

Charity no. 1191395

Insane Root Theatre CIO
Report and Unaudited Financial
Statements
31 March 2023

Insane Root Theatre CIO

Reference and administrative details

For the year ended 31 March 2023

Charity number	1191395										
Registered office and operational address	41 Avon Park Bristol BS5 9RR										
Trustees	<p>The trustees who served during the year and up to the date of this report were as follows:</p> <table><tr><td>Patricia Connor</td><td>resigned 21 October 2022</td></tr><tr><td>Victoria FitzGerald</td><td>resigned 10 October 2022</td></tr><tr><td>Vanessa Frost</td><td>Chair</td></tr><tr><td>Dugald McNaughtan</td><td></td></tr><tr><td>Joanna Randall</td><td></td></tr></table>	Patricia Connor	resigned 21 October 2022	Victoria FitzGerald	resigned 10 October 2022	Vanessa Frost	Chair	Dugald McNaughtan		Joanna Randall	
Patricia Connor	resigned 21 October 2022										
Victoria FitzGerald	resigned 10 October 2022										
Vanessa Frost	Chair										
Dugald McNaughtan											
Joanna Randall											
Principal staff	Hannah Drake, Founder and Artistic Director Justin Palmer, Founder and Creative Producer										
Bankers	The Co-operative Bank PO Box 638 Salford M5 0JQ										
Independent examiners	Godfrey Wilson Limited Chartered accountants and statutory auditors 5th Floor Mariner House 62 Prince Street Bristol BS1 4QD										

Insane Root Theatre CIO

Chair's report

For the year ended 31 March 2023

Chair's Report

Insane Root Theatre CIO is a Bristol Born Theatre charity, formed in 2020, our aim is to reimagine classic plays and stories by presenting them in unusual locations. We are passionate about regional theatre and locally made work, offering opportunities to local artists and those with a strong connection to the area.

Our mission is to strive to inspire the next generation of artists and creative entrepreneurs through our work placements and mentoring opportunities. We believe the arts have a powerful role to play in education and are committed to sharing our work with local schools through workshops, collaborative projects and school ticket discounts. We value teamwork, curiosity and integrity, and endeavour to make our work accessible to all.

Following on from our successful Hansel and Gretel production at Arnos Vale Cemetery, Bristol we launched the interactive Memory Trail on 1 April 2022 with excellent support from the community, media and Bristol Lord Mayor, Steve Smith, whose family came to see the show.

The trail was created in partnership with leading UK bereavement charity Grief Encounter and Arnos Vale Cemetery as part of the legacy from the Hansel and Gretel production. It was designed to offer support and a local interactive resource for children, young people and their families affected by bereavement in any form.

Open for six months the trail consisted of seven checkpoints along a colour-in trail map (specially designed by Bristol artist Andy Council) and contained activities related to the Hansel & Gretel story, intended to stimulate open conversations, and linked to clinically-based grief information and support. Specifically recorded engagement numbers were 74, but we believe that many more visited the Arnos Vale site because of the trail's existence and the production's legacy.

In June 2022, we embarked on a production of Shakespeare's A Midsummer Night's Dream at the former outdoor Eastville Park Swimming Pool. This was a return to a location previously used by Insane Roots co-founders following their acclaimed production of Romeo & Juliet 2018 (organised by Insane Root Theatre Ltd prior to the formation of Insane Root as a CIO).

The production ran for eight weeks from 24 June. We targeted a potential capacity of 10,000, we also sourced merchandise such as branded, reusable cups and added in a new income source from a modest on-site bar.

This was a production which brought in very positive reviews but was affected by many unforeseen issues.

Covid infections affected the cast. This resulted in having to bring in additional 'stand in' actors at a higher cost.

We were not able to secure a full bar licence for every show and attendance was also affected by adverse weather with exceptionally high temperatures during an unprecedented heat wave.

The impact of this combination of unforeseen circumstances meant lower attendance figures and therefore lower revenue than budgeted.

The trustees and production teams rallied to overcome and find solutions to the myriad challenges we faced.

Insane Root Theatre CIO

Chair's report

For the year ended 31 March 2023

However, despite these cumulative setbacks, none of which we could have foreseen, we had wonderful support from the local community, the press, Visit Bristol, and local radio (BCFM).

