
NEVILL HOLT COMMUNITY ARTS LIMITED
(A Company Limited by Guarantee)

GROUP TRUSTEES' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

NEVILL HOLT COMMUNITY ARTS LIMITED
(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details of the Company, its Trustees and Advisers	1
Group Trustees' Report	2 – 9
Independent Auditors' Report on the Financial Statements	10 – 13
Consolidated Statement of Financial Activities	14 – 15
Consolidated Balance Sheet	16 – 17
Company Balance Sheet	18
Consolidated Statement of Cash Flows	19
Notes to the Financial Statements	20 - 35

NEVILL HOLT COMMUNITY ARTS LIMITED
(A Company Limited by Guarantee)

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

Company registered number	09514461
Charity registered number	1163614
Registered office	Nevill Holt Theatre Nevill Holt Market Harborough Leicestershire LE16 8EG
Independent auditors	Duncan & Toplis Limited 5 Resolution Close Endeavour Park Boston Lincolnshire PE21 7TT

NEVILL HOLT COMMUNITY ARTS LIMITED
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

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

Since the group and the Company qualify as small under section 383 of the Companies Act 2006, the Group Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Objectives and aims

Nevill Holt Community Arts Limited exists to promote the arts and advance education in the arts, through the creation of productions of opera, music, design, theatre and/or related disciplines which are intended to be enlightening and/or of value to the public and the establishment of associated educational programmes.

We monitor our success in a number of ways, including the number of audience members reached, the number of participants in our education and community programmes, feedback from participants who took part in these programmes, and the perceived quality of our performances and events.

b. Significant activities

During the year the Charity received donations from individual donors, corporate supporters and charitable trusts and foundations either directly or collected on its behalf by Nevill Holt Opera. The Charity enabled Nevill Holt Opera Limited to fulfil the Charity's mission of enriching lives and empowering young people through music and the arts via the musical performances which took place both in the theatre and through its programme of education and community work with students across the Midlands.

c. Public benefit

The Charity is a Public Benefit entity. When reviewing the Charity's objectives and activities, and in planning future activities, the trustees have considered the Charity Commission's general guidance on public benefit.

d. Grant-making policies

During the year the Charity made donations to its wholly owned subsidiary, Nevill Holt Opera Limited, which delivered its charitable objectives on its behalf. All fundraising activities are undertaken by Nevill Holt Opera Limited and incoming resources are consequently held in a restricted reserve by the Charity for use by Nevill Holt Opera Limited.

Achievements and performance

a. Charitable activities

During the year, the Charity delivered its objectives through its wholly owned subsidiary, Nevill Holt Opera Limited (NHO).

NEVILL HOLT COMMUNITY ARTS LIMITED
(A Company Limited by Guarantee)

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

Achievements and performance (continued)

NHO Winter Festival 2021

NHO's Winter Weekend in November 2021 featured a concert of Winter Choral Classics with 235 attendees. Handel's Messiah was performed at Nevill Holt Theatre, with 397 attendees and an additional 500 at a performance at The Monastery in Gorton, Manchester.

2022 Summer Opera Festival

The 2022 opera festival took place inside Nevill Holt Theatre with two productions, *La bohème* and *The Barber of Seville*.

La bohème

Directed by Mathilda du Tillieul McNicol, with Designer Basia Binkowska and Lighting Designer Jack Knowles. Joined by orchestral partners Manchester Camerata, conducted by NHO Artistic Director Nicholas Chalmers.

The Barber of Seville

Directed by Anna Morrissey and designed by Alex Berry. Conducted by Principal Conductor Dinis Sousa of the Royal Northern Sinfonia.

2022 Summer Concerts

Included performances like "Music for a Royal Jubilee" with the BBC Concert Orchestra and "The Great American Songbook" with Sam Jewison and his all-star big band.

NHO Education and Community Programme

NHO aims to provide access to opera, theatre, and music-making of high standards to young people of all backgrounds.

Programmes include the Italian Songbook schools programme, A Night at the Opera project, in partnership with the Royal Opera House and The Voices Foundation, and the Children's Chorus in *La bohème*.

Free tickets are provided to under 18's through education partners, and NHO offers artist development programmes for talented opera singers.

Artist Development Programme

NHO's Foundation Artist, Emerging Artist, and Associate Artist programmes support developing artists at different stages of their careers.

These programmes offer training, performances, coaching, workshops, and collaborations with DRET schools. Principal Artists, at early stages in their careers, take on major roles at NHO.

Overall, NHO focuses on nurturing excellence in artists, widening access to music education, and delivering high-quality performances and community engagement.

Financial review

a. Financial position, going concern and risk

The Statement of Financial Activities for the individual charity shows a net surplus of £nil for the year (2021: £nil). All income raised during the year was granted to Nevill Holt Opera Limited, the Charity's wholly owned subsidiary, to deliver the Charity's objectives in the 2022 season.

The Statement of Financial Activities for the Group shows a net deficit of £271,822 (2021: net deficit of £193,392) for the year. This is the deficit incurred by Nevill Holt Opera Limited, of which £130,962 (2021: £134,157) is depreciation in respect of the theatre.

NEVILL HOLT COMMUNITY ARTS LIMITED
(A Company Limited by Guarantee)

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

Financial review (continued)

Despite management accounts earlier in the financial year forecasting a healthier financial position, the 2022 year end deficit was larger than Trustees had anticipated due to weaknesses in the financial reporting provided, poorer cost control in the later part of the year and a more challenging sales environment. In addition general ticket sales for the Summer 2023 season by March 2023 were around half of previous years.

