

Registered Charity Number 1165934 (England & Wales)

Registered Charity Number SC047502 (Scotland)

TWO DESTINATION LANGUAGE

(A Charitable Incorporated Organisation)

REPORT AND ACCOUNTS

For the year ended 5 April 2021



Photo: Beth Chalmers

TWO DESTINATION LANGUAGE TRUSTEES' REPORT YEAR ENDED 5 APRIL 2021

The Trustees present their report and the unaudited financial statements of the charity for the year ended 5 April 2021.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Charity number 1165934 (England & Wales)
SC047502 (Scotland) – from 12 June 2017

Principal address ARC Stockton, 60 Dovecot Street, Stockton-on-Tees TS18 1LL

Trustees

The Trustees of the charity during the year and to the date of signing this report are as follows:

Ms Elizabeth Moriarty
Ms Sarah Cockburn
Ms Tina Andrews
Ms Emma Honeyman Resigned 3 December 2020
Mr Callum Madge

Independent Examiner Pete O'Hara FCA, Chartered Accountant, 4 Stoneyhurst Road
West, Gosforth, Newcastle upon Tyne NE3 1PG

Bankers Co-operative Bank plc, P.O. Box 101, 1 Balloon Street,
Manchester M60 4EP

Governing Documents

Two Destination Language was established as a Charitable Incorporated Organisation (CIO) on 8 March 2016. As a CIO it is governed by its constitution.

Objectives and Activities

The charity's objects are to advance the arts for the public benefit, in particular but not exclusively the art of drama.

Two Destination Language shares high quality contemporary performance with the public. It makes work to provoke new thinking about how cultures interact, and brings this to audiences as widely as possible. It also works with local communities to engage individuals in the arts and runs microfestivals to develop audiences for contemporary performance in places which see little of it.

Activities for the Public Benefit

The Trustees confirm that they have complied with the duty in section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit, 'Charities and Public Benefit'.

TWO DESTINATION LANGUAGE TRUSTEES' REPORT YEAR ENDED 5 APRIL 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT (Continued)

Activities for the Public Benefit (Cont.)

The main activities undertaken for the public benefit are as follows:

- Working with local communities to engage individuals in the arts
- Making work to provoke new thinking about how cultures interact
- Developing audiences for contemporary performance in places which see little of it

Recruitment & Appointment of Trustees

New Trustees are identified and appointed on the recommendation of the existing Trustees.

Operation of the Board of Trustees

The Board of Trustees typically meets four times per year.

Trustee Induction & Training

In the first year of appointment an induction and training year is provided, covering both the distinctiveness of the organisation, as well as the duties and responsibilities of acting as a charity Trustee.

Risk Management

The Trustees of the charity regularly review the major governance, operational and financial risks which the charity faces as part of its annual business planning process and confirm that systems have been established to mitigate these risks.

Two Destination Language has a risk management strategy in place, which comprises:

- an annual review of the strategic risks the charity may face via the business plan
- the establishment of systems and procedures to mitigate those risks identified
- the implementation of procedures designed to minimise any potential impact on the charity should those risks materialise.

The Trustees are satisfied that appropriate financial systems and controls are in place.

The Trustees consider the key risks facing the charity at this time to be the financial risks arising if the organisation is unable to attract sufficient income to realise its planned projects to the scale and quality to which the organisation aspires.

The Trustees have managed the potential impact of these risks by ensuring that:

- Prudent budgets have been set for the next financial year
- The charity maintains a low cost base
- Contingency plans are in place for the actions which would be taken if income appears unlikely to reach its target

TWO DESTINATION LANGUAGE TRUSTEES' REPORT YEAR ENDED 5 APRIL 2021

ACHIEVEMENTS AND PERFORMANCE

Summary of the main achievements of the charity during the year

The activity of Two Destination Language is intended for the benefit of the public. The charity engages the public through performances, installations, video, imagery, learning and engagement workshops, projects, residencies, research presentations and publications. Supporting artists and enabling creativity is key to achieving this.

