

**REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022
FOR
GROUNDINGS THEATRE TRUST**

GROUNDLINGS THEATRE TRUST

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

	Page
Report of the Trustees	1 to 5
Independent Examiner's Report	6
Statement of Financial Activities	7
Balance Sheet	8
Notes to the Financial Statements	9 to 14

GROUNDINGS THEATRE TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022

ACHIEVEMENT AND PERFORMANCE

Effect of Covid

Our second year of operation was again significantly impacted by Covid. While restrictions were easing and final lock down had lifted by July, the inability to plan for this date meant our schedule of programming was not in place.

From a Health and Safety perspective, we continued to comply with all government rules and instructions including signing in procedures, provision of hand sanitising, antibacterial spraying and deep cleaning.

Productions

Our production of Wonderland was scheduled in accordance with the easing of lockdown but was performed under social distancing meaning a 60% reduction in capacity. All auditions and rehearsals had been conducted under the Covid guidelines of social distancing and sanitation. However due to reduced capacity and audience hesitancy to return to live events, the production was unable to break even.

Panto therefore was the core production for the year that was able to be confidently planned however the Omicron variant that arose in November and December tainted the confidence levels and attendance was down on pre-covid capacity.

Drama Classes

Drama classes for children returned to the classroom in April 2021, in line with government guidance, and our Summer School programme was able to go ahead with good attendance.

In the new school term, in September, we completely relaunched our Drama School, with a new name, new timetable and a clearer mission. Our drama school serves pupils aged 7 - 70+ and we are proud that it is the only consistent weekly drama class for adults in a 50mile radius. We have had adult pupils from afar as Bournemouth and Andover attend classes.

Theatre in Education (TIE)

Given the lack of confidence in planning for the new school term in September, the full TIE programme did not commence again this year with the focus placed on relaunching and growing the drama school classes. However, some we had three bookings from two schools who book from us regularly that we delivered in the Spring term of 2021.

Visiting Shows

Once the announcement of full easing of restrictions was advised for 19 July 2021, planning was swiftly put in place to book more visiting shows. We were able to attract a number during July to November, with January and March having a fuller program given time to book and create demand.

Hires

Our venue hires were limited during the lockdown months to the smaller groups of ghost hunting and paranormal organisations that were able to follow social distancing rules and other government guidelines. Upon the easing of restrictions, we were opened to other groups and events that booked the venue which assisted, particularly in the summer months.

Community Engagement

We developed an Ambassador committee, made up of members of the community that had also been volunteering with us. They work on identifying potential partners and discuss ways of working together to improve and enhance services and support and that will promote Grounding Theatre as a community hub. They have already established relationships with the Portsmouth Event Group (PEG), Portsea Action Group (PAG), both based within the John Pounds community centre as well as Hive Portsmouth.

Marketing and Promotions

With no certainty on the lifting of Covid restrictions there was limited ability to plan community events and productions and therefore marketing was minimal. However, we took the opportunity to create a new website, built on Squarespace, through the support of a volunteer.

Grants & Fundraising

We were very fortunate to be supported by Portsmouth City Council and Arts Council through Covid recovery schemes during the course of the year.

GROUNDINGS THEATRE TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022

Historic England also provided us with a capital grant to restore the front façade of the building as part of their Covid recovery grants. We also were successful in obtaining a grant to improve our IT systems including new computers, a SharePoint site and izettle payment terminals for our bar area.

Building Repairs and Improvements.

We took the opportunity during lock down to improve key aspects of the building, ensuring work was carried out under the Covid health and safety guidelines.

- **Front Façade:** We were fortunate to have been awarded an emergency Covid grant from Historic England at the end of FY21 towards the cost of restoring the front facade of the building. This work was conducted from May to June 2021 and resulted in a complete restoration of the front façade including windows, tying the brickwork in, repairing render, replacing damaged brickwork and repairing rotting wooden pillars at front of the building.
- **New Bar area:** Internally a new bar was constructed in the first quarter of the financial year. This was achieved through the guidance of one of our Trustees and with the help of a number of volunteers and therefore at minimal cost to the Charity. The addition of the new bar has made a significant impact on our ancillary income associated with productions and visiting shows.
- **Health and Safety and general maintenance:** Continued work to make the building safer were undertaken and measures were put in to mitigate future cost heavy works being required.