As the full picture above became clear, the Trustees reluctantly concluded in March 2023 that, in order to reduce the financial risks faced by the organisation, the 2023 programme should be reduced. Further funds were secured to support the cashflow of the organisation. The Trustees also took professional advice and filed a serious incident report with the Charity Commission detailing the nature and circumstances of their concerns with the financial risks facing the organisation.

At the time of signing this report, the Charity's most significant risks are:

1. Cashflow funding - Bearing in mind the issues faced in the past and the change in audience behaviours facing all organisations similar to this since COVID-19 there is a risk that insufficient funds are raised to support planned charitable activities resulting in a further deficit in 2023. The Charity had built up a modest reserve to support inevitable peaks and troughs in fundraising and this has proved to be invaluable in supporting activities during the year. Alongside reducing the programme of events for 2023, improving financial reporting and oversight and management of costs in 2023, at the time of signing this report additional financial support has also been secured from the Ross Foundation in the form of a short term loan repayable on the receipt of Theatre Tax Relief due to Nevill Holt Opera Limited. This generous loan facility has allowed the Charity to meet its obligations and provide an opportunity for the Board to plan for the future.

2. That restrictions or audience behaviour relating to the cost of living crisis and other external factors could prevent the Charity from delivering its objectives and may have a significant and negative impact on the Charity's finances.

The Trustees recognise as many of them have served at least eight-year terms, and some ten, that a governance review and succession planning are required to identify the organisation's future success. The Trustees began succession planning in May 2023 and are working to ensure a future set of trustees and a chair will be suitably equipped to appoint new leadership and management to deliver the exciting future of the festival.

Following the deficit in 2022, cost commitments have been reset and managed against a regular review of income targets. This improved oversight, along with changes in the management team, has enabled the Trustees to make better informed decisions and to take swifter action when managing risk, including the decision to run a simpler and more streamlined 2023 programme by cancelling one opera production where ticket sales hadn't been supported and to sadly significantly reduce ambitions for 10th anniversary celebratory events.

In June 2018 a new permanent theatre opened on the Nevill Holt Estate to house activities of Nevill Holt Opera Limited. The cost of the building was funded by monies from The Ross Foundation. At the time of signing this report the Trustees are discussing a lease and loan agreement with The Ross Foundation.

Thanks in no small part to the support of the Ross Foundation, the Trustees are confident that there are no material uncertainties about the Charity's ability to continue as a going concern at the statement of financial position date and at the date of signing this report.

b. Reserves policy

The Trustees approve Charity spending and fundraising targets annually to maintain sufficient reserves to meet future expenditure as and when it becomes due. At the year end the Charitable Company held a total of £70,078 (2021 - £70,078) in reserves of which £70,077 (2021 - £70,077) are restricted reserves held for the use of activities by the Nevill Holt Opera Limited.

NEVILL HOLT COMMUNITY ARTS LIMITED
(A Company Limited by Guarantee)

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

Financial review (continued)

c. Funds in deficit

At the year end date no funds were in deficit in respect of the Charitable Company.

For the Charitable Group, the unrestricted fund was in deficit by £554,911 (2021: £283,029) as at the year end date. The main contributing factor to this was the cumulative depreciation charge in respect of the theatre, which to date was £550,239 (2021: £419,277).

d. Investments policy and objectives

The only investment is in its wholly-owned subsidiary Nevill Holt Opera Limited. Under the Memorandum and Articles of Association, the Charity has the power to invest in any way the Trustees see fit and opportunities for investment would be subject to risk assessment on a case by case basis. The Trustees have no immediate plans to consider further investments.

e. Principal funding

Fundraising

2021/22 was an extremely challenging time for the performing arts industry in the UK as it sought to recover from the detrimental impact of the Covid pandemic. The Trustees are extremely grateful to every single person, trust, foundation, and organisation whose continued support ensures that Nevill Holt Opera can continue to present performances and run its education and community programmes in the future.

A small number of trusts and foundations were able to support us during the year, as did many generous individuals including our Boheme Production Syndicate supporters.

The principal sources of donations are:

- Voluntary donations from individual supporters (through the Nevill Holt Opera Limited membership scheme, box office donations and major gifts)
- Grants from charitable trusts and foundations
- Statutory grants
- Donations from corporate supporters
- Gift Aid on eligible donations from individuals
- Theatre Tax Relief, a creative industry tax credit

These are either received directly by Nevill Holt Community Arts Limited or collected on its behalf by Nevill Holt Opera Limited.

The Trustees of Nevill Holt Community Arts Limited would like to thank all donors and supporters for helping us to weather the difficult post pandemic period for the benefit of audiences, artists, participants in NHO's education programmes, and for the local community.

Structure, governance and management

a. Governing document

The Charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006, with no share capital (registration number 09514461).

The Charity was incorporated on 27 March 2015 and commenced its activities on that date and received charity status on 17 September 2015 (registration number 1163614).

NEVILL HOLT COMMUNITY ARTS LIMITED
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management (continued)

The Memorandum and Articles of Association are the primary governing documents of the Charity.

b. Methods of appointment or election of Trustees

The subscribers to the Memorandum were the Directors of the Company and the first trustees of the Charity. To strengthen the skill set of the Board of Trustees and its independence from the Nevill Holt Opera Limited a further five trustees, who are not Directors of the Company, were appointed.

