



Smailes Goldie
CHARTERED ACCOUNTANTS

REGISTERED NUMBER: 09921306
REGISTERED CHARITY NUMBER: 1188756

Middle Child Theatre Limited

Unaudited Financial Statements

31 March 2024



Middle Child Theatre Limited

Contents of the Financial Statements for the year ended 31st March 2024

	Page
Report of the Trustees	1 to 8
Independent Examiner's Report	9
Statement of Financial Activities	10
Balance Sheet	11 to 12
Cash Flow Statement	13
Notes to the Cash Flow Statement	14
Notes to the Financial Statements	15 to 21

Middle Child Theatre Limited

Report of the Trustees for the year ended 31st March 2024

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31st March 2024. The trustees have adopted the provisions of 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

Objectives and aims

Middle Child's purpose as set out in the company's articles of association is -

'To advance the arts for the public benefit by the promotion in particular, but not exclusively, of the art of drama.'

The activities and objectives that the charity set annually centre on this purpose and are guided by its Vision, Mission, Strategy, Values and Middle Child Style.

Vision

A vision for a fair and equitable world where anyone's story can be told and heard.

Mission

To tell untold stories which capture the electrifying moment when the beat drops, mixing original live music with bold new writing. Middle Child events are live and loud, making sense of the modern world. The company is committed to breaking down barriers and ensuring that theatre is affordable and accessible to all. Middle Child will set fire to your imagination of what a night at the theatre can be.

Strategy

Audiences: Middle Child create theatre that brings people together for a good night out with big ideas.

Artists: Middle Child invest time, money and resource in the new and under-represented voices to contribute to the creation of a more equitable industry.

Values

- A Hull-based company, which is vital to the work, stories and entire ethos
- Put Hull artists at the heart of the creative process, growth and successes
- Prioritise the well-being of the people the company works with and challenge damaging behaviours and habits within the industry
- Endeavour for the work to be affordable and accessible to all
- Lead with authenticity, transparency and openness at every level of the organisation
- Committed to creating greater equity in who makes and enjoys theatre
- Determined to increase the diversity of artists and audiences in Hull

Middle Child Artistic Style

- Blurs the lines between gigs, stand up, theatre and a night out with a focus on breaking down barriers;
- Tells stories that are new, Northern and reflect the diversity of the United Kingdom;
- Prioritises 'liveness', remaining responsive and reactive to each audience;
- Believe theatre works best as a social event, with a reason to come early or stay late.

Middle Child Theatre Limited

Report of the Trustees

for the year ended 31st March 2024

OBJECTIVES AND ACTIVITIES

Significant activities in the year

Progress in the face of external challenges

The year 2023/2024 marked Middle Child's sixth year as an Arts Council's National Portfolio Organisation. It has been our most ambitious year to date in terms of the scale of our work, the wide reach of our programme and key changes to our staffing structures. Despite industry-wide challenges relating to ongoing recovery from the pandemic and the national cost of living crisis, it has been a year full of successes on and off-stage, including meaningful progress towards our vision and an evolution of our dynamic and flexible producing model.

We returned to indoor touring for the first time since before the pandemic - including a headline run at the 2021 London Theatre of the Year, *The Kiln*, produced our best-selling panto yet - reaching 95% capacity, exceeded our fundraising target by 17% and saw our in-house theatre library reach its highest numbers yet. Our artist development programme, *Reverb*, also continued to make great impact in our home city and we secured significant new investment towards the launch of our new playwriting festival, *Fresh Ink*, which will launch in 2024/25. We also launched a new part of our programme entitled *Play and a Plate* which took live play readings into community settings while offering free food in acknowledgment of rising food poverty in our area. Middle Child were also embedded within communities in the city on a larger scale than ever before, spending a full-year immersed in Hull's Gipsyville area before creating a show with and for residents, partnering with The Warren and Comic Relief to co-create *Three Minute Monologues* based on the words of local young people, and working with *Back To Ours* on an Easter tour of our panto to four community spaces.

