and company law, the Charity Commission guidance on public benefit, and inform them of the content of the Memorandum and Articles of Association, the committee and decision-making processes, the business

Report of the Trustees for the year ended 30 September 2020 (continued)

plan and recent financial performance of the charity. During the induction they meet key employees and other trustees. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Objectives and Activities

Kynren, an epic tale of England, is an open air night spectacular inspired by the Opening Ceremony of London 2012 and templated from the award winning 'Cinescenie' from Puy du Fou (PDF). It is the main production of 11Arches Limited (formerly Eleven Arches).

Kynren is part of a very ambitious scheme to build a world class visitor destination in Bishop Auckland, around Auckland Castle. This is the vision of philanthropist and investment manager, Jonathan Ruffer. 11Arches Limited (formerly Eleven Arches) is one of two charities he has established in Bishop Auckland, the other being The Auckland Project. Together, the aim of the charities is to establish Bishop Auckland as an international tourist destination, attracting visitors and investment which will contribute to the betterment of the area and empowerment of the community.

Mission Statement

11Arches Limited (formerly Eleven Arches) is a registered charity with the objective to produce a world class historical show, the foundation of which is an innovative and engaging arts, education and community development programme.

11Arches Limited (formerly Eleven Arches) is a catalyst and driver of change which will dramatically shift the paradigm of the North East, by adding a national tourist destination to the region that delivers tangible, measurable, significant social and economic impact.

11Arches Limited (formerly Eleven Arches) is a celebration of heritage bringing our history to life in a spectacular show by a cast and crew drawn from the community based on Puy du Fou's award winning model in Vendee (France).

Objectives

11Arches Limited (formerly Eleven Arches) is committed to deliver Kynren as a must-see show year after year: Kynren is a world class display of technical and artistic performance, orchestrated by a cast and crew of volunteers of utmost professionalism, creating enthralling educative entertainment and a high quality experience to its visitors.

Kynren's success is measured by the rating given by our visitors to Kynren, and the enjoyment its cast and crew take in bringing Kynren to life.

We acknowledge that the cornerstone of Kynren's longevity is to expand into a daytime offer, to support its commercial success. Therefore the expansion should be the key strategic objective to focus on for the next three seasons, alongside the further establishment of Kynren.

Activities

The sustainable success of Kynren is the key objective of the organisation; the extension into a daytime offer was sought to widen the audience demographics, to ignite awareness and interest for our

Report of the Trustees for the year ended 30 September 2020 (continued)

productions and to contribute as an additional source of funding for the charitable objects of 11Arches Limited (formerly Eleven Arches).

The creation of the Park - is a strategic extension of the successful concept of Kynren of a live action and epic show, presented in a daytime format with similar high production values; this is to encourage engagement with Kynren, attract wider demographics (in particular families with young children) and provide further support to the establishment of Bishop Auckland as a Tourist Destination.

The multi-year development plan to create the Park had set the following milestones; 2020 would see the production of additional shows and experiences to our Kynren visitors as proof of concept, followed in 2021 with a proper launch of the Park as a separate ticketed attraction, and from 2022 onwards continued organic expansion of the offering and move to a seasonal opening.

In 2020, our goal was to produce a mid afternoon to late afternoon experience leading up to Kynren, and ticketed in combination with Kynren.

Research shows that Festivals are immensely valuable in place making and the creation of visitor destinations. We looked at the feasibility of organizing a festival to attract audiences that are not currently within Kynren's core audience, visitors from the region as well as festival goers from all over the country.

In that context, the focus for 2020 was threefold:

1. to produce the fifth season of Kynren, an epic tale of England,
2. to produce the first iteration of a daytime offer for Kynren visitors.
3. to research the production of a mass scale event.

On the Kynren side, the activities were those of the annual production cycle: recruitment, onboarding and training of the cast and crew that orchestrate it, production of the show including the creation of any enhancement to the show itself.

For the Park, creative and pre-production works were launched for additional experiences complementing those in existence: script writing, design and production of sets, sceneries, costumes, props, construction of attractions.

Planning and preparation started in earnest for the five season of 'Kynren - an epic tale of England' in July 2019. Leveraging our unparalleled expertise in fire-based special effects and live shows, a new family focused attraction was launched: The Park, to complement the multi-award winning Kynren evening performances.

Sold as a combined ticket and set in the beautifully landscaped grounds of Kynren, The Park offered visitors an action-packed afternoon of fun and new experiences including an electrifying Horse Stunt Show, the Maze of Fame with a cast of colourful, iconic characters and the mini explorers' themed Adventure Playground which sat alongside existing favourites the walkthrough Viking Village, Animal Croft and Georgian Shop. Live Music on the Lake and new dining experiences completed the offering.

Tickets went on sale in November 2019,

For the mass scale event, we underwent concept development, feasibility, curating and pre-production.

Report of the Trustees for the year ended 30 September 2020 (continued)

As lockdown hit the country, our activities radically stalled, and in absence of government guidelines to reopen a venue with live performances, we were forced to accept we were not allowed to open to the public to present our 2020 Season.

Organisation Structure and Delegated Responsibility

The board of trustees administers the charity. The board normally meets quarterly.

A Chief Executive is appointed by the trustees to manage the day-to-day operations of the charity. To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by the trustees, for all operational matters including finance, employment, and artistic performance related activity.

Pay policy for senior staff

The directors consider the board of directors, who are the trustees, and the senior Management team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis.

All directors give their time freely and no director received remuneration in the year. Details of directors' expenses and related party transactions are disclosed in note 8 to the accounts.

The pay of the senior staff is reviewed annually. In view of the nature of the charity, the directors benchmark against pay levels in line with similar organisations.

Report of the Trustees for the year ended 30 September 2020 (continued)

GROUP STRATEGIC REPORT

Season Review: achievements and performance for the period

Nothing is more important to us than the health and safety of our community.

Around the world, nations were facing the worst health crisis in decades, and as the spreading of the COVID-19 coronavirus was accelerating, we felt that the priority was to contribute to the nationwide effort to contain the spread of the virus and to protect the Archer family and in turn their families: to that end, in early March and well before the government issued restrictions, we acknowledged that some disruption to our way of life would be here for the foreseeable future and, therefore, we must adapt and reassess how we live, how we interact socially, how we conduct business etc. Extraordinary times calling for extraordinary measures, we cancelled all training, rehearsals and activities.

And yet to get ready for the 2020 season, we had a very ambitious building, landscaping, production programme. These remained our focus, adjusting some timelines to retain our ability to open to the public. We reviewed constantly what is business-critical and what is not, what we can control and what we can't. Our top priority remained to protect Kynren and all those who are involved in bringing it to life every season.

The situation was unprecedented and changed daily. So we accepted that things beyond our control were likely to interfere with our plans. In particular the exit strategy out of lockdown would dictate the new conditions we would find ourselves in; without any detail, it felt very premature for any of us to speculate what would or wouldn't be in place, and what it meant for us. Once in possession of facts, we would assess the situation and take stock of the implications for Kynren.