Any new trustees and directors are appointed following an introductory interview by the existing directors.

c. Organisational structure and decision-making policies

Organisational structure

The Trustees meet sufficiently regularly to make decisions relating to the Charity including approving the remuneration of key personnel. Details of the Trustees are given on page 7.

All Trustees gave of their time freely and they received no remuneration. No personal expense refunds were paid.

The delivery of charitable activities, raising of funds and administration for the Charity is undertaken by its wholly owned subsidiary, Nevill Holt Opera Limited.

Annie Lydford, Managing Director of Nevill Holt Opera Limited, was responsible for the day to day running of all activities during the year to 31 August 2022. Joe O'Neill replaced Annie Lydford as Managing Director of Nevill Holt Opera Limited on 19 September 2022. Joe O'Neill resigned from the position of Managing Director on the 31 March 2023 but has remained in place providing specialist and management support.

The Board of Directors is undergoing an organisational review with the intention of implementing a new management structure from September 2023.

The Board of Directors of both Nevill Holt Opera Limited and Nevill Holt Community Arts Limited approve annual budgets and receive regular updates on performance throughout the reporting year.

The Charity receives donations collected on its behalf by the Nevill Holt Opera Limited. Donations are held in a restricted reserve and are used to fund activities of Nevill Holt Opera which align with the Charity's objectives.

Management

Day to day operations are delegated to the Managing Director, Nevill Holt Opera Limited. Remuneration paid to the Managing Director is as agreed by the Board of Directors.

d. Policies adopted for the induction and training of Trustees

The training and induction provided for new trustees depends on their existing experience. Where necessary, an informal induction tailored to their specific needs including training on charity, legal and financial matters is provided.

e. Related party relationships

The Charity's funds are granted to its subsidiary Nevill Holt Opera Limited which fundraises and delivers the Charity's activities. Nevill Holt Opera Limited transacts with suppliers and customers in the normal course of business. During the year payments were made to and received from organisations of which the trustees of the Charity held positions such as director, trustee, or committee member. Further details are given in the notes to the financial statements.

NEVILL HOLT COMMUNITY ARTS LIMITED
(A Company Limited by Guarantee)

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

Structure, governance and management (continued)

f. Reference and administrative details

Registered Company number

09514461 (England and Wales)

Registered Charity number

1163614

Registered office

Nevill Holt Theatre
Nevill Holt
Market Harborough
Leicestershire
LE16 8EG

Trustees and Directors in post during the year to 31 August 2022

Ms F J H Richards
H J Stevenson
L T J Morris
Simon Rose

Trustees (but not appointed as directors)

Mrs J M Forman Hardy
S G Toyne
Mrs S M Wass
J D P Dunseath

Senior Statutory Auditor

Timothy Godson FCA

Bankers

Barclays
One Stanhope Gate
London
SW1A 1NP

Solicitors

Clifford Chance LLP
10 Upper Bank Street
London
E14 5JJ

Events since the end of the year

Board Changes in Nevill Holt Community Arts Limited:

Two Trustees (L T J Morris and Mrs S M Wass) have stepped down since 31 August 2022.

The Trustees declared the anticipated financial loss in these accounts within a serious incident report to the Charity Commission dated 31 March 2023.

Further information relating to events since the end of the year is given in the notes to the financial statements.

NEVILL HOLT COMMUNITY ARTS LIMITED
(A Company Limited by Guarantee)

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

Plans for future periods

The Charity will continue to make grants to Nevill Holt Opera Limited in order to support its charitable objectives and activities. In order to secure the future viability of the Charity and its wholly owned subsidiary, Nevill Holt Opera produced a near sell out single opera in summer 2023, while continuing with a full programme of schools and artistic development programmes as originally planned. It has held an additional fundraising auction to raise funds. The organisation is currently reviewing its strategy for the future by undertaking market research, engaging current and new audiences across the East Midlands with a view to programming a sustainable festival alongside a revitalised education and artistic programme. This will enable future programming decisions to be made with confidence that performances will be supported by audience demand and that the organisation remains financially healthy.

Statement of Trustees' responsibilities

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

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

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

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

Disclosure of information to auditors

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

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

NEVILL HOLT COMMUNITY ARTS LIMITED
(A Company Limited by Guarantee)

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

Approved by order of the members of the board of Trustees on 3 August 2023 and signed on their behalf by:

F J H Richards
Trustee

NEVILL HOLT COMMUNITY ARTS LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NEVILL HOLT COMMUNITY ARTS LIMITED

Opinion

We have audited the financial statements of Nevill Holt Community Arts Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 August 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- except for the specific matter reported on by exception, give a true and fair view of the state of the company's affairs as at 31 August 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We have reported a matter by exception. Our opinion is not qualified in respect of this matter.

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

Conclusions relating to going concern

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

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

NEVILL HOLT COMMUNITY ARTS LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NEVILL HOLT COMMUNITY ARTS LIMITED
(CONTINUED)

that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In our opinion the charitable company has failed to comply with the Companies Act 2006, section 386, within their duty to keep adequate accounting records. The underlying record keeping was found to be poor and was not updated on a timely basis. This has led to the conclusion that adequate books and records were not maintained during the year or at the year-end date. Since the year end date considerable effort has been made to review the accounting records and to rectify the accounting entries for that year, enabling an unqualified audit opinion to be given. Based on the audit evidence obtained we have assessed that except for the affects of this matter, the financial statements give a true and fair view.