I would like to thank everyone who has supported the theatre CIO over the last year, including members of the production team, actors, crew, and stewards as well as all the support of the amazing board of trustees.

Everyone, across all departments, has worked incredibly hard and generally cared a great deal about the production and making it a success. The goodwill this organisation engenders is extremely high and shouldn't be taken for granted.

We are also extremely grateful to our supporters and audiences, who have been unwavering in their backing of the charity through the pandemic and then showed their support by coming to see *A Midsummer Night's Dream* and I am also thankful to our accountants, Godfrey Wilson who have given us invaluable accounting advice.

Moving forward we applied to and were accepted as members of the Independent Theatre Council in March 2023 as part of our ongoing commitment to improving our practises. This also allows us access to ongoing organisational support and development opportunities for all levels of our staff and trustees. We are grateful that they have made an exception and allowed us to pay our membership in staggered payments as we continue to recover financially. We will also be continuing our relationship with Equity, whose support we highly value.

Following the trials and tribulations of summer 2022, we have taken time out to reflect, recover and re-strategize, particularly regarding our fundraising efforts and ambition to reach long term sustainability.

We have also had time to analyse industry trends and issues more deeply to understand our place within it, and for the first time in our history can look ahead to the possibility of programming multi-year seasons of work with three new productions and one revival planned from 2024 onwards.

This was a time when we were all challenged by many different issues, experiencing a year's worth of issues in twelve weeks! But throughout it all, the quality of the show, and audience response, remained high.

We received many compliments about the handling of the issues we faced.

We had a generally high take up of ticket transfers where shows had to be cancelled during the *A Midsummer Night's Dream* run and our reputation remains strong in the community. The feedback on the production was superb and I am very excited about future performances and the year ahead.

Vanessa Frost

Vanessa Frost, Chair

Insane Root Theatre CIO

Report of the trustees

For the year ended 31 March 2023

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the Constitution and the Statement of Recommended Practice - Accounting and Reporting by Charities (effective from January 2019).

Objectives and activities

The objects of Insane Root Theatre CIO

The objects of Insane Root Theatre CIO are 'the advancement of the education of the public in the appreciation and understanding of the dramatic arts, especially but not limited to classic plays and well-known stories.'

Public benefit

The Trustees have had regard to the Charity Commission's guidance on public benefit and endeavour to implement them in all the charity's work. The charity has in place a sound structure for governance and operation to be able to effectively deliver public benefit when public theatre performances and activities to advance charitable purposes could be commenced as soon as Covid-19 restrictions were lifted.

To fulfil its public benefit the charity provides site-specific theatre services to the general public with the goal to open up access to historic, undervalued and significant spaces in the UK and beyond. The charity breathes new life into classic stories and plays by embedding them in non-theatre spaces to attract new audiences that have either been previously alienated by live theatre or have never engaged with it before as an artform. Insane Root Theatre CIO wants to continue to increase access to the arts for low income and vulnerable groups as well as welcoming and accessing local communities for productions.

This year the charity welcomed 4,341 audience members to its Midsummer Night's Dream performances. We offered 1,140 reduced tickets to households within a 1 mile radius of Eastville Park. This resulted in the sale of 664 concessionary tickets to encourage disabled and neurodiverse groups, children, and people with lower incomes, to attend. This model will continue.

We established a 'school's out for Shakespeare' campaign, to promote Shakespeare amongst families during the August holidays.

We hosted two BSL-interpreted performances with a specialist interpreter.

We extended and deepened our relationship with Bristol charity 'Special Friends' who brought a cohort of their older service users and their families to experience the show. This group contained nine disabled young people within it. One of their party passed on the following feedback:

"Wow just wow. The people organising/manning the reception were amazing so helpful and kind. Things only got better from there. The production was amazing, so engaging, the cast brilliant, please pass on our thanks and best wishes".

A professionally filmed version of the show was produced and made available online for audiences who preferred not (or could not) attend in person, along with behind-the-scenes interviews and a show trailer.

Insane Root Theatre CIO

Report of the trustees

For the year ended 31 March 2023

Achievements and performance

This year, Insane Root has produced two significant projects: the first was the full launch of the Hansel & Gretel Trail. This was a collaboration with fellow Bristol based charity Grief Encounter on a self-led, interactive walking tour of the Arnos Vale Cemetery grounds - bringing together grief resources and materials from our previous Christmas production, accessed via QR code. This was live from April-October 2022.