Like many other organisations, we had to adjust quite radically to the environment in order to keep our head above water. However, unlike other events that had to cancel already early in the Spring because their production process was compromised irrevocably, we were in the fortunate situation that we did not depend on international travel to produce Kynren. During the Spring, with information available and in the absence of Government advice to the contrary, we were still intending to proceed with our plans to open our newly designed Park and Kynren as scheduled on 1st August. We did all we could to keep alive the option to open, rather than pull the plug altogether early, in the event we are allowed to open later this Summer -this may well have been in late August or only in September, it could be one or a small handful of shows. This was not to say we assumed it would be possible, but we chose not to give up on the possibility to have a Season 5, unusual as it was.

Over a few months, we tried to prepare for every possible scenario, in the hope that the management of the pandemic in the UK would create a favourable context in time for our opening, as we had witnessed in continental Europe. All we could do was prepare, be ready to throw away plans we spent hours preparing and design new ones as circumstances evolved, be flexible, do our utmost to deliver Kynren and The Park, and hope for the best.

We completed the Park creations, we re-rigged the site ready for our visits, we planted thousands of trees, standing ready to welcome our teams back on site for rehearsals and to open to the public. We never got our eyes off the safety and comfort of Archers and our visitors in every plan we drew.

And yet, in early Summer significant hurdles remained, completely out of control; to proceed as hoped and planned, we needed clear timelines and specific guidance for travel and the hospitality, leisure and performing arts sectors, and updated social distancing rules allowing a return to activity. Sadly this did not materialise.

Report of the Trustees for the year ended 30 September 2020 (continued)

Once we pulled the plug on Kynren and the Park, we worked hard at keeping momentum for the Fall; we opened our site to Covid testing mobile units from the Army to contribute where we could. Behind the scenes, the Summer saw so many Stops & Starts... Since our now very small team was brought back from furlough in September, we've been working on 2021, with one overriding objective: WE WILL OPEN IN 2021.

Staff update

As our activity stalled in late Summer / early Spring, we decided to use the Government Job Retention Scheme to protect jobs among our team for as long as we could. In the Fall we acknowledged our activity levels would be impacted well into 2021. We took stock that we have to keep doing what we are still able or allowed to do, but differently, until better days come. We made very difficult decisions about how to shape the organization. Previously we had created a staff structure ready not just for Kynren, but mainly for the multi-year development plan to create the Park, with the targets of a proof of concept in 2020, a soft launch in 2021 and a more intense opening schedule from 2022. Not only had the Covid pandemic pushed our timescales by a year at a minimum, but we expected more uncertainty for the British consumer and a continued lack of visibility on the operational feasibility of our 2021 plans. As a consequence, we were forced to size the team for the downtime of the Kynren out-of-season, and decided to grow the team seasonally as we gear up to opening.

Economic benefit

11Arches Limited's (formerly Eleven Arches) mission is to produce Kynren as world-class show, to be a 'trip attractor', encouraging overnight visits to County Durham and bringing tourism-related expenditure, capital investment and jobs. It is the overnight visitors who make a significant difference to the regional economy: while day trippers typically spend £20.18 per day, overnight visitors are likely to spend £169.14, a driver for the creation of jobs.

Offsite tourism expenditure around Kynren is expected to be in the region of £4.75million per annum, and that will be compounded by what is spent at other attractions when visitors build a short or long-stay around the show.

Looking ahead

Our five-year vision inspires the next legs of our development.

In 2023, 11Arches Limited (formerly Eleven Arches) is the successful operator of the biggest night show in the UK: more visitors year after year are left in awe, not just with the spectacle itself but with the fact it is entirely orchestrated by a cast and crew of volunteers.

The community has found a new sense of purpose and pride in welcoming visitors to this incredible set of performances from all over the country and even internationally. The combination of entertainment and education has won families over, making Bishop Auckland a thriving day and night tourist destination: visitors are now enjoying more activities from 11Arches Limited (formerly Eleven Arches), establishing its brand firmly as a widely acclaimed leisure destination.

Report of the Trustees for the year ended 30 September 2020 (continued)

On 23 June, we made the difficult decision to cancel the 2020 performances as a result of the coronavirus. With the public support of our co founder, Jonathan Ruffer, via his charity Lempriere Pringle 2015 we will return in 2021.

This vision is built on continued and confirmed success for Kynren year after year. Therefore, our efforts and time are firmly focused on producing Kynren as a world class show.

Risk assessment

11Arches Limited (formerly Eleven Arches) combines a number of characteristics that make it risky in nature: a young start up, a new breed of visitor attraction, its scale since inception, its boldness. Being only in our fifth year of operation, it is still the beginning of a long journey. It comes as no surprise that senior management kept a clear focus on managing and controlling the risk. Establishing processes fit for a going concern remains high on the agenda.

The risks and uncertainties were identified as follows:

- continued recruitment and retention of volunteers to ensure the appropriate running of the show – volunteer attrition is a given as life demands weigh on uninterrupted commitment to a project – even and especially given the seasonality of Kynren-related activities (Spring and Summer);
- a new breed of visitor attraction means that we require to build brand and concept awareness from near scratch – this creates a high level of uncertainty and risk to ticket sales;
- a new breed of production also means that the skills are not readily available on a like for like basis, especially in the region, for staff and experts we wish to engage on the project;
- a visitor attraction in its fifth year of operation means that consolidating audiences within the regional 30-60 min radius and search for new ones beyond is needed, and yet this takes considerable time and money to achieve,
- Funding needs are likely to be high until the operations reach a stable year,
- Exposure to the financial health of the British consumer as the organisation sells a discretionary product.

Management maintained a risk register as a live document assessing all current risks for the organization for its fourth year of production across all departments.

It identifies the major risks the charity faces, the likelihood of occurrence, the potential impact of the risk, as well as any mitigation in place. It proactively seeks to identify any actions and resources necessary to manage these risks and reduce the risk profile of the organisation.

The Trustee Board is responsible for the oversight of the risks the charity faces. The Trustee Board regularly reviews the charity's risk position, internal controls and compliance with relevant statutory and governance regulations.

Related parties

The charity and The Auckland Project (TAP) have a close working relationship. TAP was set up to own and enhance the Castle and the other buildings of national, architectural, historic or artistic interest for the

Report of the Trustees for the year ended 30 September 2020 (continued)

benefit of the public. This includes the development of buildings to receive two national exhibitions, "Faith" and a permanent Spanish art gallery to contextualise the thirteen paintings of Jacob and his twelve sons painted by Francesco de Zurbaran housed in the castle, a walled garden with a restaurant, a park, a Viewing Tower, a Mining Art gallery and a research centre.

Jonathan Ruffer is TAP's Founder and it is his vision to see the two charities both work to bring regeneration through heritage to the region. By creating a national quality visitor-hub and night show centred on Auckland Castle and extending it into Bishop Auckland and the surrounding area, the aim is to be a catalyst for change, growth, renewal and economic opportunity. Nick Turner was the Chairman of TAP and a trustee of 11Arches Limited (formerly Eleven Arches) until September 2019.

The charity also has a close working relationship with Lempriere Pringle 2015 and the charity has received substantial financial resources from Lempriere Pringle 2015. Jonathan Ruffer is a trustee of both the charity and Lempriere Pringle 2015.