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:

- returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors and 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 Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the 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 the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

NEVILL HOLT COMMUNITY ARTS LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NEVILL HOLT COMMUNITY ARTS LIMITED
(CONTINUED)

Auditors' responsibilities for the audit of the financial statements (continued)

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

We have identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial experience, knowledge of the sector, a review of regulatory and legal correspondence and through discussions with Directors and other management obtained as part of the work required by auditing standards. We have also discussed with the Directors and other management the policies and procedures relating to compliance with laws and regulations. We communicated laws and regulations throughout the team and remained alert to any indications of non-compliance throughout the audit.

The potential impact of different laws and regulations varies considerably. Firstly, The Group is subject to laws and regulations that directly impact the financial statements (for example financial reporting legislation) and we have assessed the extent of compliance with such laws as part of our financial statements audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including risk of override of controls) and determined that the principal risks were related to management bias in accounting estimates and judgemental areas of the financial statements such as depreciation of tangible fixed assets, as well as the risk of inappropriate journal entries to misclassify restricted income. Audit procedures performed by the engagement team included the identification and testing of material and unusual journal entries and challenging management on key accounting estimates, assumptions and judgements made in the preparation of the financial statements. We carried out detailed substantive tests on accounting estimates, including reviewing the methods used by management to make those estimates and re-performing the calculation.

Secondly, The Group is subject to other laws and regulations where the consequence for non-compliance could have a material effect on the amounts or disclosures in the financial statements. We identified the following areas as those most likely to have such an effect: Safeguarding, data protection and the regulatory requirements of the Charity Commission.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection. This inspection included a review of legal fees for any evidence of non-compliance, discussions around whether any incidents occurred in the year and a review of the policies in place. Through these procedures, if we became aware of any non-compliance, we considered the impact on the procedures performed on the related financial statement items.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. The further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. As with any audit, there is a greater risk of non-detection of irregularities as these may involve collusion, intentional omissions of the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

NEVILL HOLT COMMUNITY ARTS LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NEVILL HOLT COMMUNITY ARTS LIMITED
(CONTINUED)

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Timothy Godson FCA (Senior Statutory Auditor)

for and on behalf of

Duncan & Toplis Limited, Statutory Auditor

5 Resolution Close

Endeavour Park

Boston

Lincolnshire

PE21 7TT

Date: 4 August 2023

NEVILL HOLT COMMUNITY ARTS LIMITED
(A Company Limited by Guarantee)

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

	Note	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:					
Donations and legacies:					
Trusts and foundations		5,000	3,000	8,000	141,150
Membership donations		-	82,697	82,697	81,377
Gift aid		-	60,362	60,362	81,401
Ticket donations inc. donations in lieu		-	217,340	217,340	173,876
Other donations		-	15,587	15,587	11,530
Other trading activities:					
Ticket sales		-	356,920	356,920	319,452
Catering operations		-	89,614	89,614	34,196
Corporate sponsorship		-	1,833	1,833	12,142
Membership income		-	7,581	7,581	13,805
Programme sales		-	8,052	8,052	9,850
Investments:					
Other income	4	50,000	157,001	207,001	269,132
Total income		55,000	999,987	1,054,987	1,147,911
Expenditure on:					
Charitable activities:					
Fees - creative, production and artist fees		51,000	432,713	483,713	442,953
Other activity costs		4,000	580,369	584,369	579,018
Cost of raising funds		-	86,690	86,690	66,487

NEVILL HOLT COMMUNITY ARTS LIMITED
(A Company Limited by Guarantee)

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

Management and financial support costs	-	189,014	189,014	139,994
Other administrative expenses	-	83,133	83,133	73,559
Theatre building maintenance	-	23,148	23,148	5,295
Depreciation	-	131,416	131,416	134,157
Total expenditure	55,000	1,526,483	1,581,483	1,441,463
Net expenditure before taxation	-	(526,496)	(526,496)	(293,552)
Taxation	-	254,614	254,614	100,160
Net movement in funds	-	(271,882)	(271,882)	(193,392)
Reconciliation of funds:				
Total funds brought forward	70,077	(283,029)	(212,952)	(19,560)
Net movement in funds	-	(271,882)	(271,882)	(193,392)
Total funds carried forward	70,077	(554,911)	(484,834)	(212,952)

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

The notes on pages 20 to 35 form part of these financial statements.

NEVILL HOLT COMMUNITY ARTS LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER: 09514461

CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	8	6,061,646	6,128,803
		<u>6,061,646</u>	<u>6,128,803</u>
Current assets			
Stocks	11	-	2,947
Debtors	12	445,559	403,742
Cash at bank and in hand		26,594	270,845
		<u>472,153</u>	<u>677,534</u>
Creditors: amounts falling due within one year	13	(347,240)	(7,019,289)
Net current assets / liabilities		<u>124,913</u>	<u>(6,341,755)</u>
Total assets less current liabilities		<u>6,186,559</u>	<u>(212,952)</u>
Creditors: amounts falling due after more than one year	14	(6,671,393)	-
Net liabilities excluding pension asset		<u>(484,834)</u>	<u>(212,952)</u>
Total net assets		<u><u>(484,834)</u></u>	<u><u>(212,952)</u></u>
Charity funds			
Restricted funds	15	70,077	70,077
Unrestricted funds	15	(554,911)	(283,029)
Total funds		<u><u>(484,834)</u></u>	<u><u>(212,952)</u></u>

NEVILL HOLT COMMUNITY ARTS LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER: 09514461

CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2022

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

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

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

F J H Richards - Trustee

Date: 3 August 2023

The notes on pages 20 to 35 form part of these financial statements.