Key challenges remain as audiences are slow to return to live theatre following the pandemic, with Hull in particular feeling this pressure across the sector. This was also felt heavily during the touring leg of *Modest* with audiences slightly below our expectations at most venues. There is a knock-on effect on the guarantees receiving venues are able to offer, meaning touring feels more challenging than ever for companies of our size. This was mitigated in 2023/24 by a planned release of some of our *Dynamism* fund, enabling us to produce and tour *Modest* in line with our ambitions for the piece, though we must recognise that this model is not sustainable and will need to be rethought or additional funding secured to continue in future. Middle Child are engaged in wider industry conversations and advocacy around this topic, and hope that sustainable change will be seen in the coming years alongside an improvement in audience confidence and attendance post-pandemic.

Access and Audiences

Access

Middle Child exist to increase access to creating live theatre, and do this in two ways across our programme:

1. Change how people access live performance:
 - Pay what you decide and solidarity ticket offers are made available locally so that people who wouldn't be able to attend live theatre can attend productions.
 - Working with local community groups to run a walking bus - a social and supported way for those without transport to attend productions.
 - Offering regular British Sign Language and audio described performances.
 - Providing free ticket offers to targeted community groups.
 - Practicing cultural democracy by regularly asking the community what they want to see, inviting audiences to vote for each year's panto title and giving local people the chance to co-design the programme.
 - Hosting *Imagine the Future* focus groups, inviting freelancers and audiences to co-design the future of the industry and, consequently, our programme.
 - Taking high-quality theatre to people's doorsteps alongside partners such as **Absolutely Cultured** and **Back To Ours**.
2. Change how people access development and employment opportunities, to widen who can pursue a career in the arts:

Middle Child Theatre Limited

Report of the Trustees

for the year ended 31st March 2024

OBJECTIVES AND ACTIVITIES

- Offering flexible working to support work-life balance and staff wellbeing.
- Implementing the four-day working week to support work-life balance, staff wellbeing and reduce utility costs.
- A Parents in the Performing Arts (PIPA) Charter Partner, implementing family-friendly working policies.
- Ensuring development opportunities are free or offer paid to remove financial barriers to access.
- Completing essential training with core team and local freelancers, whom the company's work depends on.
- Ensuring our building is fully accessible with lift and accessible toilet and entrance ramp.
- Taking our development programme into community spaces, such as through our year-long embedded work in the Gipsyville community or our touring Play and a Plate programme.

Audiences

Middle Child exists to change who makes and enjoys theatre. This is reflected in the stories told and the company's core audience: people who don't think theatre is for them, because of a mix of real or perceived exclusions including the stories that are told, who tells them and where, affordability and accessibility. Middle Child targets work at younger (18-34) working class audiences, including families for our Christmas work, and works hard to remove barriers faced by diverse and disabled communities.

Artistic Programming

The Big Gig

High-quality gig theatre that starts life in Hull before embarking on national tours and transfers. These shows are the company's flagship productions, ambitious in both form and content, with a focus on growing local audiences and developing a national profile.

Modest

In 2023/24 our Big Gig production was Modest by Ellen Brammar, a partnership between Middle Child and Milk Presents. The production began life at Hull Truck Theatre before touring to the Sheffield Crucible, Northern Stage, SlungLow in Leeds, the New Wolsey, the Stephen Joseph Theatre and London's Kiln Theatre. The show received excellent audience feedback and very strong reviews. While tour sales were slightly lower than anticipated, this show bought in a completely new audience for Middle Child and managed to exceed sales for our 2022/23 outdoor musical There Should Be Unicorns by 48% - a remarkable achievement considering tickets for that show were free.