Further detailed information on related parties is included in note 22 of the financial statements.

Public benefit

The trustees have due regard to the guidance by the Charity Commission on public benefit. The charity's activities encompass a number of the charitable purposes which are referred to in the Charities Act 2011, in particular the drawing together of the local community and the opportunities members of the local community of all ages, education and skills have of participating as volunteers in the show and the range of educational benefits through learning new skills and audience education.

Fundraising

The charity does not work with commercial participators or professional fundraisers and does not engage third parties to undertake fundraising activities on its behalf.

Impact and value

11Arches Limited (formerly Eleven Arches) researched the extent to which the *Kynren* experience, in its first year, has helped to advance its aims of education and community development. A report was commissioned to look at the impact of the project on the volunteer workforce (known individually as Archers) and at their perceptions of what the Trust, through *Kynren*, is achieving.

The findings of the first season are merely the first instalment of the story of the impact of 11Arches Limited (formerly Eleven Arches) on the fortunes of Bishop Auckland and the surrounding area, in the long term. Findings of each additional year of operation are consolidated and support similar trends.

Volunteers' motivations

Kynren, in its first year, has been a story of individuals and family groups volunteering their time and effort, largely for the benefit of the wider community. While there is substantial evidence of change and gains for individual Archers, *Kynren* is a bold undertaking by a community for a community.

Many Archers have cited, among their motivations for getting involved, the fact that 11Arches Limited (formerly Eleven Arches) is working for a better future for Bishop Auckland. They either remember the town as a different kind of place or can sense its potential and want to see the charity succeed. Although uncertain about what the project might entail or lead to, large numbers of local and not-so-local people

Report of the Trustees for the year ended 30 September 2020 (continued)

recognised that its realisation would depend on the involvement of hundreds of volunteers and the commitment of thousands of hours of voluntary work. Curious, available and with a sense of responsibility for the success of the project, they signed up.

Of the many local residents who were initially, or mainly, attracted by the opportunity to pursue an existing interest (e.g. acting, dancing, building, making, sewing, riding) or develop a new one, to make friends or add to their cv (in pursuit of further study or employment), most have become aware of, and are impressed by, the potential impact of their involvement on their community.

From the second season onward, motivations have become more diverse, as the show was now a tangible fact, something many had seen before joining, and the Kynren experience was articulated by a first year of veterans. Existing Archers from the first season were strong advocates and endorsed a bigger role front line in the recruitment of the second season.

The appeal to families and friends

A large number of Archers had family or friends taking part. The weekend rehearsals meant it was, in many cases, more feasible for someone with a family to commit the time needed if other members of the family were taking part too, but families became involved in different ways and at different paces. In some cases, they were led by a young person's interest, in others by an adult's and in a few cases by a parent child combination. *'It was an opportunity for me and my son to do something together,'* wrote one mother. *'We made the decision, as a family, to do it together,'* explained another.

There were examples of family members and friends attending an audition session together and signing up together, while others brought relatives and friends along at a later stage.

The attraction of *Kynren* to families and friends helped to ensure the retention of volunteers because, when the commitment has been made jointly, an individual is much less likely to fall away. The location of the site, necessitating shared lifts, also added to the sense of 'doing this together'.

While some friends opted for the same team, family members (because of their different ages, gender and interests) were often different teams. Archers have described the friendly, inclusive character of 'the *Kynren* family' and there is no evidence that those who knew no one else when they joined felt any less involved than those who came with companions.

Mutuality

Mutuality (or interdependence) has been a prominent feature of *Kynren*. Every Archer belonged to a team, with a team leader. Team members worked together, developed their own practices (e.g. bringing food to share, printing team t-shirts), supported each other, became friends, welcomed newcomers, overcame occasional tensions and became stronger as individuals and as a team. *'I loved that sense of belonging.'*

Diversity and social capital

The Archers are a diverse group with different social, cultural and family backgrounds and different life experiences, outlooks and aspirations. Nearly 80% of Archers in 2019 live in Bishop Auckland and the surrounding area with 20% living elsewhere in the north east and in a few cases, further afield. The diversity of the company has been one of its strengths: people have worked alongside people they would be unlikely to meet socially or at work; they have spent significant amounts of time together in a shared enterprise; they have learned about each other and from each other; they have formed lasting bonds and friendships

Report of the Trustees for the year ended 30 September 2020 (continued)

and they have continued to meet (in some cases weekly) well after the show ended in September. In addition to their feelings of responsibility towards *Kynren* and 11Arches Limited (formerly Eleven Arches), *Archers* are now describing a sense of agency, which underlines the extent to which the charity is building social capital.

Those who live locally are citing two signs of change: the physical improvements to the town centre, new cafes and shops and the emerging artists' quarter; and a marked increase in friendly interaction between people who have met through *Kynren*, or who are being asked by others about the process and the show, and more generally a higher level of positivity in the town.

Some Archers have found the motivation and confidence to take on new voluntary commitments. What is interesting as well is that the example set by the community of Archers has resulted in a new culture of volunteering in the area –this was commented widely by various organisers of events and other charities who commented they see the benefit from a more engaged portion of the population.

Nearly all Archers judged that they had 'become more skilled at something'. Some have had production-related, technical training and experience (e.g. prop making and repair, combat skills, archery, pyrotechnics, riding, driving horses, animal handling and first aid, etc.). Many others have used a mixture of training (e.g. circus skills and WorldHost Customer Service Training) and the day-to-day practice of working with colleagues and the public, to increase their so-called soft skills, including the ability to work well in a team, to be adaptable, to resolve conflict, to observe behavior and respond to it, and to communicate effectively.

While most volunteers in the first year were employed, working in the home, studying or retired, this trend has continued in the second year with a few continuing to credit the skill and experience they have gained through *Kynren* with creating new opportunities. More interviews or even job offers because volunteering was added to their CV was quoted. Even work as extras in films, as well as the potential to volunteer for events such as Lumiere in Durham and at The Great North Run. The Auckland Project recruited a number of *Kynren* volunteers to the newly opened Mining Art Gallery, with numerous archers spotted at the opening event, again pride in the Town and supporting all that is going on.

For many, the acquisition of new knowledge and skills has enhanced their quality of life.

When asked what *they* had gained from being part of *Kynren*, so far, the following continued to be the frequently occurring answers (again, these are paraphrases):

- friendship (ranging from expanded friendship groups to precious, new friendships interrupting isolation, loneliness or grief);
- a sense of belonging, being part of a team; '*a reminder of the necessity of community*';
- how close we have all become and how much we all care about each other.
- pride in the *Kynren* experience, in what has been achieved on and off stage (all the more so because it exceeded their and others' expectations);
- pride in working for a better future for Bishop Auckland and the surrounding area;
- knowledge and skills - New Archers continued to talk of gaining new skills and experiences, returning Archers, some changed to teams to gain a different perspective, whilst others honed skills already learnt.
- Greater levels of fitness
- Greater confidence
- Stronger family relationships

Report of the Trustees for the year ended 30 September 2020 (continued)

Their level of confidence has greatly improved thanks to their Archer experience. More confident adults, and more importantly more confident kids. When we asked the teenagers to articulate what Kynren had brought them, the enjoyment of the social element of it (new friends, hanging out with them on Saturday night) is instantly quoted, and they also say they love being in the show. Strangely enough, it is not really being on stage, but what being in the show changed for us. And they say Kynren taught them "to go for it" in life. This makes them more extrovert in the schoolyard, more ambitious in their lives, among other things. A chaperone for a teenage team expresses their admiration 'Working with teens gives insight into how the youth appreciate support not criticism'

Parents/Guardians are very articulate about what this experience is doing for this next generation. The addition of Teenage skills camp for the second year in the February half term has been acknowledged as a confidence builder / booster and a unique opportunity to make new friends in a gentle and safe environment.