Following the launch of the trail, the charity entered pre-production for a new adaptation of A Midsummer Night's Dream at Eastville Park Swimming Pool, after receiving confirmation of a £30k grant from the Arts Council in April 2022. This was our first time returning to a familiar venue but with a new play – offered as the 'sister show' to our previous production of Romeo & Juliet (prior to CIO conversion). The show began rehearsals in May and opened in time for A Midsummer Night's Dream in June 2022, running for eight weeks until late August 2022.

The production was a significant step up in terms of scale, involving our largest audience capacity to date of 160 per performance; with eight full-length shows per week spread over five days, featuring a company of nine professional performers (and ultimately six stand-in actors). It was also our first experience of running our own in-house bar, bringing in new staff and expertise as we continue to expand our charity infrastructure, financial sources, and audience experience.

Despite some extraordinary bad luck - including the loss of shows in performance weeks 3-5 - the production rallied and completed its run with outstanding audience and media feedback:

"Insane Root's A Midsummer Night's Dream, sometimes drawn-out and over-familiar, was fresh and accessible – with affordable tickets, an atmospheric setting and genuinely funny acting. The night was magical and, as Bottom roused from his sleep and dusk began to fall over Eastville Park, there came a real sense that we can dream of a better world." - Bristol 24/7

"Insane Root Theatre continues to mine Bristol's unique heritage to stage productions and bring theatre closer to the community. The overlooked Eastville Lido provides a magical backdrop to this familiar favourite – re-energising the play and hopefully doing something similar for the city of Bristol." - British Theatre Guide

We encouraged audience feedback on site and on social media. A repeated comment is that this was the best, most accessible and understandable version of this play our audiences had seen – from industry experts and non-theatre-goers. Here is a selection of comments:

"You were brilliant, one of the most lively and enjoyable Shakespeare productions I have seen." – Facebook comment

"Loved Midsummer Night's Dream in Eastville Park. Couldn't think of a better setting. Great music, too. Our 10 and 13 year olds were engrossed throughout." - Facebook comment

"Saw Midsummer Night's Dream - amazing creativity and I LOVED hearing Shakespeare in Bristolian was brilliant" - Facebook comment

"Went to the late showing of Midsummer Night's Dream yesterday. This isn't the boring, stuffy Shakespeare of your youth. The cast were animated and energetic, the setting was atmospheric and wild. Exactly how this play should be done. 10/10 one of the best productions I've seen, and this is my favourite Shakespeare, so I've seen a fair few!" - Facebook comment

Insane Root Theatre CIO

Report of the trustees

For the year ended 31 March 2023

"Wow! Midsummer Night's Dream in Eastville Park is exceptional. Funny, sharp, amazing characters, and super twinkly as the sun goes down. Brilliant use of the Old Swimming Pool space. My three kids aged 12-16 LOVED it. Must see, you have to go." - Facebook comment

The production saw significant relationships developed with Bristol Council's Parks Team, Site Permissions, local pub The Plough and local brewery Good Chemistry, the latter two supporting our fledgling bar offer with discounted infrastructure hire and regular stock supplies. We are also grateful to the support of All Hallows Hall and Travelling Light, who accommodated our casting and rehearsal sessions with discounted hire rates.

The production raised our profile within the city and led to fresh invitations to new venues for future productions including the iconic Clifton Zoo and Temple Church (English Heritage).

It reasserted the organisation as experts in Shakespearean adaptation, and a leading voice for accessible classical text in the city following the closure of Shakespeare at the Tobacco Factory. The organisation has also been approached to take over the Bristol Shakespeare Festival, a prospect we are considering carefully as we are now developing a strategy for a multi-year funding plan to support the production of four Insane Root shows over the next three years at these venues and others.

Financial review

At the end of this financial year there was a deficit of £32,142 (2022: surplus of £33,101) in unrestricted funds and a deficit of £3,125 (2022: surplus of £3,125) in restricted funds. Unrestricted reserves were £6,729 (2022: £38,871) and restricted reserves were £nil (2022: £3,125).