A total of 4,205 people saw the show across the duration of its run, with positive reviews and feedback received - for example:

"Rollicking piece of gig theatre... stonking performances and stunning singing" - 4*, The Guardian

"Brammar's exceptional piece... uses a potent mix of drag, searing comedy, indignant fury and tenderness to explore the real-life artist's history and highlight its contradictions... The ensemble cast are wonderful." - 4*, The Stage

"Hugely pleasurable watch... delivers punch after punch" - 4*, What's On Stage

Middle Child Theatre Limited

Report of the Trustees

for the year ended 31st March 2024

OBJECTIVES AND ACTIVITIES

Other Projects

In addition to Modest we also produced a number of other impactful projects which engaged local audiences at both participants and audiences. These include:

This One's For Us in partnership with Absolutely Cultured

A co-created community project in the Gipsyville area of Hull, leading to the creation of a new piece of outdoor work following a year of embedded community workshops. The show was brilliantly received by both participants and local audiences, with 89% of survey responders stating the project was different from things they had experienced before and 93% reporting the project helped them to gain new insight or knowledge.

Three Minutes Monologues, in partnership with the Warren, the BBC and Comic Relief

Our partnership with the Warren, the BBC and Comic Relief bought to life four monologues based on the words of young people, following a series of workshops which saw 196 attendances from young people. The project was a real success with 86% of 70 young people reporting positive impact on their mental health, and 100% saying their new writing skills were useful.

Baby He Loves You

Our 2024/25 Big Gig show underwent a week of R&D, developing the script with local freelancers.

That Time Again

Events that serve as both a first point-of-contact for people new to the company, and a way for people to engage with Middle Child's work year-on-year.

Red Riding Hood

Our flagship production in this strand of work is our annual alternative Christmas pantomime which has built a strong audience base in Hull over the past 13 years, many of whom subsequently attend our Big Gig shows.

In 2023/24 our new rock and roll panto Red Riding Hood returned to Social on Humber Street, reaching a total of 2,655 - an increase of 7% on the previous year, reaching 95% of capacity. Of audiences surveyed on the door, 40% had not seen any other theatre in the past 12 months aside from panto. We have set targets relating to how many panto audiences attend our next Big Gig, Baby, He Loves You to prove this pathway method is effective.

Sales were especially strong when considering the impact of the ongoing cost of living crisis in Hull. Once again, audience members were invited to vote on next year's story, with 1,886 (71%) of our audience taking part in the vote - leading to an overwhelming victory for Treasure Island.

Audience feedback includes:

"Absolutely brilliant every year!"

"Hilarious as always"

"Brilliant, best panto in town"

"Best panto ever!"

This year we also partnered with Back to Ours, touring our panto for the first time. The show toured to four community venues across the city and was a resounding success, with incredible audience feedback and 84% of tickets sold. 100% of audiences reported feeling welcomed and at ease during the performances, with 72% saying they had experienced something new. 95% said they enjoyed how the show brought people together, with 95% also saying it made them feel happier. There is a hope that the panto can work in partnership again with Back to Ours in 2024/25 to build on this positive first year.

Middle Child Theatre Limited

Report of the Trustees

for the year ended 31st March 2024

OBJECTIVES AND ACTIVITIES

Reverb Artist Development

Middle Child's ambitious artist development programme, offering opportunity and skill development to emerging and established artists, continued. The focus of this strand of work is to make sure the offer available to people in Hull rivals anywhere else in the country, preventing a talent drain of creative people leaving the city.

In 2023/24 activity included

- Out Loud - script-in-hand performances of plays by emerging writers Chris Pearson, Hannah Scorer and Olivia Hannah, specifically designed to support writers to make the leap to their next stage of development. 63% of audience attendees to these events did not work in the arts, proving that projects like this help to build an understanding of how theatre is made for those outside of the industry.
- Introduction to Playwriting with Tom Wells - seven first-time playwrights participated in a series of workshops led by Tom, and then saw their plays performed for the first time by professional actors in front of an audience.
- Year-round access to our Theatre Library, offering access to 2,000+ new plays and textbooks to anyone who needs it. Our library saw its highest engagement figures yet, with 42 new library sign-ups and 270 plays borrowed across the year.
- Play and a Plate - the launch of our new touring play reading service which also feeds participants was funded by the Two Ridings Community Foundation. 79% of participants reported they had been impacted by the ongoing cost of living crisis, with the project reaching 9 different community groups across the city.
- Regular Script Surgery sessions led by our Literary Manager, Matthew May, offering free script advice to local freelancers.
- The Acting Gym continued to great success with 13 actors taking part in a series of workshops developing their monologue skills, leading to an informal performance. 100% of participants reported increased confidence in performing.