The sense of community is a particular highlight among Archers.

In 2019 we expanded our analysis on the smaller unit of Archer community which was the Archers' individual teams. It is clear that the internal dynamics of a team is a key enabler of the direct and personal benefits experienced by Archers. It shines an even greater light on the importance of team leaders to build a passionate and dedicated Archer community.

Archers praise the brotherhood and continuous support offered in the training -difficulty is inevitably linked to a challenging activity, but the togetherness and the ethos of praising small achievement are great tools to overcome them. The culture of positivity that has been fostered in parallel is an igniter of confidence.

Continuing to be part of something special also shone through for rejoining, and the reasons put forward include principally:

Friends
Confidence
Community
Skills
Achievement
Pride

The reasons behind those not returning include

Moving away
College workload
Going to University
New Employment
New Commitments (family or work)
I have done 4 years I would like a break, but I will be back!

Being part of Kynren is a lifestyle the Archers live and breathe.

'People are always surprised when we say we aren't getting paid and they don't understand why we would give up so much of our time for nothing. But to me it certainly isn't for nothing. It is the best thing I have done in my life and I'm so pleased my best mate brought me along.'

'Life changing experience for a large number of volunteers. Putting Bishop Auckland on the map and acting as a catalyst for economic regeneration'

Report of the Trustees for the year ended 30 September 2020 (continued)

'Created a family of people from all backgrounds and abilities who all have a desire to help each other and that of the surrounding community'

'Given people from Bishop Auckland and the surrounding area a way to improve their wellbeing and skills and general happiness'

'Turning around a town which had lost all hope due to shop closures etc, to now having a town that believes there is hope in bringing bishop Auckland back to life and a great place to live and visit. Community.... what most archers feel when we together having a shared objective and a shared vision of what we can help achieve. Bring confidence and new skills to all the archers and also new friendships.'

Impact of COVID

2020 was going to be a big year for us at 11Arches Limited (formerly Eleven Arches); one of the formal opening of the Park with two exciting new productions (one show and one walk-through), an impressive kids' playground, new food outlets and experiences, and a more integrated experience across a full afternoon leading to the evening performance of Kynren. One of expansion into events thanks to new enhanced infrastructure. One of growing our mind and market share into existing and new audiences with the Park and other significant events.

There are no words that can describe the chaos left by the current Covid pandemic in the world, for individual countries, for individuals and for organisations.

In early March, we moved swiftly to adapt to the growing crisis: we cut all expenditure where possible - cancellation of committed activities, renegotiation of contracts. All activities on site with our volunteers ceased. Then our focus remained to keep our ability to open to the public intact, should the Government guidance allow us to do so, even at short notice, even at a late stage in the summer - this meant finishing the productions as they were scheduled.

Despite the tireless effort of a reduced team to preserve our options intact, it is with heavy heart that we surrendered to the conclusion in late June 2020 that it was not viable to open, even assuming we are allowed to do so. As a result we announced the cancellation of the 2020 Summer Season on 23rd June 2020. As a charity we rely to a large extent on any season's proceeds to operate the year after.

Management looked at the ramifications of the cancellation of the season for our business since, and some roles were redundant to shape the organisation for the upcoming challenge of continued uncertainty as to how and when we can resume activities. To preserve our ability to afford to open the year after, we mirrored the course of action of most cultural venues across the country and hibernate (as much as we can) until the Spring 2021 when we hope we can resume our preparation for the opening of the 2021 season.

Financial review

Full details of the charity's financial position can be found in the accompanying financial statements attached to this report. The Statement of Financial Activities shows total incoming resources of £3,470,839 (2019: £1,519,115) and total resources expended of £3,595,496 (2019: £6,246,081) resulting in a deficit for the year of £124,657 (2019: £4,726,966 deficit).

Report of the Trustees for the year ended 30 September 2020 (continued)

Key Performance Indicators

Key Performance Indicators for the organisation are set on two main levels, Community Development and Excellence of the Show, both of which are closely linked to the charitable objects of 11Arches Limited (formerly Eleven Arches).

- The performance of the organisation in Community Development is analysed through the thriving group of Cast & Crew involved in Kynren. Their enjoyment of their experience is measured each season on a variety of indicators.
- The performance of the organisation to produce Kynren to a level of excellence is measured through our Customers' Satisfaction, as carried in our customer surveys.

The Trustees have considered the performance of the organisation through the above prisms for the financial year and are satisfied that the organisation is performing well.

11Arches Night Show Limited (formerly Eleven Arches Night Show)

The results of the charity's subsidiary, 11Arches Night Show Limited (formerly Eleven Arches Night Show), which are consolidated in these financial statements, are included in note 11.

Reserves policy

The Directors review the reserve levels annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Directors have determined that the minimum level of unrestricted reserves should be a set amount of approximately £1m (2019: £1m) based on 4 months of annual expenditure, excluding depreciation and amortisation. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of income and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

The free reserves at 30 September 2020, excluding fixed assets and loans, are £2,461,039 (2019: £960,421) for the group. In the prior year, £1,274,353 was in relation to the theatre tax relief, and the date of the receipt was uncertain. As such the trustees consider the free reserves at 30 September 2020 to be £2,461,039 (2019: £960,421). This is above the £1m minimum level set and this is to further invest in the production.

Going Concern

There are no material uncertainties in respect of the charity's ability to continue as a going concern. The trustees believe that the group is well placed to manage its risks successfully and thus have adopted the going concern basis of accounting. This is primarily due to the support from Jonathan Ruffer's charity, Lempriere Pringle 2015. Jonathan Ruffer is the co-founder and director of 11Arches Limited and also the Chair of Lempriere Pringle 2015.

Principal funding

The principal funding was obtained from ticket sales and donations.

11Arches Limited
(formerly Eleven Arches)
(A Charitable Company Limited by Guarantee)

Report of the Trustees for the year ended 30 September 2020 (continued)

Trustees' responsibilities

The Trustees 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 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 the affairs of the charitable company and of the incoming resources and application of resources, including income and expenditure of the charitable company for that period.

In preparing those 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 UK 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 charitable group will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for safeguarding the assets of the 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 auditor is unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors

In accordance with the charitable company's articles, a resolution proposing that RSM UK Audit LLP be reappointed as auditor of the charitable company will be put at a General Meeting.

