

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>
	<u><u>21,374,260</u></u>	<u><u>1,122,893</u></u>	<u><u>22,497,153</u></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>
	<u><u>23,258,233</u></u>	<u><u>1,122,893</u></u>	<u><u>24,381,126</u></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	-	-
	<hr/>	<hr/>
Total	-	567
	<hr/>	<hr/>

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.