Going concern

The COVID-19 pandemic has had a profound impact on the global economy and affected the charity's ability to operate fully in its second period of operation. The trustees have considered the impact of this issue on the Insane Root Theatre CIO's current and future financial position. We will be constantly monitoring government guidance and theatre guidelines in terms of cast members with Covid and future support needed.

During this period the charity was able to put on its second production and managed practical and financial risk well.

Despite the uncertainties faced this year, the contribution of 0% interest loans totalling £32,000, careful use of a bank overdraft (up to £10,000), core staff transferring to a temporary volunteer basis and both the reduction and streamlining of core activities has allowed the charity to cover its day to day running costs. The receipt of TTR (£39,217) in summer 2023 will clear the charity's loan liability and result in a positive bank balance. Reflecting on this challenging period, the charity is proud of its financial stewardship and believes we have successfully weathered the storm. The charity will continue to only commit to activities when it anticipates it has secured adequate grants and that income forecasts indicate viability of activities. Founders are preparing an organisation development application to the Arts Council to support the long-term sustainability of the charity and its funding strategy for the next three years. In the eight years of the organisation's history (2.5 as a charity) we have never faced such financial difficulties before and, although there will necessarily be a period of rebuilding, the trustees consider that the charity has sufficient funds to continue as a going concern for a period of at least 12 months from the date on which these financial statements are approved.

Insane Root Theatre CIO

Report of the trustees

For the year ended 31 March 2023

Reserves policy

It is the trustees' aim to build up free reserves (net current assets) which equates to six month's support and governance costs. This will be held to ensure cash flow stability, meet emergencies, and allow the charity to maintain its financial sustainability.

Risk management

Trustees have put in place a risk register which identifies significant risks to be reviewed at each trustees meeting. Key risks in the initial years of operation of the charity is ensuring there is sufficient income from theatre performances and grants to operate the charity effectively.

Weekly cash flow meetings

Throughout the production period and beyond, trustees monitored the cashflow on a weekly basis, and continue to meet and monitor the following on ongoing basis:

- additional costs for finding, training and adding in stand in support actors;
- ticket sales weekly;
- bar, merchandise and programme sales and the impact of upselling;
- payments and utilising full payments terms offered by suppliers; and
- using our overdraft facility if necessary.

11 performances were lost to COVID-19 staff illness. We mitigated risks as much as we could by employing a rigorous daily testing regime for all staff, social distancing, and using PPE and hand gel when indoors. Upon receiving a positive test result, we requested staff remain at home/away from the site and did not permit them to return until receiving a negative test result and being fit enough to continue – regardless of how long this took, bringing in additional stand-in performers where appropriate.

COVID illness, costs for stand-in actors, erratic ticket sales, bar revenue and extreme weather all had a culminating impact on our income for the production run for A Midsummer Night's Dream.

We were affected by several unforeseen issues which had a cumulative effect on revenue and income:

- ticket income was budgeted at £137,076 but reached £92,592 – due to lower-than-expected audience numbers following the 16 cancellations of shows due to Covid, staff illness and the extreme weather;
- bar and merchandise income was budgeted at £30k and reached £12,863 again due to lower audiences (as above) and bar licence issues; and
- there were additional stand-in actor costs of around £4-5k relating to cover for illness and Covid.

This has had a significant impact on the financial outlook for the charity and made 2022 a challenging year for the organisation. However, the trustees and founders rallied throughout this time and ensured that all challenges faced were managed collectively and leaning on the skills and experience of the board.

Looking forward, the financial outlook is returning to a positive position. The charity is forecasting a small surplus following the receipt of Theatre Tax Relief due summer 2023, estimated at £39k.

Insane Root Theatre CIO

Report of the trustees

For the year ended 31 March 2023

Loans

The charity faced temporary cash flow pressures as a result of the challenges outlined above specifically relating to A Midsummer Night's Dream. To cover this shortfall former Trustee Victoria FitzGerald, Chair Vanessa Moon, Director Hannah Drake, and long time supporters Tom and Kathryn Raftery and John Palmer, generously offered loans to the organisation totalling £32,000, at 0% interest, to be repaid as soon as the TTR money is received. This invested support has ensured that the charity continues to run optimally and bridges the gap between the last production and the receipt of government Theatre Tax Relief. This tax relief can only be claimed after the end of the financial year.