FINANCIAL REVIEW

In a second year of uncertainty due to Covid, the trustees have kept expenditure to a minimum while seeking opportunities to maximise our resources and grow income. Day-to-day recording of income, invoicing and payment of bills is carried out by staff overseen by trustees. Trustees have oversight of the bank accounts, and finance is a standing agenda item at the Monthly Board meetings. The Trust employs a Finance Coordinator who prepares the books for the year end examination and production of accounts in the form required by the Charity Commission.

The staff count has been retained with 2 Full time and 2 Part time in place, providing 2.8 FTE in total, demonstrating the reliance on volunteers from the local community.

The charity has an agreed Reserves Policy and following the Charity Commission recommendations is working toward reserves equaling three months' operational costs.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust and constitutes an unincorporated charity.

Background

As a board, we have developed strong governance achieved with the support of an arts charity consultant funded by the Theatres Trust, who assisted in the final piece of working in undertaking a Board Skills Analysis and increasing our maximum number of possible Trustees from 5 to 9 within our constitution.

Our Chair decided to step down but continues to volunteer and participate with the Theatre. She was instrumental in the formation of the Trust and without her drive and commitment to the Theatre, we would not be in the place we are today and are forever grateful and thankful she remains a part of our community.

Recruitment and appointment of new trustees

Following the Boards skills analysis, we conducted a recruitment drive for Trustee vacancies. Applicants were asked to submit a CV and those passing the initial sift were then interviewed and successful candidates invited to join the board.

In FY22, we had three new trustees join with expertise in Theatre Operation, Health and Safety and Marketing, to complement the skills we already had in place. All new trustees are given an induction and training pack and are asked to sign a declaration stating they are not disqualified by the Charity Commission to serve as a Trustee.

There are now 7 Trustees with the skills and dedication necessary to give us a strong and committed board well capable of taking a robust and healthy organisation forward to a bright future.

GROUNDINGS THEATRE TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

The trustees have a duty of care to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. The trustees have in place the necessary policies and procedures for the operation of the theatre and meet monthly to oversee policy and finance matters with the Executive and Creative Director as the professional advisor.

The effect of Covid on the theatre's ability to trade, has been a significant challenge in the first half of the year with no ability to plan in order to truly launch as a Trust. The Covid Recovery grants we successfully applied for and obtained from Portsmouth City Council and Arts Council were instrumental in us moving forward. The learnings this has created has resulted in a forward-looking business plan being created in January 2022, which will be used to create a two and three-year plan moving forward.

The poor state of the building continues to be a risk with the building once again being on the Theatres at Risk register, along with the Heritage at Risk register held by Historic England. In October 2021, the building was put up for sale by our landlord which has triggered discussions of potential purchase by the Trust. We believe this would be the best outcome for both parties, as the Trust will be able to apply for a grant to restore the building which, under the remaining 8-year lease, is difficult. Therefore, we have started investigations for potential grant funding to potentially place an offer to purchase the building.

THANK FOR SUPPORT

This Annual Report gives the Board an opportunity to offer public thanks to the many people and organisations who have supported their work during the year. Special thanks go to the following:

- All the volunteers to have stuck with us.
- The staff who have gone above and beyond
- All the people who have donated to the trust
- All the ticket holders who when given the choice, chose to donate their ticket money
- All the grant funders who have trusted us with their funding in these difficult times including:
 - Portsmouth City Council
 - The Arts Council
 - Theatres Trust
 - Historic England

Local businesses for their sponsorship in kind and kindness:

- Pritchard Architects
- Saulet Townsend
- BEA systems
- PMG Electrics
- Key Systems
- VEL

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

1186929

Principal address

42 Kent Street
Portsea
Portsmouth
Hants
PO1 3BS

GROUNDLINGS THEATRE TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022

Trustees

C M Allison
R S Sexton
H Gibbs (resigned 17.3.2022)
S Ford
H Riley (appointed 1.11.2021)
D Hart (appointed 22.9.2021)
S Collier (appointed 18.9.2021)
A Simmons (appointed 1.6.2022)

Chief Executive : Mr. Tobias Robinson

Independent Examiner

S Mackie
FCA
Morris Crocker
Chartered Accountants
Station House
North Street
Havant
Hampshire
PO9 1QU