By Order of the Board



Stephen Hall
Chair

Date: 21/6/21

Opinion

We have audited the financial statements of 11Arches Limited (formerly Eleven Arches) (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 30 September 2020 which comprise the Group Statement of Financial Activities, the Group and Company Balance Sheets, the Group Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is 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 group's and the parent charitable company's affairs as at 30 September 2020 and of the group's 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 of 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 and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRS'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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or parent charitable company's ability to continue to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report which includes the Directors' Report and the Strategic 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 and the Strategic Report, included within the Trustees' Report, have 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 group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report, included within the Trustees' report.

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 16, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent 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.

A further description of our responsibilities for the audit of the financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

RSM UK Audit LLP

CLAIRE LEECE (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
1 St. James' Gate
Newcastle upon Tyne
NE1 4AD

Date: *29 June 2021*

11Arches Limited
(formerly Eleven Arches)
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Consolidated statement of financial activities
For the year ended 30 September 2020

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £	Total Funds 2019 £
Income from:					
Donations and Legacies	2	2,631,300	-	2,631,300	33,745
Trading activities	3	66,421	-	66,421	1,458,757
Investments	4	11,913	-	11,913	8,737
Other	5	761,205	-	761,205	17,876
Total income		3,470,839	-	3,470,839	1,519,115
Expenditure on:					
Charitable activities	6	3,543,268	-	3,543,268	6,009,114
Raising funds	6	52,228	-	52,228	236,967
Total expenditure before taxation		3,595,496	-	3,595,496	6,246,081
Taxation		-	-	-	-
Total expenditure after taxation		3,595,496	-	3,595,496	6,246,081
Net movement in funds	17	(124,657)	-	(124,657)	(4,726,966)
Total funds brought forward		24,505,783	-	24,505,783	29,232,749
Total funds carried forward	17	24,381,126	-	24,381,126	24,505,783

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

All income and expenditure derive from continuing activities.

11Arches Limited
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(A Charitable Company Limited by Guarantee)

Company Number: 09055646

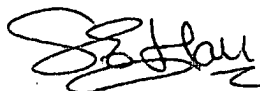
Consolidated and company balance sheets
For the year ended 30 September 2020

	Notes	Group 2020 £	2019 £	Charity 2020 £	2019 £
Fixed assets					
Intangible assets	9	1,151,026	1,393,067	1,151,026	1,393,067
Tangible assets	10	20,769,061	22,152,295	20,769,061	22,152,295
Fixed asset investments	11	-	-	10	10
		<u>21,920,087</u>	<u>23,545,362</u>	<u>21,920,097</u>	<u>23,545,372</u>
Current assets					
Stocks	12	87,093	87,093	-	-
Debtors	13	868,046	671,433	2,578,434	1,137,573
Cash at bank and in hand		2,023,040	803,765	137,988	181,932
		<u>2,978,179</u>	<u>1,562,291</u>	<u>2,716,422</u>	<u>1,319,505</u>
Creditors: Amounts falling within one year	14	<u>(516,783)</u>	<u>(601,513)</u>	<u>(256,724)</u>	<u>(420,588)</u>
Net current assets / (liabilities)		<u>2,461,396</u>	<u>960,778</u>	<u>2,459,698</u>	<u>898,917</u>
Total assets less current liabilities		<u>24,381,483</u>	<u>24,506,140</u>	<u>24,379,795</u>	<u>24,444,289</u>
Provisions for liabilities	16	<u>(357)</u>	<u>(357)</u>	<u>-</u>	<u>-</u>
Net assets		<u>24,381,126</u>	<u>24,505,783</u>	<u>24,379,795</u>	<u>24,444,289</u>
The funds of the charity					
Unrestricted funds:					
General funds	17	23,258,233	23,382,890	23,256,902	23,321,396
Designated funds	17	1,122,893	1,122,893	1,122,893	1,122,893
Total charity funds		<u>24,381,126</u>	<u>24,505,783</u>	<u>24,379,795</u>	<u>24,444,289</u>

The results of the unconsolidated entity charity for the year are income of £3,416,922 (2019: £1,299,406) and net outgoing resources of £64,494 (2019: £4,709,708 net incoming resources).

The financial statements were approved by the Board on 21/6/21 and signed on its behalf by:

S Hall
Chair



The notes on pages 24 to 42 form part of these financial statements.

11Arches Limited
(formerly Eleven Arches)
(A Charitable Company Limited by Guarantee)

Consolidated statement of cash flows for the year ended 30 September 2020

	Note	2020 £	2019 £
Cash flows from operating activities	21	1,646,764	(866,981)
Cash flows from investing activities			
Purchase of property, plant and equipment		(283,668)	(90,088)
Proceeds from the sale of property, plant and equipment		5,000	-
Interest received		11,913	8,737
Net cash used in investing activities		(266,755)	(81,351)
Cash flows from financing activities			
Interest paid		-	-
Net cash (used in)/provided by financing activities		-	-
Increase/(decrease) in cash and cash equivalents		1,380,009	(948,332)
Cash and cash equivalents at the beginning of the year		643,031	1,591,363
Cash and cash equivalents at the end of the year		2,023,040	643,031
Relating to:			
Cash at bank and in hand		2,023,040	803,765
Bank overdraft		-	(160,734)
Total cash and cash equivalents		2,023,040	643,031

The notes on pages 24 to 42 form part of these financial statements.

1 Accounting policies

Company Information

11Arches Limited (formerly Eleven Arches) is a charitable company limited by guarantee, incorporated in England and Wales. The registered office is Flatts Farm, Toronto, Bishop Auckland, County Durham, DL14 7SF.

Accounting Convention

11Arches Limited (formerly Eleven Arches) meets the definition of a public benefit entity under FRS102. The financial statements are prepared under the historical cost convention and in accordance with the requirements of the 'Accounting and Reporting by Charities' Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK (FRS102) and the Companies Act 2006.

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

The principal accounting policies adopted are set out below.

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Charity and its wholly owned subsidiary, 11Arches Night Show Limited (formerly Eleven Arches Night Show Limited), on a line by line basis.

Going Concern

As a result of the global pandemic COVID-19, 11Arches Limited (formerly Eleven Arches) had to cancel the performances for the 2020 season. This closure meant that income for the company ceased. Budgets have been prepared for the 12 months to May 2022. These incorporate a reduced capacity at the performances in 2021 as a result of covid. The forecasts show that sufficient funds are available for liabilities to be met as they fall due.

The Trustees have prepared cash flow forecasts and reviewed the group's resources and have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and have the ability to draw down upon the support provided by the co-founder through his charity Lempriere Pringle 2015. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

Fund Accounting

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes. Unrestricted funds are available to spend on activities that further any of the general objectives of the charity.

Where the group has allocated income towards specific projects, a designation fund has been established. The amount of each designated fund is set out in the notes to the financial statements.

Notes to the financial statements for the year ended 30 September 2020

1 Accounting policies (*continued*)

Income

Incoming resources are recognised in the Statement of Financial Activities when the group has entitlement to the funds; any conditions attached to the income have been met; it is probable that the income will be received, and the amount can be measured reliably.