Public benefit

In setting objectives and planning activities the trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit.

Volunteers

Middle Child would like to thank the volunteers who support the work of the Charity; particularly the Absolutely Cultured volunteers and our founding Company Members.

Middle Child Theatre Limited

Report of the Trustees

for the year ended 31st March 2024

FINANCIAL REVIEW

Financial performance and position

Overview

2023/24 sees Middle Child's first deficit year post pandemic. The increase in reserves held from DCMS / Arts Council emergency funds and utilisation of the furlough scheme allowed Middle Child to anticipate this deficit, leading to a planned release of Dynamism funds to allow our Big Gig production of Modest to fulfil its creative ambition and UK tour. Rising inflation and difficulty in the UK theatre touring model continues to create a challenging landscape moving into the next financial years, with Middle Child choosing not to tour our next Big Gig production, Baby, He Loves You, in order to mitigate financial uncertainty in the next Financial Year. Long term stability is a key focus for the organisation, and we are delighted that we have been able to maintain the equivalent of three months of turnover in a separate designated fund.

Analysis

The charity's income for the year ended 31 March 2024 was £515,845 (2023 £498,480) - an increase of 3%. Total expenditure amounted to £546,587 (2023 £403,800) - an increase of 45%. This resulted in a deficit of £30,742 (2023 surplus £94,680). This is an improvement on the planned budget for 2023/24 of £37,947, with the original budget submitted to the board of trustees and the Arts Council showing a planned deficit of £68,689.

While these numbers may initially seem concerning, it is important to reiterate that this year was always expected to be a deficit year with a pre-planned release of funds from our designated Dynamism Fund to support our ambitious production of Modest, ensuring the year effectively ends at a break-even point.

Subsequently, £30,742 (of a planned £55,000) was released from our existing Dynamism Fund to support the production of Modest and to cover the loss made by the charity in the current year. In addition, £35,000 from general funds was transferred into our designated wind down reserve fund due to the value of our three month turnover increasing. The total net transfer from the general fund for both the above is £4,258.

Reserves policy

At year end, the charity holds:

General Funds of £116,012

Dynamism Fund of £44,216 (available to support key artistic activity and safeguard the future of the organisation), designated within unrestricted funds.

Wind-Down Reserves Fund of £85,000 (in line with the three-month wind down costs of the organisation), designated within unrestricted funds.

Employment Fund of £10,000 (to be used for sickness, maternity leave and other staff-related costs), designated within unrestricted funds.

Total £255,228

The company are confident that the above reserves are of a sensible level which safeguard the future of the organisation.

Reserves Policy

Middle Child's reserves policy is to;

- Ensure financial sustainability and resilience for the organisation in line with operational guidance CC19 (Charities & Reserves) issued by the Charity Commission,
- Build adequate reserves to the equivalent of at least 3-months wind down costs
- Create a 'Dynamism Fund' available to support key artistic activity and safeguard the future if the organisation in an ever evolving challenging financial cost of living crisis.
- Have a designated fund of £10k to account for unexpected staff costs, such as maternity leave, sick leave and other HR related spends.

Middle Child Theatre Limited

Report of the Trustees

for the year ended 31st March 2024

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity was incorporated as a company limited by guarantee on 17 December 2015; it is registered under the Companies Act 2006 and is governed by its Articles of Association.

Charitable status was granted by the Charity Commission on 25 March 2020.

Recruitment and appointment of new trustees

As set out in the Articles of Association, the Chair of the Board is elected by the trustees and presides as Chair at General Meetings of the Charity. There is a maximum of 14 trustees elected to the Board at any time, a number increased from 10 in early 2024. Any changes to the number of trustees on the board will be approved by the Board of trustees in a General Meeting.