Covid-19 impact on charitable activities

The trustees have considered the impact that the COVID-19 pandemic has had and could have on the charity's future financial position as part of a robust future planning exercise which was conducted in December 2022.

Insane Root Theatre CIO continues to take steps to mitigate the threats that COVID-19 may pose to the organisation.

It will ensure appropriate Covid-19 precautions are in place for rehearsals and theatre performances where required.

The trustees consider that the charity will continue as a going concern for a period of at least 12 months from the date on which these financial statements are approved and has an appropriate level of reserves in place to ensure financial health and a sustainable plan for the long term prospects for the organisation in line with its founding mission and purpose-driven objectives.

Plans for future periods

We continue to actively seek new venues and partnerships for future productions. We have met with a number of exciting new venues in Bristol, all of whom are interested in future productions and collaborations, and we will continue those discussions. As a result, a significant organisational strategy will be shifting our fundraising objectives from project-based restricted funding, to more core and unrestricted funds, with a view to smoothing out organisational cash flow and allowing the core team some essential expansion.

Structure, governance and management

Constitution

Insane Root Theatre CIO was registered with the Charity Commission as a charitable incorporated organisation on 21 September 2020. The charity is governed by its constitution.

Trustees

The charity currently has three trustees. Trustees have a range of skills from business, charities, and public relations.

Once we have a new production in place, we will be seeking additional trustees. We have identified key areas for trustee recruitment and will be advertising these early in the next financial year in order to support upcoming productions.

Insane Root Theatre CIO

Report of the trustees

For the year ended 31 March 2023

Trustees have been able to regularly meet with the Founders and Directors, to maintain an in-depth understanding of the charity. Trustees have played the role of critical friend and have been very active in putting in place the charity's first suite of policies and in defining governance arrangements. Trustees attended performances to appreciate the work of the charity and have played an active role in choice of locations, oversight of the organisation across all functions and support and guidance for the two directors

Trustees meet four times a year, along with the two Directors. This year, meetings have mostly been held virtually, due to either Covid-19 restrictions or to minimise contact due to the Omicron variant. An extended review and planning meeting was held in person in December 2022.

Trustees are hopeful that some meetings could be held in person during the year ended 31 March 2024.

Statement of responsibilities of the trustees

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 the incoming resources and application of resources, including the net income or expenditure, of the charity for the year. In preparing those 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 accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which 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 constitution. The trustees 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.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity have no liability to contribute to its assets and no personal responsibility for settling its debts and liabilities. The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Insane Root Theatre CIO

Report of the trustees

For the year ended 31 March 2023

Independent examiners

Godfrey Wilson Limited were re-appointed as independent examiners to the charity during the year and have expressed their willingness to continue in that capacity.

Approved by the trustees on 26 May 2023 and signed on their behalf by

Vanessa Frost

Vanessa Frost, Chair



Joanna Randall, Trustee

Independent examiner's report

To the trustees of

Insane Root Theatre CIO

I report to the trustees on my examination of the accounts of Insane Root Theatre CIO (the CIO) for the year ended 31 March 2023, which are set out on pages 11 to 23.

Responsibilities and basis of report

As the charity trustees of the CIO 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 CIO's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

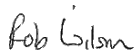
Godfrey Wilson Limited also provides payroll bureau services, corporation tax services and grant certification services to the CIO. I confirm that as a member of the ICAEW I am subject to the FRC's Revised Ethical Standard 2016, which I have applied with respect to this engagement.

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 CIO 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.

Attention is drawn to the fact that at 31 March 2023, the charity had a £32,000 loan repayable and unrestricted funds were £6,729 with a cash balance of £92. Whilst this presents a material uncertainty in relation to the charity's ability to continue as a going concern, for the reasons set out in accounting policy 1(b), the trustees consider it appropriate to adopt the going concern basis for the preparation of these accounts.

In all other respects, 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.