This public engagement stimulates and enhances an understanding about the arts, and, particularly, performing arts. The organisation aims to extend performance practice and provide new ways for the public to experience performance. The organisation's work has a wide geographical reach, presenting work and collaborating with partners nationally and internationally. Through all areas of its work, Two Destination Language strives to be inclusive and celebrates and champions diversity, presenting work in different spaces to engage a wider public beyond the traditional theatre audience, and working with a wide range of individuals across arts disciplines.

To this end, our work is centred on intercultural dialogue, within and around the projects we deliver. This links our different creative, engagement and sector support projects: all these are interested in creating space for renegotiation of cultural values, questioning and forming both individual and community identities.

The impact of COVID-19 on plans made for 2020-21 was significant: all planning work related to existing and new projects had to be unpicked, and alternate plans themselves revised repeatedly. It has, of course, not been possible to present our work to the public as normal in this period. Nevertheless, we are pleased with the impact we have had during a challenging year.

In 2020-21, work created by Two Destination Language's directors reached audiences of around 6,500 people. There were 260 participants in discussions and workshops delivered by the directors. Our activities involved work with 61 professional artists.

We devoted significant attention to supporting the freelance creative practitioners on whom much of the live performance sector depends. In particular:

- we developed an innovative model for a virtual conversational residency, FIELD, and supported 24 artists through this
- thinking from FIELD was shared with the public through a printed book (with a second in summer 2021)
- we mentored other groups wanting to run virtual residencies and shared learning through an arts industry publication
- TEND to wellbeing, offering CPD on wellbeing for freelance creative practitioners as individuals and team managers, built skills and supported participants' resilience during the pandemic
- we curated and hosted a residency for Dance Base Scotland, *time to respond*, supporting artists on seven projects to progress ideas while bringing them together for creative dialogues, with a variety of online, real-life and print outputs

TWO DESTINATION LANGUAGE TRUSTEES' REPORT YEAR ENDED 5 APRIL 2021

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Summary of the main achievements of the charity during the year (Cont.)

We also shared work with the wider public; key achievements include:

- a delayed exhibition of costume and set from *Declining Solo* visited the National Centre for Craft and Design
- remaking *A Journey of a Home* (an audio walk about migration) for online audiences, including a BSL version, shared through festivals in the UK and USA
- working with young people from migrant families to create a new audio work for Summer 2021, *My Land Your Land*
- creating a film based on our earlier Lone Wolves project, shared online to mark the effective departure of the UK from the EU

Development of our pipeline of new work remains strong, but the outlook for funding of cultural activities is uncertain against competing priorities following COVID and we continue to seek new funders. We are supported in our work by a network of presenting partners, who contribute financially and with resources from their own organisations.

The Trustees wish to particularly acknowledge in-kind support this year from:

- Google
- ARC Stockton
- Theatre in the Mill

Financial Review

The financial result for the year is a surplus on Unrestricted Funds of £22,063 (2020: deficit £6,786). As a result, the charity's Unrestricted Funds at 5 April 2021 are £41,991. The Trustees believe the financial performance to be satisfactory.

Reserves Policy

As Trustees, we have reviewed the charity's needs for reserves in line with the guidance issued by the Charity Commission. The Trustees seek to retain sufficient Unrestricted Reserves, to cover all known liabilities and to provide for a degree of contingency to complete the charity's existing operations in an orderly manner in the event of an unforeseen reduction in income. These reserves also allow us to cashflow activities paid in arrears.

As the size of projects we deliver has grown, so has our need for reserves which help us cashflow them, and this is now estimated as a total requirement of approximately £15,000.

The statement of financial activities shows total unrestricted funds of £41,991 at 5 April 2021. Free reserves, defined as unrestricted funds excluding any designated sums and the value of Fixed Assets, are £37,934. Though this exceeds the stated level of unrestricted reserves required, the Trustees have agreed that the additional funds will be committed to future projects and performances, responsive to need and changing public health restrictions.