Representatives of Arts Council England receive copies of Board papers and are invited to attend one meeting annually but do not serve as trustees.

In 2023/24 Middle Child recruited new trustees Hattie Callery, Harriet Johnson, Bellaray Bertrand-Webb, Tanya Loretta Dee, Rachel Hogg, Cole Green, Amber Wiles. We said goodbye to trustee Emma Tucker and Jay Mitra who came to the end of her term with the company, we thank them both for their hard work supporting the company over the past five years.

New trustees are approached by the Chair of the Board and briefed prior to attending their first board meeting. Useful information such as the Charity's Memorandum and Articles of Association, management accounts, the business plan, and minutes of recent meetings are sent in advance to the new trustee.

Organisational structure

The management of the charity is delegated to the senior management team comprising Artistic Director and Executive Director who are also Joint Chief Executives.

The positions were occupied during the year as follows:

Artistic Director & Joint Chief Executive: Paul Smith

Executive Director & Joint Chief Executive: Lindsey Alvis

The business of the Charity is supervised by the Board of Trustees who meet at least four times each year, or more frequently as required. The Charity's Business Plan and annual budgets are subject to Board approval. The Board are actively involved in recruitment of senior management and support recruitment processes for the two roles.

The senior management team are supported by a permanent staff team of four, two full members of staff, the Finance and Operations Manager and the Audience Development Manager and two part-time members of staff the Literary Manager and newly appointed General & Production Manager. The nine company members who founded Middle Child are invited to the Annual General Meeting and are regularly informed of the business of the charity, forming an advisory board which feeds directly into the company's programme of work. Further freelancers and production staff were hired on a project by project basis. In April 2024 we said goodbye to Executive Director and Joint CEO Lindsey Alvis as she left to pursue a new role at Parents in the Performing Arts as their Business Development and Programme Manager.

Post Balance Sheet Events - Significant activities after the year end

Looking ahead, Middle Child will produce a major new mid-scale production, Baby, He Loves You in Spring 2024. In the Summer of 2024 Middle Child will launch their pilot Fresh Ink festival in partnership with funders, Wykeland and the J F Brignall Trust. Later in the year, Middle Child will return with our latest pantomime offering, Treasure Island, written by artistic director Paul Smith. We have already secured a significant investment for the year ahead and are continuing to fundraise to match our ambition.

Thank you to the team for another successful year and working so hard to create spaces for stories to be told, and opportunities for people to hear them.

Middle Child Theatre Limited

Report of the Trustees

for the year ended 31st March 2024

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

09921306 (England and Wales)

Registered Charity number

1188756

Registered office

Regent's Court

Princess Street

Hull

East Yorkshire

HU2 8BA

Trustees

J Fallowfield (resigned 21.4.2023)

M Green (resigned 1.4.2023)

J R Wilkinson

E M Tucker (resigned 15.3.2024)

R K Knox

A J Smethurst (Chair)

J Heaton (Vice Chair)

M Moses

H Callery (appointed 14.6.2024)

J Mitra (resigned 1.1.2024)

C Tonge

R Hogg (appointed 14.6.2024)

C Green (appointed 14.6.2024)

A Wiles (appointed 14.6.2024)

H A Linfoot (appointed 14.6.2024)

Company Secretary

E Anderton

Independent Examiner

Smailes Goldie

Chartered Accountants

Regent's Court

Princess Street

Hull

East Yorkshire

HU2 8BA

Approved by order of the board of trustees on 26th November 2024 and signed on its behalf by:



A J Smethurst - Trustee

Independent Examiner's Report to the Trustees of Middle Child Theatre Limited

Independent examiner's report to the trustees of Middle Child Theatre Limited ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31st March 2024.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under Section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under Section 145(5) (b) of the 2011 Act.