Income from donations and legacies includes donations from individuals and charitable trusts.

Income from trading activities is recognised as earned as the related goods and services are provided.

Investment income is recognised on a receivable basis.

Income relating to events is recognised on delivery of the performance. Income is deferred when ticket sales are received or invoiced in advance of the performances or event to which they relate.

Other income from charitable activities is recognised as earned, as the related services are provided.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party; it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Resources expended are included in the Statement of Financial Activities on an accruals basis, exclusive of VAT. They include:

Charitable activities include all costs relating to activities where the primary aim is part of the objects of the charity along with the indirect costs.

Cost of raising funds comprises the costs incurred by 11Arches Night Show Limited (formerly Eleven Arches Night Show Limited).

Governance costs include Trustee expenses along with audit and accountancy fees.

Intangible Fixed Assets

Intangible assets are initially recognised at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortised at their expected useful economic lives on a straight-line basis as follows.

Software	3 years straight line
Artistic direction/music	5-10 years straight line

On disposal, the difference between the net disposal proceeds and the carrying amount of the intangible asset is recognised as income or expenditure.

Notes to the financial statements for the year ended 30 September 2020

1 Accounting policies (*continued*)

Tangible Fixed Assets

Fixed assets are initially measured at cost and subsequently measured at cost less accumulated depreciation.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following basis:

Freehold land	Not depreciated
Freehold buildings	10-30 years straight line
Fixtures and fittings	5-10 years straight line
Plant and equipment	3-10 years straight line
Motor vehicles	5 years straight line

Depreciation is not charged on land as under normal circumstances the residual values are considered to be greater than cost. However, the carrying values are viewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

The gain or loss on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to income or expenditure.

Subsequent costs, including replacement parts, are capitalised only when it is probable that such costs will generate future economic benefits. Any replaced parts or remaining carrying amounts are then derecognised. All other costs of repairs and maintenance are charged to the Statement of Financial Activities.

Impairment of Fixed Assets

At each reporting date, the group reviews the carrying amounts of its tangible and intangible 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 any impairment loss (if any).

Stocks

Stocks are valued at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and those overheads that have been incurred in bringing the stock to its present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to sell is recognised as an impairment loss in the income and expenditure account. Reversals of impairment losses are also recognised in profit and loss.

1 Accounting policies (continued)

Fixed Asset Investments

In the separate accounts of the charity, interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

Interests in subsidiaries are assessed for impairment at each reporting date. Any impairment losses are recognised immediately in expenditure.

Leasing

An asset and corresponding liability are recognised for leasing agreements that transfer to the charity substantially all of the risks and rewards incidental to ownership ('Finance Leases'). All other leases are operating leases.

Operating leases – the group as a lessee

The group classifies the lease of properties and equipment as operating leases. Rental charges are charged to the statement of financial activities on a straight line basis over the period of the lease.

Operating leases – the group as a lessor

Rental income from operating leases is recognised on a straight line basis over the term of the lease.

Retirement Benefits

The group operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the charitable company. The amount charged to the Statement of financial activities is the contributions payable in the year. Differences between contributions payable in the year and actually paid are shown as either prepayments or accruals.

Termination benefits

Termination benefits are accounted for when the group terminates employment. Amounts are recognised when the group has communicated its plan of termination to the affected employees.

Cash and Cash Equivalents

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

1 Accounting policies (continued)

Financial instruments

The group has elected to apply the provisions of Section 11 "Basic Financial Instruments" and Section 12 "Other Financial Instruments Issues" of FRS102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic Financial Assets

Basic financial assets, which include trade, other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Classification of Financial Liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic Financial Liabilities

Basic financial liabilities, including trade, other creditors and loans, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Reduced Disclosure Options

In accordance with FRS 102, the Charity has taken advantage of the exemptions from the following disclosure requirements;

- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures (in relation to the Charity's own statement of cash flows – a consolidated statement of cash flows is presented in these financial statements)

Notes to the financial statements for the year ended 30 September 2020

1 Accounting policies (*continued*)

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

The group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

Critical areas of judgement

Theatre tax relief

The accrued income in respect of Theatre Tax Relief has been assessed by management based on the guidelines set out by HMRC in relation to eligibility and certainty of income.

2 Donations and legacies

	Unrestricted Funds £	Restricted Funds £	2020 Total £	2019 Total £
Donations	2,631,300	-	2,631,300	33,745
Total 2019	-	33,745	33,745	

11Arches Limited
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Notes to the financial statements for the year ended 30 September 2020

3 Income from trading activities

	Unrestricted Funds £	Restricted Funds £	2020 Total £	2019 Total £
Ticket sales	55,737	-	55,737	1,289,061
Retail income	178	-	178	57,758
Catering income	5,706	-	5,706	107,138
Rental income	4,800	-	4,800	4,800
	<u>66,421</u>	<u>-</u>	<u>66,421</u>	<u>1,458,757</u>
Total 2019	<u>1,458,757</u>	<u>-</u>	<u>1,458,757</u>	

4 Investment income

	Unrestricted Funds £	Restricted Funds £	2020 Total £	2019 Total £
Bank interest	2,839	-	2,839	4,477
Interest on theatre tax relief	9,074	-	9,074	4,260
	<u>11,913</u>	<u>-</u>	<u>11,913</u>	<u>8,737</u>
Total 2019	<u>8,737</u>	<u>-</u>	<u>8,737</u>	

5 Other income

	Unrestricted Funds £	Restricted Funds £	2020 Total £	2019 Total £
Other	761,205	-	761,205	17,876
Total 2019	<u>17,876</u>	<u>-</u>	<u>17,876</u>	

11Arches Limited
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Notes to the financial statements for the year ended 30 September 2020

6 Expenditure

Charitable activities

	Unrestricted funds			Restricted funds	2020 Total	2019 Total
	Direct costs £	Staff costs £	Support costs £	£	£	£
Charitable activities:						
Project costs	687,223	-	-	-	687,223	1,068,862
Premises costs	-	-	39,375	-	39,375	143,770
Light and heat	-	-	57,200	-	57,200	68,289
Staff costs (note 8)	-	592,939	-	-	592,939	684,830
Office costs	-	-	32,021	-	32,021	43,646
Equipment	-	-	9,392	-	9,392	66,068
Marketing and advertising	-	-	72,906	-	72,906	287,831
Travel costs	-	-	16,468	-	16,468	82,293
Legal and professional fees	-	-	15,493	-	15,493	31,520
Consultancy	80,145	-	-	-	80,145	134,049
Other costs	-	-	2,144	-	2,144	3,215
Staff development	-	-	9,174	-	9,174	18,977
Governance	-	-	21,292	-	21,292	18,540
Exchange rate	-	-	961	-	961	688
Depreciation	-	-	1,664,494	-	1,664,494	1,839,052
Amortisation	-	-	242,041	-	242,041	243,131
Impairment	-	-	-	-	-	1,274,353
	<u>767,368</u>	<u>592,939</u>	<u>2,182,961</u>	<u>-</u>	<u>3,543,268</u>	<u>6,009,114</u>
Total 2019	<u>1,169,166</u>	<u>684,830</u>	<u>4,121,373</u>	<u>33,745</u>	<u>6,009,114</u>	