This policy is reviewed by the Trustees on an annual basis as part of the charity's budgeting processes.

TWO DESTINATION LANGUAGE TRUSTEES' REPORT YEAR ENDED 5 APRIL 2021

PLANS FOR FUTURE PERIODS

The impact of COVID-19 has significantly impacted on plans, and there remains considerable uncertainty around the practicalities of delivering cultural events, and around audience appetite for them. This makes our artist support work all the more important, and we are continuing to deliver FIELD, supported by partners who took part in last year's virtual version to hold a physical residency for new participants. At the same time, we're continuing to share the thinking from previous FIELD residencies in print publications and online, while also offering mentoring and creative opportunities to prior participants.

2021-22 sees a period of development as we prepare for a large socially engaged project, working with rural communities across Britain. This involves creative research and development alongside producing activity to identify partners. We anticipate this project will be the majority of our activity for the next few years.

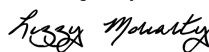
At the same time, we're sharing our work with Edinburgh's young migrant voices in Imagine's Edinburgh International Children's Festival in summer 2021, and then extending the project to include young people from Leicester and local audiences there.

Touring of Fault Lines, delayed due to the pandemic, has been rescheduled for spring 2022, and we continue with work to build audiences for that tour, which will mainly visit rural towns.

Alongside this, we expect to begin supporting recent graduates through a trainee artist position, as well as building our core team's producing capacity. All this requires that we sustain existing funding relationships while diversifying our sources of funding, and this remains a priority.

The Trustees are open to proposals for potential trustees who bring new skills or perspectives to the charity. Skills auditing has not revealed any current deficit, but the charity understands diversity is predicated on the multiplicity of voices involved and would welcome new members.

On behalf of the board of Trustees

DocuSigned by:

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Elizabeth Moriarty, Trustee

8 July 2021

TWO DESTINATION LANGUAGE TRUSTEES' REPORT YEAR ENDED 5 APRIL 2021

RESPONSIBILITIES OF THE TRUSTEES

The Trustees shall manage the business of the Charity and may exercise all the powers of the Charity unless restricted by the Charities Act or the constitution of the Charity.

The Trustees are responsible for the preparation of the financial statements for each financial year which show a true and fair view of the state of affairs of the charity as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year.

In preparation of the financial statements the Trustees should follow best practice and:

1. Select suitable accounting policies and apply them.
2. Make judgements and exercises that are reasonable and prudent.
3. Prepare the financial statements on a going concern basis unless it is inappropriate to assume that the charity will continue on that basis.

The Trustees are responsible for maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the charity.

The Trustees are also responsible for safeguarding the assets of the charity and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005 by the Charities Commission England and Wales).

Signed on behalf of the Board of Trustees

DocuSigned by:

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Elizabeth Moriarty, Trustee

8 July 2021

INDEPENDENT EXAMINER'S REPORT TO THE MEMBERS ON THE UNAUDITED ACCOUNTS OF TWO DESTINATION LANGUAGE FOR THE YEAR ENDED 5 APRIL 2021

I hereby report to the Trustees/Members of Two Destination Language (Charity Registration Number 1165934) on the accounts for the year ended 5 April 2021 set out on pages 9 to 17.