Independent examiner's statement

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

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

1. accounting records were not kept in respect of the Company as required by Section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of Section 396 of the 2006 Act 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; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

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. T. Bramall, BSc., F.C.A.,

Smailes Goldie
Regent's Court
Princess Street
Hull
East Yorkshire
HU2 8BA

26th November 2024

Middle Child Theatre Limited

Statement of Financial Activities

for the year ended 31st March 2024

	Notes	Unrestricted fund £	Designated £	2024 Total funds £	2023 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	5,810	-	5,810	4,941
Charitable activities	4				
Theatrical productions		509,944	-	509,944	493,539
Investment income	3	91	-	91	-
Total		<u>515,845</u>	<u>-</u>	<u>515,845</u>	<u>498,480</u>
EXPENDITURE ON					
Charitable activities	5				
Theatrical productions		<u>546,587</u>	<u>-</u>	<u>546,587</u>	<u>403,800</u>
NET INCOME/(EXPENDITURE)					
Transfers between funds	17	(30,742) (4,258)	- 4,258	(30,742) -	94,680 -
Net movement in funds		(35,000)	4,258	(30,742)	94,680
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>151,012</u>	<u>134,958</u>	<u>285,970</u>	<u>191,290</u>
TOTAL FUNDS CARRIED FORWARD		<u>116,012</u>	<u>139,216</u>	<u>255,228</u>	<u>285,970</u>

The notes form part of these financial statements

Middle Child Theatre Limited

Balance Sheet

31st March 2024

	Notes	2024 Total funds £	2023 Total funds £
FIXED ASSETS			
Tangible assets	12	14,117	11,759
CURRENT ASSETS			
Debtors	13	139,477	158,747
Cash at bank		<u>158,597</u>	<u>177,579</u>
		298,074	336,326
CREDITORS			
Amounts falling due within one year	14	(56,963)	(62,115)
NET CURRENT ASSETS		<u>241,111</u>	<u>274,211</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>255,228</u>	<u>285,970</u>
NET ASSETS		<u>255,228</u>	<u>285,970</u>
FUNDS	17		
Unrestricted funds		<u>255,228</u>	<u>285,970</u>
TOTAL FUNDS		<u>255,228</u>	<u>285,970</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31st March 2024.

The members have not required the company to obtain an audit of its financial statements for the year ended 31st March 2024 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

The notes form part of these financial statements

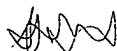
Middle Child Theatre Limited

Balance Sheet - continued

31st March 2024

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

The financial statements were approved by the Board of Trustees and authorised for issue on 26th November 2024 and were signed on its behalf by:



A J Smethurst - Trustee

The notes form part of these financial statements

Middle Child Theatre Limited

Cash Flow Statement

for the year ended 31st March 2024

	Notes	2024 £	2023 £
Cash flows from operating activities			
Cash generated from operations	1	(153,874)	3,371
Tax credits received		<u>147,707</u>	<u>7,962</u>
Net cash (used in)/provided by operating activities		<u>(6,167)</u>	<u>11,333</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(12,906)	(5,040)
Interest received		<u>91</u>	<u>-</u>
Net cash used in investing activities		<u>(12,815)</u>	<u>(5,040)</u>
Change in cash and cash equivalents in the reporting period		(18,982)	6,293
Cash and cash equivalents at the beginning of the reporting period		<u>177,579</u>	<u>171,286</u>
Cash and cash equivalents at the end of the reporting period		<u>158,597</u>	<u>177,579</u>

The notes form part of these financial statements

Middle Child Theatre Limited

Notes to the Cash Flow Statement

for the year ended 31st March 2024

1. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2024 £	2023 £
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(30,742)	94,680
Adjustments for:		
Depreciation charges	10,548	5,838
Interest received	(91)	-
Theatre Tax Relief Income	(89,487)	(96,706)
Increase in debtors	(38,950)	(3,238)
(Decrease)/increase in creditors	(5,152)	2,797
Net cash (used in)/provided by operations	<u>(153,874)</u>	<u>3,371</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.23 £	Cash flow £	At 31.3.24 £
Net cash			
Cash at bank	<u>177,579</u>	<u>(18,982)</u>	<u>158,597</u>
	<u>177,579</u>	<u>(18,982)</u>	<u>158,597</u>
Total	<u>177,579</u>	<u>(18,982)</u>	<u>158,597</u>