Registered Charity Number: 1186929


Registered Office:

Groundlings Theatre
42 Kent Street
Portsea
Portsmouth
Hampshire
PO1 3BS

Banker:

Lloyds Bank plc

Approved by order of the board of trustees on 2 November 2022 and signed on its behalf by:


.....
S Collier - Trustee

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
GROUNDINGS THEATRE TRUST**

Independent examiner's report to the trustees of Groundlings Theatre Trust

I report to the charity trustees on my examination of the accounts of Groundlings Theatre Trust (the Trust) for the year ended 31 March 2022.

Responsibilities and basis of report

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



S Mackie
FCA
Morris Crocker
Chartered Accountants
Station House
North Street
Havant
Hampshire
PO9 1QU

Date: 9th November 2022

GROUNDINGS THEATRE TRUST

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2022**

	Notes	Unrestricted fund £	Restricted funds £	2022 Total funds £	2021 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	2,070	-	2,070	3,279
Charitable activities					
Operation of theatre		240,969	3,560	244,529	146,312
Total		<u>243,039</u>	<u>3,560</u>	<u>246,599</u>	<u>149,591</u>
EXPENDITURE ON					
Charitable activities	4				
Operation of theatre		239,754	3,560	243,314	111,872
NET INCOME		<u>3,285</u>	<u>-</u>	<u>3,285</u>	<u>37,719</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		37,719	-	37,719	-
TOTAL FUNDS CARRIED FORWARD		<u><u>41,004</u></u>	<u><u>-</u></u>	<u><u>41,004</u></u>	<u><u>37,719</u></u>

The notes form part of these financial statements

GROUNDINGS THEATRE TRUST

BALANCE SHEET 31 MARCH 2022

	Notes	2022 £	2021 £
CURRENT ASSETS			
Debtors	9	7,119	763
Cash at bank		<u>60,546</u>	<u>38,853</u>
		67,665	39,616
CREDITORS			
Amounts falling due within one year	10	(26,661)	(1,897)
		<u>41,004</u>	<u>37,719</u>
NET CURRENT ASSETS			
		<u>41,004</u>	<u>37,719</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>41,004</u>	<u>37,719</u>
NET ASSETS			
		<u>41,004</u>	<u>37,719</u>
FUNDS	12		
Unrestricted funds		<u>41,004</u>	<u>37,719</u>
TOTAL FUNDS		<u>41,004</u>	<u>37,719</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 2 November 2022 and were signed on its behalf by:


A Simmons - Trustee

The notes form part of these financial statements

GROUNDINGS THEATRE TRUST

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

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, 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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

The trustees consider that there are no material uncertainties regarding the charity's ability to continue as a going concern.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Financial instruments

The charity only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable investments in stocks and shares. The measurement basis used for these instruments is detailed below.

Debtors and cash at bank

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Cash at bank and in hand included cash held on deposit or in a current account.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

GROUNDINGS THEATRE TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2022

2. DONATIONS AND LEGACIES

	2022	2021
	£	£
Donations	<u>2,070</u>	<u>3,279</u>

3. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2022	2021
		£	£
Event Income	Operation of theatre	85,262	16,710
Bar & Café Income	Operation of theatre	27,286	424
Car Park Income	Operation of theatre	13,374	8,188
Grants	Operation of theatre	<u>118,607</u>	<u>120,990</u>
		<u>244,529</u>	<u>146,312</u>

Grants received, included in the above, are as follows:

	2022	2021
	£	£
Portsmouth City Council	22,381	15,000
Arts Council	74,882	35,000
National Lottery	-	10,000
Historic England	4,140	22,500
Theatre Trust	800	14,280
Furlough grant	4,404	8,853
PCC Covid Recovery	<u>12,000</u>	<u>15,357</u>
	<u>118,607</u>	<u>120,990</u>

4. CHARITABLE ACTIVITIES COSTS

	Direct Costs	Support costs (see note 5)	Totals
	£	£	£
Operation of theatre	<u>240,369</u>	<u>2,945</u>	<u>243,314</u>

5. SUPPORT COSTS

	Finance	Governance costs	Totals
	£	£	£
Operation of theatre	<u>69</u>	<u>2,876</u>	<u>2,945</u>

GROUNDINGS THEATRE TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2022

5. SUPPORT COSTS - continued

Support costs, included in the above, are as follows:

Finance

	2022 Operation of theatre £	2021 Total activities £
Bank charges	69	-

Governance costs

	2022 Operation of theatre £	2021 Total activities £
Accountancy and legal fees	1,896	1,260
Legal and professional fees	980	7,964
	<u>2,876</u>	<u>9,224</u>

6. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2022 nor for the year ended 31 March 2021.