Raising funds

	Unrestricted General Funds £	Unrestricted Designated Funds £	2020 Total £	2019 Total £
11Arches Night Show Limited (formerly Eleven Arches Night Show Limited)	52,228	-	52,228	236,967
Total 2019	<u>236,967</u>	<u>-</u>	<u>236,967</u>	

11Arches Limited
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Notes to the financial statements for the year ended 30 September 2020

7 Net incoming resources

	2020	2019
	£	£
Net incoming resources is stated after charging/(crediting):		
Auditor's remuneration: - audit	16,500	16,500
- tax advisory	2,750	2,750
- accountancy	4,500	4,500
Operating lease charges	4,337	4,337
Profit on sale of fixed assets	2,592	-
Exchange differences	961	688
Cost of stocks recognised as an expense	4,136	45,016
Impairment of debtors	-	1,274,353
	<u> </u>	<u> </u>

8 Staff costs, trustee remuneration and expenses and the cost of key management personnel

	2020	2019
	£	£
Staff costs:		
Wages and salaries	487,307	602,892
Social security costs	51,569	62,129
Other pension costs	23,513	19,809
Agency costs	30,550	-
	<u>592,939</u>	<u>684,830</u>

	2020	2019
	No.	No.
Staff numbers:		
The average number of employees during the year were:		
Management and administration	<u>12</u>	<u>16</u>

Notes to the financial statements for the year ended 30 September 2020

8 Staff costs, trustee remuneration and expenses and the cost of key management personnel
(continued)

Higher paid staff

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

	2020 No.	2019 No.
£70,000 – £79,999	-	1
£140,000 – £149,999	-	-
£150,000 – £159,999	1	1

This value excludes employers' pension contributions. Total pension contributions paid on behalf of the above employee are £12,885 (2019: £14,635).

Trustee remuneration

No trustee received remuneration during the year (2019: £nil) and no trustee received payment for professional or other services supplied to the charity (2019: £nil).

The aggregate amount of travelling and subsistence expenses reimbursed to trustees during the year was £nil (2019: £9,841).

Key Management Personnel

The key management personnel of the group and charity comprise the Trustees, the Executive Director and key management as listed on page 1.

Total employee benefits of the key management personnel for the year were £384,183 (2019: £462,656). Included in this is £99,632 (2019: £115,593) paid to contracted staff.

11 Arches Limited
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Notes to the financial statements for the year ended 30 September 2020

9 Intangible fixed assets

Group and charity

	Software £	Artistic Direction £	Total £
Cost			
At 1 October 2019	4,365	2,179,347	2,183,712
At 30 September 2020	4,365	2,179,347	2,183,712
Depreciation			
At 1 October 2019	4,365	786,280	790,645
Charge for year	-	242,041	242,041
At 30 September 2020	4,365	1,028,321	1,032,686
Net book value			
At 30 September 2020	-	1,151,026	1,151,026
At 30 September 2019	-	1,393,067	1,393,067

The amortisation charge for the year is recognised within expenditure on charitable activities.

10 Tangible fixed assets

Group

	Freehold Land and Buildings £	Plant and Equipment £	Fixtures and Fittings £	Motor Vehicles £	Total £
Cost					
At 1 October 2019	21,509,160	6,479,931	176,145	38,491	28,203,727
Additions	249,109	-	34,559	-	283,668
Disposals	-	-	-	(8,500)	(8,500)
At 30 September 2020	21,758,269	6,479,931	210,704	29,991	28,478,895
Depreciation					
At 1 October 2019	2,928,243	3,005,898	91,843	25,448	6,051,432
Charge for year	916,454	724,688	17,478	5,874	1,664,494
Disposals	-	-	-	(6,092)	(6,092)
At 30 September 2020	3,844,697	3,730,586	109,321	25,230	7,709,834
Net book value					
At 30 September 2020	17,913,572	2,749,345	101,383	4,761	20,769,061
At 30 September 2019	18,580,917	3,474,033	84,302	13,043	22,152,295

11Arches Limited
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Notes to the financial statements for the year ended 30 September 2020

10 Tangible fixed assets (continued)

Charity

	Freehold Land and Buildings £	Plant and Equipment £	Fixtures and Fittings £	Motor Vehicles £	Total £
Cost					
At 1 October 2019	21,509,160	6,479,931	173,853	38,491	28,201,435
Additions	249,109	-	34,559	-	283,668
Disposals	-	-	-	(8,500)	(8,500)
At 30 September 2020	21,758,269	6,479,931	208,412	29,991	28,476,603
Depreciation					
At 1 October 2019	2,928,243	3,005,898	89,551	25,448	6,049,140
Charge for year	916,454	724,688	17,478	5,874	1,664,494
At 30 September 2020	3,844,697	3,730,586	107,029	25,230	7,707,542
Net book value					
At 30 September 2020	17,913,572	2,749,345	101,383	4,761	20,769,061
At 30 September 2019	18,580,917	3,474,033	84,302	13,043	22,152,295

All tangible fixed assets are held for charitable purposes.

Notes to the financial statements for the year ended 30 September 2020

11 Fixed asset investments

Charity

Investment in subsidiary undertaking

Investments – shares in group undertakings:	2020 £	2019 £
At 1 October 2019 and 30 September 2020	10	10

The wholly-owned subsidiary, 11Arches Night Show Limited (formerly Eleven Arches Night Show Limited) (company number 09235236), which is incorporated in the United Kingdom, pays its taxable profits to the charity by gift aid. The charity owns the entire issued share capital of 10 ordinary shares of £1 each. A summary of the trading results is shown below:

Summary profit and loss account	2020 £	2019 £
Turnover	75,856	1,457,597
Expenses	(76,339)	(1,400,537)
Interest received	2,172	4,218
Net profit before tax	1,689	61,278
	2020 £	2019 £
The assets and liabilities of the subsidiary were:		
Fixed assets	-	-
Current assets	2,024,478	714,885
Creditors: amounts falling due in one year	(2,022,780)	(653,024)
Provisions for liabilities	(357)	(357)
Total net assets	1,341	61,504
Aggregate share capital and reserves	1,341	61,504

12 Stocks

	2020 £	Group 2019 £	2020 £	Charity 2019 £
Goods purchased for resale	87,093	87,093	-	-

11Arches Limited
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Notes to the financial statements for the year ended 30 September 2020

13 Debtors

	2020	Group	2020	Charity
	£	2019	£	2019
		£		£
Trade debtors	13	-	-	-
Amounts owed by group undertakings	-	-	1,762,721	377,312
Other debtors	846,846	639,964	794,526	734,751
Prepayments and accrued income	21,187	31,469	21,187	25,510
	<u>868,046</u>	<u>671,433</u>	<u>2,578,434</u>	<u>1,137,573</u>

14 Creditors: Amounts falling due within one year

	2020	Group	2020	Charity
	£	2019	£	2019
		£		£
Bank overdraft	-	160,734	-	160,734
Trade creditors	149,246	81,933	148,895	41,275
Other taxation and social security	14,997	82,621	14,997	16,050
Other creditors	8,289	10,901	-	6,692
Accruals and deferred income	344,251	265,324	92,832	195,837
	<u>516,783</u>	<u>601,513</u>	<u>256,724</u>	<u>420,588</u>

15 Deferred income

	2020	Group	2020	Charity
	£	2019	£	2019
		£		£
Balance as at 1 October 2019	37,682	-	37,682	-
Released from previous years	(37,682)	-	(37,682)	-
Resources deferred in the year	213,959	37,682	-	37,682
	<u>213,959</u>	<u>37,682</u>	<u>-</u>	<u>37,682</u>
Balance as at 30 September 2020	213,959	37,682	-	37,682

Deferred income comprises ticket income received in advance.