Date: 29 May 2023

Rob Wilson FCA

Member of the ICAEW

For and on behalf of:

Godfrey Wilson Limited

Chartered accountants and statutory auditors

5th Floor Mariner House

62 Prince Street

Bristol

BS1 4QD

Insane Root Theatre CIO

Statement of financial activities

For the year ended 31 March 2023

	Note	Restricted £	Unrestricted £	2023 Total £	2022 Total £
Income from:					
Donations	3	508	10	518	3,936
Charitable activities	4	28,474	93,932	122,406	146,710
Other trading activities	5	-	12,863	12,863	230
Other income	6	-	39,217	39,217	33,486
Total income		<u>28,982</u>	<u>146,022</u>	<u>175,004</u>	<u>184,362</u>
Expenditure on:					
Charitable activities		<u>32,107</u>	<u>178,164</u>	<u>210,271</u>	<u>148,136</u>
Total expenditure	8	<u>32,107</u>	<u>178,164</u>	<u>210,271</u>	<u>148,136</u>
Net income / (expenditure) & net movement in funds	9	(3,125)	(32,142)	(35,267)	36,226
Reconciliation of funds:					
Total funds brought forward		<u>3,125</u>	<u>38,871</u>	<u>41,996</u>	<u>5,770</u>
Total funds carried forward		<u><u>-</u></u>	<u><u>6,729</u></u>	<u><u>6,729</u></u>	<u><u>41,996</u></u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 15 to the accounts.

Insane Root Theatre CIO

Balance sheet

As at 31 March 2023

	Note	£	2023 £	2022 £
Current assets				
Debtors	12	41,304		40,713
Cash at bank and in hand		<u>92</u>		<u>4,145</u>
		41,396		44,858
Liabilities				
Creditors: amounts falling due within 1 year	13	<u>34,667</u>		<u>2,862</u>
Net current assets			<u>6,729</u>	<u>41,996</u>
Net assets	14		<u>6,729</u>	<u>41,996</u>
Funds	15			
Restricted funds			-	3,125
Unrestricted funds				
General funds			<u>6,729</u>	<u>38,871</u>
Total charity funds			<u>6,729</u>	<u>41,996</u>

Approved by the trustees on 26 May 2023 and signed on their behalf by

Vanessa Frost

Vanessa Frost, Chair

Insane Root Theatre CIO

Notes to the financial statements

For the year ended 31 March 2023

1. Accounting policies

a) Basis of preparation

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

Insane Root Theatre CIO meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

b) Going concern basis of accounting

The charity is currently experiencing cashflow difficulties and has low levels of free reserves. To ease cashflow the CIO has taken out interest free loans from trustees, long term supporters and a director totalling £32,000. The cash balance at 31 March 2023 was £92.

This is largely a result of the Covid-19 pandemic reducing attendance at performances. Despite this, it is notable that the charity's financial position is expected to improve in 2023/24. The charity is expecting a £39,217 receipt in respect of Theatre Tax Relief which will be used to pay off loans and will improve their cash balance. Additionally, expenditure is directly related to the size and frequency of productions in the year, with fixed costs themselves being low. Employees have also taken on a volunteer basis to aid the charity in its recovery. For these reasons the trustees consider that the charity has sufficient cash flow to continue as a going concern for a period of at least 12 months from the date on which these financial statements are approved.

c) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from the government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

d) Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item, is probable and the economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Insane Root Theatre CIO

Notes to the financial statements

For the year ended 31 March 2023

e) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity: this is normally upon notification of the interest paid or payable by the bank.

f) Funds accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

g) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

h) Allocation of support and governance costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Governance costs are the costs associated with the governance arrangements of the charity, including the costs of complying with constitutional and statutory requirements and any costs associated with the strategic management of the charity's activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities based as follows:

	2023	2022
Raising funds	0.0%	0.0%
Charitable activities	100.0%	100.0%

i) Debtors

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.

j) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

k) Creditors

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.

