

DANCEBOX THEATRE WORKS
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

DANCEBOX THEATRE WORKS

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

A Murray Esq
R Linecar Esq
Ms V Allen

Charity number

1172741

Accountants

MHA Macintyre Hudson
Moorgate House
201 Silbury Boulevard
Milton Keynes
United Kingdom
MK9 1LZ

DANCEBOX THEATRE WORKS

CONTENTS

	Page
Trustees' report	1 - 3
Statement of Trustees' responsibilities	4
Statement of financial activities	5
Balance sheet	6
Notes to the financial statements	7 - 12

DANCEBOX THEATRE WORKS

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 JULY 2020

The Trustees present their report and financial statements for the year ended 31 July 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's [governing document], the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

The charity's objects are to advance education for the public benefit through the provision of vocational education and training in the performing arts, delivered through the charity's own school, for young people aged 2 to 25.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Charity should undertake.

The Charity's activities provide access to high quality, pre-vocational and vocational performing arts training for students both from the local area and a wider geographical catchment. The Charity also provides access to high quality dance and performing arts studios for use by both local organisations and renowned professional companies.

Achievements and performance

The 19/20 AY was a period of consolidation for the FE courses, which, at the launch of the BA (Hons) PDMT course, will become known as Sixth Form Dance & Musical Theatre and the Foundation Diploma.

Student numbers remained at a similar level, with an increase in the quality of the intake. Sadly, gender diversity remains poor, with an entirely female student cohort in this period. Plans and outreach activities to address this imbalance are being put in place and tutor requirement is also being used to provide more gender equality in the teaching team. Diversity in student ethnicity is also limited, but again, plans are in place to actively improve diversity across the student body. Again, diversity in the teaching team is also being used to help perception and recruitment of a more diverse student body.

Diversity in student ethnicity is also limited, but again, plans are in place to actively improve diversity across the student body. Again, diversity in the teaching team is also being used to help perception and recruitment of a more diverse student body.

The most significant development in the 19/20 AY is the finalisation of the BA (Hons) Professional Dance & Musical Theatre programme, validated by Buckinghamshire New University. This programme of study will underpin the 3-year professional training course that will be the new flagship qualification at the college. It is anticipated that there will eventually be 30 students per year on a course, with a student count of approximately 90 at any one time, providing an annual fee income in the region of £666,000. TLB & KB will oversee the recruitment of tutors for the programme in preparation for delivery starting in September 2020.

DANCEBOX THEATRE WORKS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

The class delivery in the Junior School continues to be robust, even in light of the challenges provided by the pandemic. There has been approximately a 25% reduction in the number of children participating regularly in classes, but this has predominantly been due to impacts on family budgets, and parents have expressed interest in returning children to classes once they are able to return to regular employment.

Pandemic Response

The first impact of the Coronavirus pandemic, starting in March 2020 was the cancellation of one of our largest publicity events, Move It. We are awaiting advice as to re-scheduled dates and the reallocation of the funds paid to date.

In line with government guidance, all provision was moved online, with all timetabled teaching taking place on Zoom. This small additional technology cost was met from college reserves. This method of online teaching seems to be working well, with all students able to participate and providing positive feedback as to the effectiveness and consistency of education and training.

Financial review

The principal source of income in the first period was receipts under the terms of an agreement with Bedford College and from the operation of classes in Dancebox Junior School. In addition, as the leaseholder to premises, additional primary purpose income is received from providing facilities to related undertakings.

The Charity has assessed the major risks to which it is exposed, and satisfied that systems are in place to mitigate exposure to the major risks.

The main risks to the Charity are the continuance of the core contract operated under for course provision, and continuing opportunity for facilities to be let out for use by other organisations.

In the future, the Charity plans to maintain its core College and course offering, whilst exploring other opportunities to expand and provide like services, in line with its objectives and activities.

It is the policy of the Charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The Trustees considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the Charity's current activities while consideration is given to ways in which additional funds may be raised.

The Charity has assessed the major risks to which it is exposed, and satisfied that systems are in place to mitigate exposure to the major risks. The main risks to the Charity are the continuance of the core contract operated under for course provision, and continuing opportunity for facilities to be let out for use by other organisations.

Covid-19 Statement

Since the year end we, along with all other charities and organisations, have been impacted by the Covid-19 pandemic. This has included the enforced closure of the studios used.

The charity has still been able to offer on-line and other services, and anticipate full funding as contracted for the future. Costs are able to be controlled as principally relate to teaching costs, and support is available within the structure from a related business/LLP. Considering this, the Trustees believe that operations are able to continue into the foreseeable future.

Plans for future periods

In the future, the Charity plans to maintain its core College and course offering, whilst exploring other opportunities to expand and provide like services, in line with its objectives and activities.

DANCEBOX THEATRE WORKS

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

Structure, governance and management

The Charity is a Charitable Incorporated Organisation and was registered on 25 April 2017.

The Trustees who served during the period and up to the date of signature of the financial statements were:

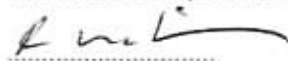
A Murray Esq
R Linecar Esq
Ms V Allen

Suitable Trustees are considered on the basis of their experience, and links to the Charity and those involved in its day to day running.

A constant appraisal is also made of skills gaps within the Trustee and Leadership teams and plans for suitable training or recruitment have been put in place to ensure the capability of the teams to lead as the Charity grows.

Day to day running of the Charity is delegated to individuals specialising in the performing arts and dance, but the Trustees actively review financial and operational matters and ensure that procedures are in place to comply with legal requirements and to prevent loss of income through fraud or error.