NEVILL HOLT COMMUNITY ARTS LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER: 09514461

COMPANY BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	2022 £	2021 £
Fixed assets			
Investments	10	1	1
		<u>1</u>	<u>1</u>
Current assets			
Debtors	12	268,000	65,158
Cash at bank and in hand		169	213,825
		<u>268,169</u>	<u>278,983</u>
Creditors: amounts falling due within one year	13	(198,092)	(208,906)
Net current assets		<u>70,077</u>	<u>70,077</u>
Total assets less current liabilities		<u>70,078</u>	<u>70,078</u>
Net assets excluding pension asset		<u>70,078</u>	<u>70,078</u>
Total net assets		<u><u>70,078</u></u>	<u><u>70,078</u></u>
Charity funds			
Restricted funds	15	70,077	70,077
Unrestricted funds	15	1	1
Total funds		<u><u>70,078</u></u>	<u><u>70,078</u></u>

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

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

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

F J H Richards - Trustee

Date: 3 August 2023

The notes on pages 20 to 35 form part of these financial statements.

NEVILL HOLT COMMUNITY ARTS LIMITED
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash used in operating activities	18	(262,509)	(58,566)
Cash flows from investing activities			
Purchase of tangible fixed assets		(64,259)	(71,994)
Net cash used in investing activities		(64,259)	(71,994)
Cash flows from financing activities			
Cash inflows from new borrowing		82,517	162,790
Net cash provided by financing activities		82,517	162,790
Change in cash and cash equivalents in the year		(244,251)	32,230
Cash and cash equivalents at the beginning of the year		270,845	238,615
Cash and cash equivalents at the end of the year	19	<u>26,594</u>	<u>270,845</u>

The notes on pages 20 to 35 form part of these financial statements

NEVILL HOLT COMMUNITY ARTS LIMITED
(A Company Limited by Guarantee)

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

1. General information

Nevill Holt Community Arts Limited is a registered charity, limited without shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Nevill Holt Community Arts Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

At the statement of financial position date, the Group had net liabilities of £484,834 (2021 - £212,952) and net current assets of £124,913 (2021 - net current liabilities of £6,341,755).

The movement in the position is as a result of the loan owed to The Ross Foundation being reclassified in the current year as a liability falling due in over one year. This reclassification is deemed an appropriate application of the substance over form principal and is supported by written confirmation received from the loan provider, The Ross Foundation, that it will not demand repayment of the loan for a period of at least twelve months from the date of approval of these financial statements. If the loan had been reclassified in the previous year, then at 31 August 2021 the net current assets would have been £177,044.

Fixed assets include the theatre which opened to the public in June 2018. The cost of the build was funded by a loan from The Ross Foundation to Nevill Holt Opera Limited. Nevill Holt Opera Limited has consequently incurred a liability of £6,671,393 at the year end (2021 - £6,588,876).

At the time of signing this report lawyers acting on behalf of the Trustees of The Ross Foundation and the Directors of Nevill Holt Opera Limited are near to finalising a long term loan agreement and terms of lease between the two organisations. The Directors expect to commit to a loan repayment schedule over 50 years which will permit earlier exit after not less than a two year notice period. These clauses are intended to protect the interests of both parties. Assurances have been obtained that in the meantime the loan will not be recalled within twelve months.

This is an extremely difficult period for the arts community which is struggling to make back losses from the disruption of Covid, dealing with record inflation and suffering from lower ticket sales as families struggle with the rising cost of living. The whole sector is facing significant challenges and having to make difficult decisions. Nevill Holt Opera Limited has equally been significantly impacted, particularly as a result of falling audience numbers and later bookings of tickets which has put pressure on cashflow position. As a wholly owned subsidiary of the charity this has impacted on Nevill Holt Community Arts.

NEVILL HOLT COMMUNITY ARTS LIMITED
(A Company Limited by Guarantee)

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

2. Accounting policies (continued)

Having reduced and simplified the 2023 programme, the Group is focussed on the sustainability of the organisation and strengthening of the financial position. Recognising the difficult financial position at the end of 2022, in June 2023 Nevill Holt Opera Limited secured further support in the form of a short-term bridging loan from The Ross Foundation to support the cashflow position.

As part of their going concern review the directors and trustees have also undertaken a strategic review of the business and prepared cashflow forecasts. As part of this strategic review, which has delayed the production of these financial statements, the Directors and Trustees continue to review and develop plans for 2024. With the continuing support of The Ross Foundation the Directors and Trustees are confident that the Group can continue to trade and meet its debts as they fall due and conclude that the financial statements should be prepared on a going concern basis. Further information is included in the post balance sheet events note.

2.2 Income

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

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

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

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

2.3 Expenditure

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

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

All expenditure is inclusive of irrecoverable VAT.

2.4 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the group will comply with conditions attaching to them and the grants will be received using the accrual model.