11 Arches Limited
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Notes to the financial statements for the year ended 30 September 2020

16 Provisions for liabilities

Group

	2020 £	2019 £
Deferred tax liability	357	357

There was no deferred tax liability in the charity.

17 Movement on funds

Group

	At 1 October 2019 £	Incoming Resources £	Outgoing Resources £	Transfers Between Funds £	At 30 September 2020 £
Unrestricted funds					
Designated funds:					
Land Fund	1,122,893	-	-	-	1,122,893
General funds	23,382,890	3,470,839	(3,595,496)	-	23,258,233
	<u>24,505,783</u>	<u>3,470,839</u>	<u>(3,595,496)</u>	<u>-</u>	<u>24,381,126</u>
Restricted funds	-	-	-	-	-
Total funds	<u>24,505,783</u>	<u>3,470,839</u>	<u>(3,595,496)</u>	<u>-</u>	<u>24,381,126</u>

Charity

	At 1 October 2019 £	Incoming Resources £	Outgoing Resources £	Transfers Between Funds £	At 30 September 2020 £
Unrestricted funds					
Designated funds:					
Land Fund	1,122,893	-	-	-	1,122,893
General funds	23,321,396	3,416,922	(3,481,416)	-	23,256,902
Total funds	<u>24,444,289</u>	<u>3,416,922</u>	<u>(3,481,416)</u>	<u>-</u>	<u>24,379,795</u>
Restricted funds	-	-	-	-	-
Total funds	<u>24,444,289</u>	<u>3,416,922</u>	<u>(3,481,416)</u>	<u>-</u>	<u>24,379,795</u>

Notes to the financial statements for the year ended 30 September 2020

17 Movement on funds (continued)

Designated funds:

Land Fund – value of the amounts which have been acquired through gifts from third parties for the site on which the 11Arches Limited (formerly Eleven Arches) project is located.

Funds prior year

Group

	At 1 October 2018 £	Incoming Resources £	Outgoing Resources £	Transfers Between Funds £	At 30 September 2019 £
Unrestricted funds					
Designated funds:					
Land Fund	1,122,893	-	-	-	1,122,893
General funds	28,031,104	1,485,370	(6,212,336)	-	23,382,890
Total funds	<u>29,232,749</u>	<u>1,485,370</u>	<u>(6,212,336)</u>	<u>-</u>	<u>24,505,783</u>

Charity

	At 1 October 2018 £	Incoming Resources £	Outgoing Resources £	Transfers Between Funds £	At 30 September 2019 £
Unrestricted funds					
Designated funds:					
Land Fund	1,122,893	-	-	-	1,122,893
General funds	28,031,104	1,265,661	(5,975,369)	-	23,321,396
Total funds	<u>29,153,997</u>	<u>1,265,661</u>	<u>(5,975,369)</u>	<u>-</u>	<u>24,444,289</u>

11Arches Limited
(formerly Eleven Arches)
(A Charitable Company Limited by Guarantee)

Notes to the financial statements for the year ended 30 September 2020

18 Analysis of group net assets by funds

	Unrestricted General Funds £	Unrestricted Designated Funds £	Total 2020 £
Fund balances at 30 September 2020 are represented by:			
Fixed assets	20,797,194	1,122,893	21,920,087
Current assets	2,978,179	-	2,978,179
Creditors: amounts due within one year	(516,783)	-	(516,783)
Provisions for liabilities	(357)	-	(357)
	<u>23,258,233</u>	<u>1,122,893</u>	<u>24,381,126</u>
	Unrestricted General Funds £	Unrestricted Designated Funds £	Total 2019 £
Fund balances at 30 September 2019 are represented by:			
Fixed assets	22,422,469	1,122,893	23,545,362
Current assets	1,562,291	-	1,562,291
Creditors: amounts due within one year	(601,513)	-	(601,513)
Provisions for liabilities	(357)	-	(357)
	<u>23,382,890</u>	<u>1,122,893</u>	<u>24,505,783</u>

19 Commitments under operating leases

Group as Lessee

The total future minimum lease payments under non-cancellable operating leases are set out below:

	Land and Buildings		Other	
	2020 £	2019 £	2020 £	2019 £
Amounts due:				
Within one year	-	-	567	1,700
Between 2 to 5 years	-	-	-	567
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>-</u>	<u>-</u>	<u>567</u>	<u>2,267</u>

Operating leases relate to properties and items of plant and equipment. Leases are generally short term.

Notes to the financial statements for the year ended 30 September 2020

20 Financial instruments

	2020 £	2019 £
Carrying amount of financial assets		
Measured at amortised cost	13	5,959
Carrying amount of financial liabilities		
Measured at amortised cost	464,104	320,476

21 Reconciliation of movements in funds to net cash flow from operating activities

	2020 £	2019 £
Net movement in funds	(124,657)	(4,726,966)
Interest received	(11,913)	(8,737)
Depreciation	1,664,494	1,839,625
Amortisation	242,041	243,131
Profit on sale of fixed assets	(2,592)	-
(Increase)/decrease in stock	-	12,742
(Increase)/decrease in debtors	(196,613)	1,804,480
(Decrease)/increase in creditors	76,004	(31,256)
Net cash inflow/(outflow) from operating activities	1,646,764	(866,981)

22 Related party transactions

Related party transactions took place in the period of account other than certain trustees and key management personnel remuneration and expenses already disclosed in note 9.

	Relationship	Income	Expenditure	Year end balance
Lempriere Pringle	Common trustee	2,500,000	-	-
Alligator Trust	Common trustee	125,000	-	-

Income of £nil (2019: £9,841) was received from L Greig (trustee) for the reimbursement of K Eld's (trustee) expenses.

23 Pension scheme

The group operates a defined contribution scheme for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund. The contributions payable by the group charged to income and expenditure amounted to £23,518 (2019: £19,809), and all related to unrestricted funds. Amounts outstanding of £14,997 (2019: £6,692) are included in other creditors.

24 Taxation

The charity is exempt from tax on income and gains falling within Section 505 of the Taxes Act 1988 or Section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

25 Volunteers

The group places a great value on the contributions that volunteers made to the organisation. Over the course of the year, we benefitted greatly from the considerable time, energy and expertise given by the Board of Trustees.

The role played by and contributions the volunteers make is discussed in detail in the Trustee's Report.

26 Control

The charity is controlled by the Board of Trustees.