Insane Root Theatre CIO

Notes to the financial statements

For the year ended 31 March 2023

l) Financial instruments

The trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently recognised at amortised cost using the effective interest method.

m) Pension costs

The charity operates a defined contribution pension scheme for its employees. There are no further liabilities other than that already recognised in the SOFA.

n) Accounting estimates and key judgements

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

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

2. Prior period comparatives: statement of financial activities

	Restricted £	Unrestricted £	2022 Total £
Income from:			
Donations	3,125	811	3,936
Charitable activities	69,792	76,918	146,710
Other trading activities	-	230	230
Other income	-	33,486	33,486
Total income	72,917	111,445	184,362
Expenditure on:			
Charitable activities	69,792	78,344	148,136
Total expenditure	69,792	78,344	148,136
Net income and net movement in funds	3,125	33,101	36,226

Insane Root Theatre CIO

Notes to the financial statements

For the year ended 31 March 2023

3. Income from donations

	Restricted £	Unrestricted £	2023 Total £
Donations	<u>508</u>	<u>10</u>	<u>518</u>

Prior period comparative:

	Restricted £	Unrestricted £	2022 Total £
Donations	<u>3,125</u>	<u>811</u>	<u>3,936</u>

4. Income from charitable activities

	Restricted £	Unrestricted £	2023 Total £
Grants			
Arts Council England National Lottery Projects Grants	28,474	-	28,474
Production income			
Ticket income	-	92,592	92,592
Educational income	-	1,340	1,340
Total income from charitable activities	<u>28,474</u>	<u>93,932</u>	<u>122,406</u>

Prior period comparative:

	Restricted £	Unrestricted £	2022 Total £
Grants			
Arts Council England National Lottery Projects Grants	59,792	-	59,792
West of England Combined Authority Creative Business Grant	10,000	-	10,000
Production income			
Ticket income	-	72,798	72,798
Educational income	-	670	670
Other production income	-	3,450	3,450
Total income from charitable activities	<u>69,792</u>	<u>76,918</u>	<u>146,710</u>

Insane Root Theatre CIO

Notes to the financial statements

For the year ended 31 March 2023

5. Income from other trading activities

	2023 Total £	2022 Total £
Merchandise	8,658	230
Café and bar	4,205	-
Total income from other trading activities	12,863	230

All income from other trading activities was unrestricted in the current and prior period.

6. Other income

	2023 Total £	2022 Total £
Theatre tax relief claim	39,217	33,486
Total income from other trading activities	39,217	33,486

All other income was unrestricted in the current and prior period.

7. Government grants

The charity receives government grants, defined as funding from Arts Council England, West of England Combined Authority and HMRC to fund charitable activities. The total value of such grants in the period ending 31 March 2023 was £68,203 (2022: £103,278). There are no unfulfilled conditions or contingencies attaching to these grants.

Insane Root Theatre CIO

Notes to the financial statements

For the year ended 31 March 2023

8. Total expenditure

	Raising funds £	Charitable activities £	Support and governance costs £	2023 Total £
Staff costs (note 10)	-	30,501	-	30,501
Production costs	-	156,266	-	156,266
Administration	-	2,256	-	2,256
Marketing	-	7,136	-	7,136
Photography and filming	-	3,500	-	3,500
Insurance	-	1,084	-	1,084
Accountancy	-	-	2,731	2,731
Merchandise	-	1,618	-	1,618
Café costs	-	971	-	971
Cost of sales	-	4,208	-	4,208
Sub-total	-	207,540	2,731	210,271
Allocation of support and governance costs	-	2,731	(2,731)	-
Total expenditure	-	210,271	-	210,271

Total governance costs were £2,731 (2022: £2,961)

Insane Root Theatre CIO

Notes to the financial statements

For the year ended 31 March 2023

8. Total expenditure

Prior period comparative

	Raising funds £	Charitable activities £	Support and governance costs £	2022 Total £
Staff costs (note 10)	-	22,640	-	22,640
Production costs	-	106,032	-	106,032
Administration	-	1,687	289	1,976
Marketing	-	4,320	-	4,320
Photography and filming	-	4,100	-	4,100
Insurance	-	5,662	-	5,662
Accountancy	-	-	2,961	2,961
Merchandise	-	445	-	445
Sub-total	-	144,886	3,250	148,136
Allocation of support and governance costs	-	3,250	(3,250)	-
Total expenditure	-	148,136	-	148,136

Insane Root Theatre CIO

Notes to the financial statements

For the year ended 31 March 2023

9. Net movement in funds

This is stated after charging:

	2023 £	2022 £
Trustees' remuneration	Nil	Nil
Trustees' reimbursed expenses	-	-
Independent examiner's fee:		
▪ Independent examination (including VAT)	1,740	1,620
▪ Other services	991	1,341
	<u>2,731</u>	<u>2,961</u>

10. Staff costs and numbers

Staff costs were as follows:

	2023 £	2022 £
Salaries and wages	29,927	22,413
Pension costs	574	227
	<u>30,501</u>	<u>22,640</u>

No employee earned more than £60,000 during the year.