NEVILL HOLT COMMUNITY ARTS LIMITED
(A Company Limited by Guarantee)

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

2. Accounting policies (continued)

2.5 Taxation

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

The subsidiary undertaking is liable to tax. Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Financial Activities, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the Statement of Financial Position date.

Nevill Holt Opera Limited is eligible for Theatre Tax Relief on core production expenditure under the provisions of the Finance Act 2014. Tax credits are recognised when a reliable estimate is available.

2.6 Tangible fixed assets and depreciation

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

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated and compared to the carrying amount. When the carrying amount exceeds its recoverable amount, an impairment loss is recognised in the income statement or against any previously recognised revaluation reserves held in relation to the asset.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives. .

Depreciation is provided on the following basis:

Long-term leasehold - theatre	- 2%	on cost
Equipment	- 10%	and 20% on cost

2.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.8 Debtors

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

NEVILL HOLT COMMUNITY ARTS LIMITED
(A Company Limited by Guarantee)

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

2. Accounting policies (continued)

2.9 Liabilities and provisions

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

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

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

2.10 Financial instruments

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

2.11 Operating leases

Rentals paid under operating leases are charged to the Consolidated Statement of Financial Activities on a straight line basis over the lease term.

2.12 Pensions

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

Contributions payable to the group's pension scheme are charged to the statement of financial activities in the period to which they relate.

2.13 Fund accounting

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

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

3. Critical accounting estimates and areas of judgement

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

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

NEVILL HOLT COMMUNITY ARTS LIMITED
(A Company Limited by Guarantee)

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

3. Critical accounting estimates and areas of judgement (continued)

Critical accounting estimates and assumptions:

Depreciation of the Theatre

The Theatre is being depreciated over the life of the lease. This is subject to managements' judgement as the agreement has not been finalised at this stage. The relevant charge to the accounts is reviewed at each year end to ensure that the basis is appropriate and amended where necessary.

4. Other incoming resources

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £
Trusts and foundations	-	80,000	80,000
Donations from corporate and charitable supporters	-	61,900	61,900
Other income	-	15,101	15,101
Co Production Receipt	50,000	-	50,000
	<u>50,000</u>	<u>157,001</u>	<u>207,001</u>
	<i>Restricted funds 2021 £</i>	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Donations from corporate and charitable supporters	-	100,000	100,000
Other income	-	43,750	43,750
Public body grants (COVID)	-	26,143	26,143
Other income	1,000	13,239	14,239
Arts Council England grants	85,000	-	85,000
	<u>86,000</u>	<u>183,132</u>	<u>269,132</u>

NEVILL HOLT COMMUNITY ARTS LIMITED
(A Company Limited by Guarantee)

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

5. Auditors' remuneration

	2022 £	<i>2021</i> £
Fees payable to the Group's auditor for the audit of the Group's annual accounts	13,500	<i>12,000</i>
Fees payable to the Group's auditor in respect of:		
All non-audit services not included above	<u>22,758</u>	<u><i>11,554</i></u>

6. Staff costs

	Group 2022 £	<i>Group</i> <i>2021</i> £
Wages and salaries	113,246	<i>72,500</i>
Social security costs	6,300	<i>3,410</i>
Contribution to defined contribution pension schemes	9,101	<i>5,885</i>
	<u>128,647</u>	<u><i>81,795</i></u>

All contributions to defined contribution pension schemes are allocated to unrestricted funds.

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

	Group 2022 No.	<i>Group</i> <i>2021</i> No.
Management	<u>4</u>	<u><i>2</i></u>

No employee received remuneration amounting to more than £60,000 in either year.

The total employee benefits paid to key management personnel were £61,998 (2020 - £58,300).

7. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 August 2022, no expenses totalling were reimbursed or paid directly to any of the Trustees (2021 - £608). Expenses reimbursed in the prior year were for the purchase of items required for the festival.

NEVILL HOLT COMMUNITY ARTS LIMITED
(A Company Limited by Guarantee)

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

8. Tangible fixed assets

Group and Company

	Long-term leasehold property £	Plant and machinery £	Total £
Cost or valuation			
At 1 September 2021	6,548,079	23,096	6,571,175
Additions	42,456	21,803	64,259
At 31 August 2022	<u>6,590,535</u>	<u>44,899</u>	<u>6,635,434</u>
Depreciation			
At 1 September 2021	419,277	23,095	442,372
Charge for the year	130,962	454	131,416
At 31 August 2022	<u>550,239</u>	<u>23,549</u>	<u>573,788</u>
Net book value			
At 31 August 2022	<u><u>6,040,296</u></u>	<u><u>21,350</u></u>	<u><u>6,061,646</u></u>
At 31 August 2021	<u><u>6,128,802</u></u>	<u><u>1</u></u>	<u><u>6,128,803</u></u>

Tangible fixed assets relate to the subsidiary company only.

9. Taxation

Nevill Holt Community Arts Limited is a company limited by guarantee and is a registered charity. As such it is eligible for the relief applicable to charities.

Nevill Holt Opera Limited is a trading subsidiary and is eligible to claim Theatre Tax Relief under the provisions of the Finance Act 2014 in respect of core expenditure on productions.