The notes form part of these financial statements

Middle Child Theatre Limited

Notes to the Financial Statements

for the year ended 31st March 2024

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, 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 Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Income

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred. If the contract cannot be estimated 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.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery - 33% on cost

Taxation

The charity is exempt from paying corporation 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 charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Middle Child Theatre Limited

Notes to the Financial Statements - continued for the year ended 31st March 2024

2. DONATIONS AND LEGACIES

	2024	2023
	£	£
Donations	<u>5,810</u>	<u>4,941</u>

3. INVESTMENT INCOME

	2024	2023
	£	£
Interest receivable - trading	<u>91</u>	<u>-</u>

4. CHARITABLE ACTIVITIES

	Activity	2024	2023
		£	£
Box office income	Theatrical productions	154,907	70,473
Theatre Tax Relief	Theatrical productions	104,487	96,706
Theatre Tax Relief - prior years	Theatrical productions	(15,000)	14,559
Other income	Theatrical productions	9,310	3,141
Grants	Theatrical productions	<u>256,240</u>	<u>308,660</u>
		<u>509,944</u>	<u>493,539</u>

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

	2024	2023
	£	£
Arts Council - NPO award	152,760	152,760
Hull City Council	30,000	30,000
Garfield and Weston Foundation	15,000	15,000
Department for Work and Pension - Kickstart	-	13,990
Outdoor Arts Consortium - Without Walls	-	27,620
The Foyle Foundation	-	20,000
The Sir James Reckitt Charity	3,000	10,000
Absolutely Cultured	-	7,980
Other production related grants	9,800	31,310
The J F Brignall Charitable Trust	42,680	-
The Hull and East Riding Charitable Trust	<u>3,000</u>	<u>-</u>
	<u>256,240</u>	<u>308,660</u>

Middle Child Theatre Limited

Notes to the Financial Statements - continued for the year ended 31st March 2024

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 6) £	Support costs (see note 7) £	Totals £
Theatrical productions	<u>432,679</u>	<u>113,908</u>	<u>546,587</u>

6. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2024 £	2023 £
Staff costs	151,657	144,530
Production costs	266,578	140,325
Development costs	3,249	6,568
Development fees	<u>11,195</u>	<u>8,445</u>
	<u>432,679</u>	<u>299,868</u>

7. SUPPORT COSTS

	Administration £	Marketing £	Governance costs £	Totals £
Theatrical productions	<u>88,076</u>	<u>18,084</u>	<u>7,748</u>	<u>113,908</u>

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

	2024 Theatrical productions £	2023 Total activities £
Rent	23,760	25,062
Light, heat and cleaning	10,753	4,815
Travel and subsistence	9,592	2,511
Staff development	5,114	6,910
Health and safety	2,852	532
Sundries	3,610	3,965
Repairs and renewals	41	2,186
Freelance wages	15,073	23,053
Subscriptions	5,481	5,871
Telephone	1,140	997
Printing, postage & stationery	112	424
Depreciation of tangible fixed assets	10,548	5,838
Marketing and advertising	18,084	13,273
Insurance	3,055	2,592
Accountancy	4,500	3,653
Legal and professional fees	<u>193</u>	<u>2,250</u>
	<u>113,908</u>	<u>103,932</u>

Middle Child Theatre Limited

Notes to the Financial Statements - continued for the year ended 31st March 2024

8. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2024	2023
	£	£
Depreciation - owned assets	10,548	5,838
Independent examiner's remuneration	<u>4,500</u>	<u>3,653</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st March 2024 nor for the year ended 31st March 2023.

Trustees' expenses

There were trustee' expenses paid of £328 for the year ended 31st March 2024 (2023 : £624).