Respective responsibilities of Trustees and examiner

The charity's Trustees are responsible for the preparation of the accounts. The charity's Trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 (the Charities Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the Charities Act,
- follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the Charities Act, and
- state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention

1. which gives me reasonable cause to believe that in, any material respect, the requirements to:
 - keep accounting records in accordance with section 130 of the Charities Act; and
 - prepare accounts which accord with the accounting records and comply with the accounting requirements of the Charities Act have not been met; or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

DocuSigned by:

Pete O'Hara

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8 July 2021

Pete O'Hara, FCA, Chartered Accountant

4 Stoneyhurst Road West, Gosforth, Newcastle upon Tyne NE3 1PG

**TWO DESTINATION LANGUAGE
STATEMENT OF FINANCIAL ACTIVITIES
YEAR TO 5 APRIL 2021**

	Note	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Income					
Income from Investments	2	1,037	-	1,037	977
Grants, Donations & Legacies	3	375	98,991	99,366	196,930
Income from Charitable Activities	4	27,220	-	27,220	42,649
Other Income	5	16,478	-	16,478	2,843
Total Income		45,110	98,991	144,101	243,399
Expenditure					
Expenditure on Charitable Activities	6	23,047	75,385	98,432	167,554
Total Expenditure		23,047	75,385	98,432	167,554
Net Income/(Expenditure)	7	22,063	23,606	45,669	75,845
Balance brought forward		19,928	86,933	106,861	31,016
Balance carried forward at 5 April		£41,991	£110,539	£152,530	£106,861

The notes on pages 11 to 17 form part of the financial statements.

There are no recognised gains and losses during the year other than as shown above.

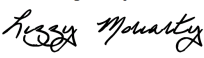
All the activities for the year are continuing activities.

**TWO DESTINATION LANGUAGE
STATEMENT OF FINANCIAL POSITION/BALANCE SHEET
At 5 APRIL 2021**

	Notes	2021 £	2020 £
Fixed Assets			
Tangible Fixed Assets	10	4,057	6,328
Current Assets			
Debtors	11	33,377	20,898
Cash at Bank and In Hand		121,644	96,298
		<u>155,021</u>	<u>117,196</u>
Creditors: Amounts Falling Due Within 1 Year	12	(6,548)	(16,663)
Net Current Assets		<u>148,473</u>	<u>100,533</u>
Total Net Assets		<u>£152,530</u>	<u>£106,861</u>
Represented By:			
Unrestricted Funds	13, 14	41,991	19,928
Restricted Funds	13, 14	110,539	86,933
		<u>£152,530</u>	<u>£106,861</u>

The notes on pages 11 to 17 form part of the financial statements.

The financial statements were approved by the Trustees, and authorized for issue, on 8 July 2021 and signed on their behalf by:

DocuSigned by:

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Elizabeth Moriarty, Trustee

TWO DESTINATION LANGUAGE NOTES TO THE ACCOUNTS AT 5 APRIL 2021

1. Accounting Policies

Basis of Accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards, the Companies Act 2006, the Charities Statement of Recommended Practice (SORP) and Financial Reporting Standard (FRS) 102 Section 1A Small Entities.

Income

Income is included in the Statement of Financial Activities (SOFA) when there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Such income is only deferred when the donor or funder has specified that the grant or donation can only be used in future accounting years or where the donor or funder has imposed conditions which must be met before the charity has unconditional entitlement.

Income from Investments

Interest receivable on bank deposits is included on an accruals basis.

Expenditure

All expenditure is accounted for on an accruals basis and is recognised when a liability is incurred.

- Costs of Raising Funds are those costs of managing investments, seeking potential funders and applying for funding.
- Charitable Activities include expenditure associated with the provision of artistic projects, including both the direct costs and support costs relating to these activities.
- Support or Indirect costs are those costs incurred in support of the charitable objectives. These have been allocated to the resources expended on a consistent basis that fairly reflects the true use of those resources within the organisation, such as allocating staff costs by time spent and other costs by their usage.
- Governance costs are those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

Irrecoverable VAT

All resources expended are classified under activity headings that aggregate all costs related to the category. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Tangible Fixed Assets and Depreciation

Depreciation is provided on any fixed assets at rates calculated to write off the assets over their remaining useful lives as follows:

IT & Stage Equipment	- 33% per annum straight line
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A full year's depreciation charge is applied in the year of acquisition and no charge is made in the year of disposal.