NEVILL HOLT COMMUNITY ARTS LIMITED
(A Company Limited by Guarantee)

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

10. Fixed asset investments

Company	Investments in subsidiary companies £
Cost or valuation	
At 1 September 2021	1
At 31 August 2022	<u>1</u>
Net book value	
At 31 August 2022	1
At 31 August 2021	<u>1</u>

Principal subsidiaries

The following was a subsidiary undertaking of the Company:

Name	Company number	Registered office or principal place of business	Principal activity
Nevill Holt Opera Limited	08351346	Nevill Holt Theatre, Nevill Holt, Leicestershire, LE16 8EG	Musical/operatic performances
Class of shares	Holding	Included in consolidation	
Ordinary	100%	Yes	

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit/(Loss) / for the year £	Net assets £
Nevill Holt Opera Limited	1,054,987	1,581,483	(526,496)	(554,911)

NEVILL HOLT COMMUNITY ARTS LIMITED
(A Company Limited by Guarantee)

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

11. Stocks

	Group 2022 £	<i>Group 2021 £</i>
Finished goods and goods for resale	<u>-</u>	<u>2,947</u>

12. Debtors

	Group 2022 £	<i>Group 2021 £</i>	Company 2022 £	<i>Company 2021 £</i>
Due within one year				
Trade debtors	12,874	78,342	-	-
Amounts owed by group undertakings	-	-	267,000	41,000
Other debtors	70,834	107,826	1,000	24,158
Prepayments and accrued income	120,078	115,179	-	-
Tax recoverable	241,773	102,395	-	-
	<u>445,559</u>	<u>403,742</u>	<u>268,000</u>	<u>65,158</u>

NEVILL HOLT COMMUNITY ARTS LIMITED
(A Company Limited by Guarantee)

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

13. Creditors: Amounts falling due within one year

	Group 2022 £	<i>Group 2021 £</i>	Company 2022 £	<i>Company 2021 £</i>
Other loans	-	6,588,876	-	-
Trade creditors	211,154	258,160	-	-
Amounts owed to group undertakings	-	-	198,092	208,906
Other taxation and social security	2,817	5,236	-	-
Other creditors	27,387	29,730	-	-
Accruals and deferred income	105,882	137,287	-	-
	<u>347,240</u>	<u>7,019,289</u>	<u>198,092</u>	<u>208,906</u>

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

	Group 2022 £	<i>Group 2021 £</i>
Other loans	<u>6,671,393</u>	<u>-</u>

Other creditors include a loan from The Ross Foundation of £6,671,393 which funded the building of the theatre.

The loan balance has been reclassified at the year end date as due after more than one year. Further details are given in note 2 in the paragraph 'basis of preparing the financial statements'.

NEVILL HOLT COMMUNITY ARTS LIMITED
(A Company Limited by Guarantee)

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

15. Statement of funds

Statement of funds - current year

	Balance at 1 September 2021 £	Income £	Expenditure £	Taxation £	Balance at 31 August 2022 £
Unrestricted funds					
General fund	<u>(283,029)</u>	<u>999,987</u>	<u>(1,526,483)</u>	<u>254,614</u>	<u>(554,911)</u>
Restricted funds					
Restricted fund	<u>70,077</u>	<u>55,000</u>	<u>(55,000)</u>	<u>-</u>	<u>70,077</u>
Total of funds	<u><u>(212,952)</u></u>	<u><u>1,054,987</u></u>	<u><u>(1,581,483)</u></u>	<u><u>254,614</u></u>	<u><u>(484,834)</u></u>

Statement of funds - prior year

	Balance at 1 September 2020 £	Income £	Expenditure £	Taxation £	Balance at 31 August 2021 £
Unrestricted funds					
General fund	<u>(89,637)</u>	<u>1,048,821</u>	<u>(1,342,373)</u>	<u>100,160</u>	<u>(283,029)</u>
Restricted funds					
Restricted fund	<u>70,077</u>	<u>99,090</u>	<u>(99,090)</u>	<u>-</u>	<u>70,077</u>
Total of funds	<u><u>(19,560)</u></u>	<u><u>1,147,911</u></u>	<u><u>(1,441,463)</u></u>	<u><u>100,160</u></u>	<u><u>(212,952)</u></u>

NEVILL HOLT COMMUNITY ARTS LIMITED
(A Company Limited by Guarantee)

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

16. Summary of funds

Summary of funds - current year

	Balance at 1 September 2021 £	Income £	Expenditure £	Taxation £	Balance at 31 August 2022 £
General funds	(283,029)	999,987	(1,526,483)	254,614	(554,911)
Restricted funds	70,077	55,000	(55,000)	-	70,077
	<u>(212,952)</u>	<u>1,054,987</u>	<u>(1,581,483)</u>	<u>254,614</u>	<u>(484,834)</u>

Summary of funds - prior year

	Balance at 1 September 2020 £	Income £	Expenditure £	Taxation £	Balance at 31 August 2021 £
General funds	(89,637)	1,048,821	(1,342,373)	100,160	(283,029)
Restricted funds	70,077	99,090	(99,090)	-	70,077
	<u>(19,560)</u>	<u>1,147,911</u>	<u>(1,441,463)</u>	<u>100,160</u>	<u>(212,952)</u>

The restricted fund comprises donations received which are only to be used to support the activities of Nevill Holt Opera Limited. The fund includes grants or areas of income for which a specific purpose has been outlined by the body or individual making the grant or donation. For example, a grant may be made specifically to support Nevill Holt Opera Limited's community and education programme, or towards its young artist scheme.

