



Nuneaton Arts CIO

Trustees' Report and Financial Statements
for the year ended 31 May 2022

Registered Charity number 1193774
(previously 259613)

Nuneaton Arts CIO
Financial Statements
for the year ended 31 May 2022

Index

Page

Report of the Trustees 3-6

Statement of Trustees responsibilities 7

Report of the Independent Examiner 8

Statement of Financial Activities 9

Balance sheet 10

Accounting policies and notes to the financial statements 11-18

Nuneaton Arts CIO
Financial Statements
for the year ended 31 May 2022

Report of the trustees

The trustees are pleased to present their annual report together with the financial statements of Nuneaton Arts CIO ('Nuneaton Arts') for the fourteen months ended 31st May 2022. On 1 June 2021 all activities and funds were transferred to a newly registered charity Nuneaton Arts CIO (Charity number 1193774) which was registered on 11 March 2021. Merger accounting has been used in preparing these financial statements which include the results of the merged entities throughout the period of transition.

The financial statements comply with the Charities Act 2011, Nuneaton Arts' Constitution and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (updated 1 January 2019).

OBJECTIVES AND ACTIVITIES

The Objects of Nuneaton Arts are "to advance education in the arts to those residing in the borough of Nuneaton and Bedworth and the surrounding areas in particular, but not exclusively, through the provision of public concerts, dramatic performances, recitals, art exhibitions, lectures, art festivals and any other art events that advances the education in the arts."

Nuneaton Arts operates the Abbey Theatre, which provides performing and rehearsal facilities for local groups involved in presenting music and drama in Nuneaton. Hire costs are kept to an absolute minimum, and a tiered tariff is designed to favour local amateur groups over commercial enterprises and professional users. In addition to the basic facilities, we also offer training and assistance to user groups with production design, set design, set building, lighting and sound – these are all provided by our volunteers, mostly without charge. We have for many years been involved with other groups in hosting competitive events – the Nuneaton Festival of Arts is an example of this. We also promote events ourselves, to extend the variety of dramatic, comic and musical entertainment available locally. We run the Warwickshire One-Act Play Festival each year, which is an initial round of the All England Theatre Festival, and frequently host the regional quarter or semi-final rounds.

Public benefit

In shaping our objectives and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'. Nuneaton Arts relies on grants and the income from fees and charges to cover its operating costs. Affordability and access to our programme is important to us and is reflected in our pricing policy.

Report of the trustees (continued)

ACHIEVEMENTS, PERFORMANCE AND FUTURE PLANS

We took over the assets and liabilities of The Nuneaton Arts Council, an Unincorporated Charity which had been operating since 1969 on 1 June 2021. We will continue to carry out all the functions of the old charity but with an increased emphasis on education. As an Incorporated Charity we have a wider Board of Trustees, are able to employ staff, own or lease buildings, and will have increased access to grant funding – previously staff were employed and buildings leased by the Trustees acting as individuals. We follow the Association model for charities, which means we are a membership organisation where the members appoint the Trustees, and the Trustees manage the Charity on behalf of the membership. We do not charge for membership at present.

Our year started with relaxation of Covid restrictions – we were allowed to reopen from 21st May 2021 in a socially distanced configuration. Initially this was very restrictive, and we only hosted two Comedy Nights and two theatre school shows in the theatre in the first three months. We had been working on the creation of The Courtyard, an outdoor space seating up to 40, during the previous year and this hosted eight events during the first three months, as well as a number of rehearsals when outdoor activities were less restricted than those indoors.

From September we were able to operate without restrictions on audience numbers or dressing room occupancy. However, we didn't have anything like a complete program of events in place as amateur groups hadn't been able to rehearse shows and audience numbers were substantially down for most events. Audiences still haven't returned to pre-Covid levels, so we are taking a cautious approach to the professional shows we are bringing in.

During the year the Transforming Nuneaton project began to gather pace, and we were asked to be the representative body for the Arts as a whole in Nuneaton. We have expanded our membership and now have members from a much wider Arts base.

Despite the problems caused by Covid the theatre auditorium was in use for 126 evenings during the year, with many more activities taking place in the rehearsal rooms and during the daytimes. The "Take a Bow" initiative, started during 2020 to increase involvement in Drama for primary school pupils, is now operating in 4 schools locally and has resulted in a number of school visits involving costume, props and backstage work.

Our largest future plans centre around the Transforming Nuneaton project, which had been largely on hold during the pandemic. We have been working with the Transforming Nuneaton team to become representative of all the Arts in the local area – we held open meetings, recruited members who are from other areas of the Arts, and formed a committee to represent the Arts locally with 6 members. This committee has put its ideas forward as part of the overall project. A bid is being prepared by Nuneaton and Bedworth Borough Council for the July/August round of the government's Levelling Up funding, to finance a new Theatre, Arts and Conference Centre on the current Bus Station site – they have appointed DCA as consultants (DCA prepared a feasibility study a few years ago, in conjunction with ourselves, NBBC and WCC, for a replacement theatre building).

Report of the trustees (continued)

FINANCIAL REVIEW

We continued the cost control measures implemented at the start of the pandemic, relaxing these only when absolutely necessary. Now that the situation has stabilised, albeit with an ongoing reduction in audience numbers, we think we can predict our future performance with greater confidence. We have therefore planned to update the bar area and replace some technical equipment during summer 2022.