10. STAFF COSTS

	2024	2023
	£	£
Wages and salaries	135,954	133,844
Social security costs	12,543	7,577
Other pension costs	<u>3,160</u>	<u>3,109</u>
	<u>151,657</u>	<u>144,530</u>

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

	2024	2023
	<u>5</u>	<u>5</u>
Staff numbers		

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

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

All income received and expenditure incurred in the comparative year related to the general fund within unrestricted reserves.

Middle Child Theatre Limited

Notes to the Financial Statements - continued for the year ended 31st March 2024

12. TANGIBLE FIXED ASSETS

	Plant and machinery £
COST	
At 1st April 2023	27,785
Additions	<u>12,906</u>
At 31st March 2024	<u>40,691</u>
DEPRECIATION	
At 1st April 2023	16,026
Charge for year	<u>10,548</u>
At 31st March 2024	<u>26,574</u>
NET BOOK VALUE	
At 31st March 2024	<u>14,117</u>
At 31st March 2023	<u>11,759</u>

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024 £	2023 £
Trade debtors	200	1,030
Other debtors	400	-
Theatre tax relief debtor	89,487	147,707
Prepayments and accrued income	<u>49,390</u>	<u>10,010</u>
	<u>139,477</u>	<u>158,747</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024 £	2023 £
Trade creditors	14,074	-
Accruals and deferred income	<u>42,889</u>	<u>62,115</u>
	<u>56,963</u>	<u>62,115</u>

15. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2024 £	2023 £
Within one year	<u>23,760</u>	<u>23,760</u>

Middle Child Theatre Limited

Notes to the Financial Statements - continued

for the year ended 31st March 2024

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund £	Designated £	2024 Total funds £	2023 Total funds £
Fixed assets	14,117	-	14,117	11,759
Current assets	158,858	139,216	298,074	336,326
Current liabilities	<u>(56,963)</u>	<u>-</u>	<u>(56,963)</u>	<u>(62,115)</u>
	<u>116,012</u>	<u>139,216</u>	<u>255,228</u>	<u>285,970</u>

17. MOVEMENT IN FUNDS

	At 1.4.23 £	Net movement in funds £	Transfers between funds £	At 31.3.24 £
Unrestricted funds				
General fund	151,012	(30,742)	(4,258)	116,012
Designated - Dynamism fund	74,958	-	(30,742)	44,216
Designated - Wind down fund	50,000	-	35,000	85,000
Designated - Employment fund	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>10,000</u>
	<u>285,970</u>	<u>(30,742)</u>	<u>-</u>	<u>255,228</u>
TOTAL FUNDS	<u>285,970</u>	<u>(30,742)</u>	<u>-</u>	<u>255,228</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	515,845	(546,587)	(30,742)
TOTAL FUNDS	<u>515,845</u>	<u>(546,587)</u>	<u>(30,742)</u>

Comparatives for movement in funds

	At 1.4.22 £	Net movement in funds £	Transfers between funds £	At 31.3.23 £
Unrestricted funds				
General fund	60,332	94,680	(4,000)	151,012
Designated - Dynamism fund	74,958	-	-	74,958
Designated - Wind down fund	46,000	-	4,000	50,000
Designated - Employment fund	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>10,000</u>
	<u>191,290</u>	<u>94,680</u>	<u>-</u>	<u>285,970</u>
TOTAL FUNDS	<u>191,290</u>	<u>94,680</u>	<u>-</u>	<u>285,970</u>

Middle Child Theatre Limited

Notes to the Financial Statements - continued for the year ended 31st March 2024

17. 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	498,480	(403,800)	94,680
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>498,480</u>	<u>(403,800)</u>	<u>94,680</u>

Details of designated funds

£44,216 (2023 £74,958) of unrestricted funds has been designated to a Dynasim Fund to enable meaningful investment in new productions to achieve artistic excellence on a case-by-case basis.

£85,000 (2023 £50,000) has been designated to a Wind down Reserves Fund to cover core operating costs of the charity.

£10,000 (2023 £10,000) has been designated to an Employment Fund to enable the charity to prioritise people and ensure it can be responsive to providing enhanced employee benefits as they occur.

18. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31st March 2024.