17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	6,061,646	6,061,646
Current assets	70,077	402,076	472,153
Creditors due within one year	-	(347,240)	(347,240)
Creditors due in more than one year	-	(6,671,393)	(6,671,393)
Total	<u>70,077</u>	<u>(554,911)</u>	<u>(484,834)</u>

NEVILL HOLT COMMUNITY ARTS LIMITED
(A Company Limited by Guarantee)

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

17. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Restricted funds 2021 £</i>	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Tangible fixed assets	-	6,128,803	6,128,803
Current assets	70,077	607,457	677,534
Creditors due within one year	-	(7,019,289)	(7,019,289)
Total	<u>70,077</u>	<u>(283,029)</u>	<u>(212,952)</u>

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

	Group 2022 £	<i>Group 2021 £</i>
Net expenditure for the year (as per Statement of Financial Activities)	(271,882)	(193,392)
Adjustments for:		
Depreciation charges	131,416	134,157
Decrease/(increase) in stocks	2,947	(2,947)
Increase in debtors	(41,817)	(117,634)
Increase/(decrease) in creditors	(83,173)	121,250
Net cash used in operating activities	<u>(262,509)</u>	<u>(58,566)</u>

19. Analysis of cash and cash equivalents

	Group 2022 £	<i>Group 2021 £</i>
Cash in hand	26,594	270,845
Total cash and cash equivalents	<u>26,594</u>	<u>270,845</u>

NEVILL HOLT COMMUNITY ARTS LIMITED
(A Company Limited by Guarantee)

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

20. Analysis of changes in net debt

	At 1 September 2021	Cash flows £	Other non-cash changes £	At 31 August 2022 £
	£			
Cash at bank and in hand	270,845	(244,251)	-	26,594
Debt due within 1 year	(6,588,876)	(82,517)	6,671,393	-
Debt due after 1 year	-	-	(6,671,393)	(6,671,393)
	<u>(6,318,031)</u>	<u>(326,768)</u>	<u>-</u>	<u>(6,644,799)</u>

21. Operating lease commitments

At 31 August 2022 the Group and the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2022 £	Group 2021 £
Not later than 1 year	684	684
Later than 1 year and not later than 5 years	1,880	2,564
	<u>2,564</u>	<u>3,248</u>

The following lease payments have been recognised as an expense in the Statement of Financial Activities:

	Group 2022 £	Group 2021 £
Operating lease rentals	684	385
	<u>684</u>	<u>385</u>

NEVILL HOLT COMMUNITY ARTS LIMITED
(A Company Limited by Guarantee)

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

22. Related party transactions

The Directors and Trustees of the Charitable Company and the Directors of its subsidiary do not receive fees or salaries for the performance of their Director/Trustee roles. Nor do they claim for refunds of associated personal expenses.

Financial Statements of both Nevill Holt Opera Limited and Nevill Holt Community Arts Limited include immaterial transactions with members of both boards which arose during the normal course of business: no discounts on purchases of event tickets or goods are received by virtue of their position on the Board.

The financial statements include the following receivable grants and donations given without conditions and are disclosed in accordance with SORP (FRS 102 revised) requirements:

-Donations without conditions receivable from the Trustees of Nevill Holt Community Arts Limited, the Directors of Nevill Holt Opera Limited and related parties totalled £111,987 (2021 - £119,060). This includes a grant of £80,000 from The Ross Foundation (2021 - £100,000).

-Nevill Holt Opera Limited incurred £39,005 (2021 - £38,706) to acquire insurance (on normal commercial terms) brokered through Locktons of which one of the Directors of Nevill Holt Opera Limited is a Partner.

-Nevill Holt Opera Limited incurred £2,208 (2021 - £2,240) in accommodation costs (on normal commercial terms) through Subtle Productions Limited of which one of the Directors of Nevill Holt Opera Limited is a Director.

-Amounts due to Nevill Holt Community Arts Limited from related parties at the year end totalled £1,000 (2021 - £nil).

-Amounts due from Nevill Holt Opera Limited to related parties at the year end totalled £6,671,393 (2021 - £6,599,063).

NEVILL HOLT COMMUNITY ARTS LIMITED
(A Company Limited by Guarantee)

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

23. Post balance sheet events

Following the period covered by these financial statements there have been some changes to the Board of the Charity and its wholly owned subsidiary. Three directors of Nevill Holt Opera Limited and two trustees of Nevill Holt Community Arts Limited have stepped down and one director of Nevill Holt Opera Limited has been appointed.

A new Managing Director of Nevill Holt Opera was appointed in September 2022, who has since resigned from the post but is continuing to support the company in the interim period.

In March 2023 Nicholas Chalmers stepped down as Artistic Director.

On 31 March 2023 the Trustees disclosed an anticipated significant financial loss within a serious incident report filed with the Charity Commission.

In June 2023 financial support was secured from the Ross Foundation in the form of a short-term loan repayable on the receipt of Theatre Tax Relief due to Nevill Holt Opera Limited. This loan facility will allow the Group to meet its immediate obligations. The loan is secured by charges over the bank accounts of both Nevill Holt Opera Limited and Nevill Holt Community Arts Limited.

Nevill Holt Opera Limited was very grateful to receive continued support from The Ross Foundation, as well as from other trusts and foundations and individual supporters.

Nevill Holt Opera Limited is in the process of reviewing the activities for the 2024 season and the future of the opera in order to reduce exposure to future losses and improve cashflows.