**TWO DESTINATION LANGUAGE
NOTES TO THE ACCOUNTS
AT 5 APRIL 2021**

1. Accounting Policies (Cont.)

Impairment of Fixed Assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Fund Accounting

The charity has a number of restricted income funds to account for situations in which a funder requires that a grant must be spent on a particular purpose or where funds have been raised for a specific purpose. The aim and use of each restricted fund is set out in Note 13 to the financial statements.

All other funds are considered Unrestricted Funds and are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity.

Taxation

Two Destination Language is a registered charity and, as such, is not liable to taxation on its income in the current year.

2. Income from Investments

	Unrestricted Funds	Restricted Funds	2021	2020
	£	£	£	£
Interest on Cash Deposits	1,037	-	1,037	977
	£1,037	£-	£1,037	£977

The 2020 total of £977 related wholly to Unrestricted Funds.

**TWO DESTINATION LANGUAGE
NOTES TO THE ACCOUNTS
AT 5 APRIL 2021**

3. Income – Grants, Donations & Legacies

	Unrestricted Funds	Restricted Funds	2021	2020
	£	£	£	£
Grant Income				
Arts Council England – Fault Lines	-	-	-	1,760
Arts Council England – Fallen Fruit	-	-	-	24,280
Arts Council England – Emergency Fund	-	37,000	37,000	-
Corra Foundation - Resilience Fund	-	7,500	7,500	-
Creative Scotland – Lone Wolves	-	-	-	10,000
Creative Scotland - Shifting Tides	-	49,491	49,491	-
Foundation Scotland - Community Response, Recovery & Resilience Fund	-	5,000	5,000	-
Creative Scotland – Touring	-	-	-	160,877
	-	98,991	98,991	196,917
Donations	375	-	375	13
	£375	£98,991	£99,366	£196,930

Of the 2020 total of £196,930, £13 relates to Unrestricted Funds and £196,917 to Restricted Funds.

4. Income from Charitable Activities

	Unrestricted Funds	Restricted Funds	2021	2020
	£	£	£	£
Box Office & Fee Income	25,842	-	25,842	23,106
Book Sales	1,378	-	1,378	-
Presenting Partner Contributions	-	-	-	19,633
	£27,220	£-	£27,220	£42,649

The 2020 total of £42,649 relates wholly to Unrestricted Funds.

**TWO DESTINATION LANGUAGE
NOTES TO THE ACCOUNTS
AT 5 APRIL 2021**

5. Other Income

	Unrestricted Funds	Restricted Funds	2021	2020
	£	£	£	£
Reimbursed Expenses	-	-	-	2,843
Theatre Tax Relief	16,478	-	16,478	-
	£16,478	£-	£16,478	£2,843

The 2020 total of £2,843 relates wholly to Unrestricted Funds.

6. Expenditure on Charitable Activities

	Unrestricted Funds	Restricted Funds	2021	2020
	£	£	£	£
Direct Project Costs				
Production Costs	-	44,641	44,641	109,871
Marketing Costs	-	460	460	18,003
Producer Fees	-	-	-	14,500
Admin/General Manager Fees	-	-	-	5,760
Support Costs				
Overheads & Administration Costs	3,761	-	3,761	1,796
Depreciation	3,610	-	3,610	3,164
Core Artistic & Management Fees	14,716	30,284	45,000	13,500
Governance Costs				
Independent Examination Fees	600	-	600	600
Other Accountancy Costs	360	-	360	360
	£23,047	£75,385	98,432	£167,554

Of the 2020 total of £167,554, £50,379 relates to Unrestricted Funds and £117,175 to Restricted Funds.

7. Net Income/(Expenditure)

	2021	2020
	£	£
Net Income/(Expenditure) is stated after charging/(crediting):		
Depreciation of owned Fixed Assets	3,610	3,164
Independent Examiner's Fees	600	600

**TWO DESTINATION LANGUAGE
NOTES TO THE ACCOUNTS
AT 5 APRIL 2021**

8. Staff Costs/Trustees' Remuneration

No staff were employed in the year (2020: None).