Trustees' expenses

During the year one trustee (2021: none) was reimbursed out of pocket expenses for repairs totalling £1,954 (2021: £nil).

7. STAFF COSTS

	2022 £	2021 £
Wages and salaries	84,366	28,699
Social security	4,901	2,278
Employers pension costs	2,643	-
	<u>91,910</u>	<u>30,977</u>

The average monthly number of employees during the year was as follows:

	2022	2021
Operational staff	<u>4</u>	<u>4</u>

No employees received emoluments in excess of £60,000.

Key Management Personnel

The key management personnel of the charity comprises the Executive and Creative director. The total consideration paid and employee remuneration and benefits of the key management personnel of the charity was £19,845 (2021: £14,373).

GROUNDINGS THEATRE TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2022

8. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	3,279	-	3,279
Charitable activities			
Operation of theatre	<u>100,678</u>	<u>45,634</u>	<u>146,312</u>
Total	<u>103,957</u>	<u>45,634</u>	<u>149,591</u>
EXPENDITURE ON			
Charitable activities			
Operation of theatre	66,238	45,634	111,872
NET INCOME	<u>37,719</u>	<u>-</u>	<u>37,719</u>
TOTAL FUNDS CARRIED FORWARD	<u><u>37,719</u></u>	<u><u>-</u></u>	<u><u>37,719</u></u>

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade debtors	1,550	763
Prepayments and accrued income	<u>5,569</u>	<u>-</u>
	<u><u>7,119</u></u>	<u><u>763</u></u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade creditors	-	637
Taxation and social security	486	-
Other creditors	<u>26,175</u>	<u>1,260</u>
	<u><u>26,661</u></u>	<u><u>1,897</u></u>
	2022 £	2021 £
Brought forward	-	-
Amount released to incoming resources	-	-
Amount deferred in year	<u>16,676</u>	<u>-</u>
Carried forward	<u><u>16,676</u></u>	<u><u>-</u></u>

GROUNDINGS THEATRE TRUST

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

11. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund £	Restricted funds £	2022 Total funds £	2021 Total funds £
Current assets	67,665	-	67,665	39,616
Current liabilities	(26,661)	-	(26,661)	(1,897)
	<u>41,004</u>	<u>-</u>	<u>41,004</u>	<u>37,719</u>

12. MOVEMENT IN FUNDS

	At 1.4.21 £	Net movement in funds £	At 31.3.22 £
Unrestricted funds			
General fund	37,719	3,285	41,004
TOTAL FUNDS	<u>37,719</u>	<u>3,285</u>	<u>41,004</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	243,039	(239,754)	3,285
Restricted funds			
Portsmouth City Council	3,560	(3,560)	-
TOTAL FUNDS	<u>246,599</u>	<u>(243,314)</u>	<u>3,285</u>

Comparatives for movement in funds

	Net movement in funds £	At 31.3.21 £
Unrestricted funds		
General fund	37,719	37,719
TOTAL FUNDS	<u>37,719</u>	<u>37,719</u>

GROUNDINGS THEATRE TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2022

12. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	103,958	(66,239)	37,719
Restricted funds			
Furlough grant	8,853	(8,853)	-
Theatre Trust	14,280	(14,280)	-
Historic England	22,500	(22,500)	-
	<u>45,633</u>	<u>(45,633)</u>	<u>-</u>
TOTAL FUNDS	<u>149,591</u>	<u>(111,872)</u>	<u>37,719</u>

The Furlough Grant covered specific employees salaries.

The Theatre Trust grant is restricted and covered specific works to the Theatre.

The Historic England grant is restricted and covered restoration works.

The Portsmouth City Council grant is restricted and covered support towards the Summer 2021 programme.

13. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2022.