The key management personnel of the charity comprise the Trustees, Artistic Director and Production Director. The total employee benefits of the key management personnel were £27,574 (2022: £15,627).

	2023 No.	2022 No.
Average head count	<u>1.83</u>	<u>3.00</u>

11. Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

Insane Root Theatre CIO

Notes to the financial statements

For the year ended 31 March 2023

12. Debtors

	2023 £	2022 £
Prepayments	1,019	620
Accrued income	-	5,979
HMRC - Theatre tax relief	39,217	33,486
Other debtors	1,068	628
	41,304	40,713

13. Creditors : amounts due within 1 year

	2023 £	2022 £
Trade creditors	207	201
Accruals	2,460	2,580
Loans	32,000	-
Pension	-	81
	34,667	2,862

Included in loans are 5 separate loans from trustees, long term supporters and a director. The loans are £32,000, and are all repayable on the receipt of the Theatre Tax Relief claim or 31 July 2023, whichever is sooner. All loans have been offered on an interest free basis.

14. Analysis of net assets between funds

	Restricted funds £	General funds £	Total funds £
Current assets	-	41,396	41,396
Current liabilities	-	(34,667)	(34,667)
Net assets at 31 March 2023	-	6,729	6,729
Prior year comparative			
	Restricted funds £	General funds £	Total funds £
Current assets	3,125	41,733	44,858
Current liabilities	-	(2,862)	(2,862)
Net assets at 31 March 2022	3,125	38,871	41,996

Insane Root Theatre CIO

Notes to the financial statements

For the year ended 31 March 2023

15. Movements in funds

	At 1 April 2022 £	Income £	Expenditure £	At 31 March 2023 £
Restricted funds				
Arts Council England National Lottery Projects Grants	-	28,474	(28,474)	-
Ticket support scheme	3,125	508	(3,633)	-
Total restricted funds	3,125	28,982	(32,107)	-
Unrestricted funds				
General funds	38,871	146,022	(178,164)	6,729
Total unrestricted funds	38,871	146,022	(178,164)	6,729
Total funds	41,996	175,004	(210,271)	6,729

Purposes of restricted funds

Arts Council England National Lottery Projects Grants The fund represents a grant received from Arts Council England specifically to support the Midsummer Night's Dream production at Eastville Park Swimming Pool.

Ticket support scheme The fund represents donations to go towards discounted school tickets, concessions and accessibility and to support those with less financial means to experience this unique style of theatre.

Prior year comparative

	At 1 April 2021 £	Income £	Expenditure £	At 31 March 2022 £
Restricted funds				
Arts Council England National Lottery Projects Grants	-	59,792	(59,792)	-
Ticket support scheme	-	3,125	-	3,125
West of England Combined Authority Creative Business Grant	-	10,000	(10,000)	-
Total restricted funds	-	72,917	(69,792)	3,125
Unrestricted funds				
General funds	5,770	111,445	(78,344)	38,871
Total funds	5,770	184,362	(148,136)	41,996

16. Related party transactions

V Frost, a trustee, provided an interest free loan to the charity in the year to assist with short term cashflow challenges. At the year end the charity owed V Frost £3,000 (2022: £Nil), which is included in creditors. Repayment is due on the earlier of the receipt from the theatre tax relief claim or 31 July 2023. This transaction was not carried out at arms length due to the interest free nature of the loan. However, the loan was made in the best interest of the charity and a formal loan agreement has been made between Insane Root and V Frost.

V Fitzgerald, a trustee, provided an interest free loan to the charity in the year to assist with short term cashflow challenges. At the year end the charity owed V Fitzgerald £5,000 (2022: £Nil), which is included in creditors. Repayment is due on the earlier of the receipt from the theatre tax relief claim or 31 July 2023. This transaction was not carried out at arms length due to the interest free nature of the loan. However, the loan was made in the best interest of the charity and a formal loan agreement has been made between Insane Root and V Fitzgerald. V Fitzgerald has since resigned as trustee but the loan remains in place.

There were no other related party transactions in the current or prior period.