No remuneration was paid to or waived by Trustees in the year, but Trustees are able to claim re-imbursement at cost for any out-of-pocket expenses they incur in the course of their Trustee duties.

9. Taxation

Two Destination Language is a Charitable Incorporated Organisation and, therefore, is not liable to income tax or corporation tax on income or gains derived from its activities as they fall within the exemptions available.

10. Tangible Fixed Assets

	Technical & Stage Equipment £	IT & Office Equipment £	Total Fixed Assets £
Cost			
At 6 April 2020	7,444	2,048	9,492
Additions in year	-	1,339	1,339
At 5 April 2021	7,444	3,387	10,831
Accumulated Depreciation			
At 6 April 2020	2,481	683	3,164
Charge for year	2,481	1,129	3,610
At 5 April 2021	4,962	1,812	6,774
Net Book Value			
At 5 April 2021	£2,482	£1,575	£4,057
At 6 April 2020	£4,963	£1,365	£6,328

**TWO DESTINATION LANGUAGE
NOTES TO THE ACCOUNTS
AT 5 APRIL 2021**

11. Debtors

	2021	2020
	£	£
Trade Debtors	4,475	1,500
Grant Debtors	28,461	18,516
Other Debtors	-	437
Accrued Income	-	43
Prepayments	441	402
	£33,377	£20,898

12. Creditors - Amounts Falling Due Within One Year

	2021	2020
	£	£
Accruals	6,205	1,500
Trade Creditors	443	-
Deferred Income	-	15,163
	£6,548	£16,663

13. Analysis of Net Assets between Funds

	Unrestricted Funds	Restricted Funds	2021	2020
	£	£	£	£
Fixed Assets	4,057	-	4,057	6,328
Debtors	4,916	28,461	33,377	20,898
Cash at Bank and In Hand	34,321	87,323	121,644	96,298
Creditors – Due Within 1 Year	(1,303)	(5,245)	(6,548)	(16,663)
	£41,991	£110,539	£152,530	£106,861

**TWO DESTINATION LANGUAGE
NOTES TO THE ACCOUNTS
AT 5 APRIL 2021**

14. Analysis of Charitable Funds

	Fund at 6 April 2020	Incoming Resources for Period	Resources Expended for Period	Fund at 5 April 2021
	£	£	£	£
Unrestricted General Fund	19,928	45,110	(23,047)	41,991
Movement on Restricted Funds				
Arts Council England – Emergency Fund	-	37,000	(37,000)	-
Corra Foundation - Resilience Fund	-	7,500	(7,500)	-
Creative Scotland - Shifting Tides	-	49,491	(12,296)	37,195
Foundation Scotland - Community Response, Recovery and Resilience Fund	-	5,000	(5,000)	-
Creative Scotland – Touring	86,933	-	(13,589)	73,344
Total Restricted Funds	86,933	98,991	(75,385)	110,539
Total Funds	£106,861	£144,101	£(98,432)	£152,530

Name of Restricted Fund	Description, Nature & Purpose of the Restricted Fund
Arts Council England – Emergency Fund / Corra Foundation - Resilience Fund / Foundation Scotland - Community Response, Recovery and Resilience Fund	Towards the cost of supporting the organisation to deliver on its mission through the impact of the COVID-19 pandemic
Creative Scotland – Shifting Tides	Towards the cost of Shifting Tides
Creative Scotland – Touring	Towards the cost of touring Fallen Fruit and Fault Lines

15. Financial Commitments

No material financial commitments have been made in respect of future financial years.

16. Related Parties

There were no transactions in the year with related parties, such as are required to be disclosed under the Financial Reporting Standard for Smaller Entities (Effective April 2008).