The Trustees' report was approved by the Board of Trustees.


.....

Date: 6th April 2022

DANCEBOX THEATRE WORKS

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 JULY 2020

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for that year.

In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DANCEBOX THEATRE WORKS

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 JULY 2020

		Unrestricted funds 2020 £	Unrestricted funds 2019 £
	Notes		
<u>Income from:</u>			
Charitable activities	3	317,073	197,453
		<hr/>	<hr/>
<u>Expenditure on:</u>			
Charitable activities	4	285,283	156,765
		<hr/>	<hr/>
Net income for the year/ Net movement in funds		31,790	40,688
Fund balances at 1 August 2019		84,910	44,222
		<hr/>	<hr/>
Fund balances at 31 July 2020		116,700	84,910
		<hr/> <hr/>	<hr/> <hr/>

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

All income and expenditure derive from continuing activities.

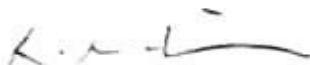
DANCEBOX THEATRE WORKS

BALANCE SHEET

AS AT 31 JULY 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	7		73,952		95,606
Current assets					
Debtors	8	50,804		13,750	
Cash at bank and in hand		-		2,132	
		<u>50,804</u>		<u>15,882</u>	
Creditors: amounts falling due within one year	9	<u>(8,056)</u>		<u>(26,578)</u>	
Net current assets/(liabilities)			42,748		(10,696)
Total assets less current liabilities			<u>116,700</u>		<u>84,910</u>
Income funds					
Unrestricted funds			116,700		84,910
			<u>116,700</u>		<u>84,910</u>

The financial statements were approved by the Trustees on 6th April 2022


.....

Trustee

DANCEBOX THEATRE WORKS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2020

1 Accounting policies

Charity information

Dancebox Theatre Works is a Charitable Incorporated Organisation registered charity in England and Wales. The address of the principal office is 216-218 Regency Court, Upper Fifth Street, Milton Keynes, MK9 2HR.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Charity's [governing document], the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 Charity is a Public Benefit Entity as defined by FRS 102.

The Charity has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

Covid-19 Statement

In response to the Covid-19 pandemic, the Trustees have performed a robust analysis of forecast future cash flows taking into account any potential impacts on the charity of any possible future scenarios arising from the impact of Covid-19. This analysis also considers the effectiveness of available measures to assist in mitigating the impact and the surety of future income.

Based on these assessments and having regard to the resources available to the charity, the Trustees have concluded that there is no material uncertainty arising from the Covid-19 pandemic and that they can continue to adopt the going concern basis in preparing the annual report and accounts.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

DANCEBOX THEATRE WORKS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

1 Accounting policies

(Continued)

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the Charity.

1.4 Income

Income is recognised when the Charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the Charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the Charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

1.5 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 are allocated on the portion of the asset's use.

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Fundraising costs are those incurred in seeking voluntary contributions.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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

Freehold land and buildings	2% straight line
Computers	33.3% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

DANCEBOX THEATRE WORKS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

1 Accounting policies

(Continued)

1.7 Impairment of fixed assets

At each reporting end date, the Charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Charity's balance sheet when the Charity becomes party to the contractual provisions of the instrument.

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

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Charity's contractual obligations expire or are discharged or cancelled.

DANCEBOX THEATRE WORKS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

2 Critical accounting estimates and judgements

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Charitable activities

	2020	Charitable Income Heading 1 2019
	£	£
Course fees and facilities rental	317,073	197,453

4 Charitable activities

	2020	2019
	£	£
Purchases	14,678	14,745
Subcontractor costs	129,332	36,886
Rent	48,249	58,851
Rates	2,423	6,930
Light and heat	8,650	4,034
Cleaning	8,370	6,291
Repairs and maintenance	10,931	390
Travel and subsistence	10,036	4,150
Office costs	9,642	9,120
Advertising and exhibition costs	13,969	11,368
Insurance	3,600	4,000
Other charitable expenditure	21,654	-
	281,534	156,765
Independent examiner's fee	3,749	-
	285,283	156,765

DANCEBOX THEATRE WORKS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

5 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the Charity during the year.

6 Employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
Total	-	-

There were no employees whose annual remuneration was more than £60,000.

7 Tangible fixed assets

	Freehold land and buildings £	Computers £	Total £
Cost			
At 1 August 2019	88,007	7,599	95,606
At 31 July 2020	88,007	7,599	95,606
Depreciation and impairment			
Depreciation charged in the year	20,134	1,520	21,654
At 31 July 2020	20,134	1,520	21,654
Carrying amount			
At 31 July 2020	67,873	6,079	73,952
At 31 July 2019	88,007	7,599	95,606

8 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Amounts owed by joint ventures	37,054	-
Other debtors	13,750	13,750
	50,804	13,750

DANCEBOX THEATRE WORKS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

9 Creditors: amounts falling due within one year

	2020 £	2019 £
Amounts owed to associate undertakings	-	18,521
Other creditors	6,000	6,057
Accruals and deferred income	2,056	2,000
	<u>8,056</u>	<u>26,578</u>

10 Operating lease commitments

At the reporting end date the Charity had outstanding commitments of £110,000 for future minimum lease payments under non-cancellable operating leases in 2-5 years (2 years at £55,000 per annum, possible break clause after a 5 year period).

	2020 £	2019 £
Within one year	<u>110,000</u>	<u>165,000</u>

11 Related party transactions

At the period end, an amount of £37,054 was due from Dancebox Milton Keynes LLP. The members of the LLP are involved in the day to day running of the Charity.