Reserves policy and risks

The Trustees have increased the required level of reserves to £50,000 this year, and this level is kept under review. The level is considered adequate to replace any major item of equipment immediately should the need arise, or to sustain the Abbey Theatre for a sufficient period should normal business be interrupted. The building fabric is the responsibility of Nuneaton and Bedworth Borough Council and the reserves do not therefore need to cover major building items. Current free reserves are £114,678, of which £30,000 has been allocated for refurbishment and equipment replacement over the summer 2022 period. The remaining £84,678 still appears high compared to our target figure. However, there remain uncertainties around achievable future revenues as audience numbers remain down on pre-pandemic levels.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

Nuneaton Arts CIO is a registered charity (No. 1193774) governed by its Constitution dated 11 March 2021.

Management structure

Membership of Nuneaton Arts is open to all persons with an interest in the arts and resident within 15 miles of Nuneaton centre. Voting is by simple majority, in person only, at the Annual General Meeting ('AGM') of Nuneaton Arts (or at any Extraordinary General Meeting of Nuneaton Arts).

Nuneaton Arts is managed on behalf of the membership by a Board of Trustees, who are elected by the membership. Nuneaton and Bedworth Borough Council may nominate two persons to the Board of Trustees who may not meet the residence requirement for Nuneaton Arts members. The Board of Trustees normally meets about 10 times each year. Specific operational functions are delegated by the Board to individual office holders, who are not necessarily Trustees. These office holders mostly work within delegated budgets and report to the Board at each meeting.

Nuneaton Arts CIO
Financial Statements
for the year ended 31 May 2022

Report of the trustees (continued)

Appointment of trustees, induction & training

Trustees are appointed annually at the AGM. They serve a fixed term of 3 years, so normally one third of the Board of Trustees will stand down each year. Those standing down are eligible to stand for re-appointment.

If vacancies remain after the appointment of Trustees at the AGM then the Board of Trustees may appoint further Trustees. Trustees are invited to undergo appropriate training at the Charity's expense.

REFERENCE AND ADMINISTRATIVE INFORMATION

Trustees:

The Trustees (all appointed on registration on 11 March 2021, unless stated otherwise) are:

David Adams

Michael Colin Chappell

Anthony Richard Deeming

David John Griffith (Vice Chair)

Nathan Mark Harvey

Gemma Louise Johnson (appointed 9 March 2022)

Rhian Margaret Luke

Phillip James Malkin

David Anthony Sedgwick (Chair)

Simon Noel William Winterman

Charity Number:

1193774

Registered Office:

The Abbey Theatre, Pool Bank Street, Nuneaton, Warwickshire, CV11 5DB

Independent Examiner:

Karen Hanlan Independent Examiner Ltd

1 Saracen Close, Ettington, Warwickshire, CV37 7SZ

Bankers:

Lloyds Bank plc

Approved by the Board and signed on its behalf by:

David Griffith
Trustee

Date: 24th October 2022

Nuneaton Arts CIO
Financial Statements
for the year ended 31 May 2022

Statement of trustees' responsibilities

The trustees are required to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charity and of the surplus or deficit incurred by the charity for that year. In preparing those financial statements the trustees are required to:

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

The trustees have overall responsibility for ensuring that the charity has an appropriate system of controls, financial and otherwise.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011.

They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that:

- the charity is operating efficiently and effectively;
- its assets are safeguarded against unauthorised use or disposition;
- proper records are maintained and financial information used within the charity or for publication is reliable;
- the charity complies with relevant laws and regulations.

Nuneaton Arts CIO
Financial Statements
for the year ended 31 May 2022

Independent Examiner's Report to the Trustees of Nuneaton Arts CIO

I report to the trustees on my examination of the accounts of Nuneaton Arts CIO ('the Charity') for the year ended 31 May 2022 which are set out on pages 9 to 18.

Responsibilities and basis of report

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

I report in respect of my examination of the Charity'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 2011 Act.

Independent examiner's statement

I have completed my examination. I can 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 Charity as required by section 130 of the 2011 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.

Karen Hanlan, Institute of Chartered Accountants, England & Wales
Karen Hanlan Independent Examiner Limited
1 Saracen Close
Ettington
Warwickshire, CV37 7SZ

24 October 2022

Nuneaton Arts CIO
Financial Statements
for the year ended 31 May 2022

Statement of financial activities

	Note	Year ended 31 May 2022 £	14 months ended 31 May 2021 £
Income from:			
Donations and legacies	1	25,897	67,400
Charitable Activities	2	63,634	6,047
Trading activities	3	40,873	330
Total income		130,404	73,777
Expenditure on:			
Raising funds	4	18,176	2,693
Charitable activities	4	90,251	65,693
Total expenditure		108,427	68,386
Net income for year and net movement in funds		21,977	5,391
Reconciliation of funds			
Total funds brought forward		110,531	105,140
Total funds carried forward		132,508	110,531

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities and is unrestricted.

Nuneaton Arts CIO
Financial Statements
for the year ended 31 May 2022

Balance sheet

	Notes	31 May 2022 £	31 May 2021 £
Fixed Assets			
Tangible assets	7	17,830	27,316
Current Assets			
Bar stock		4,007	2,885
Technical stock		439	154
Debtors	8	8,365	10,923
Cash at bank and in hand		111,935	75,696
		<u>124,746</u>	<u>89,658</u>
Current Liabilities			
Creditors: falling due within one year	9	(10,068)	(6,443)
Net current assets		114,678	83,215
Creditors: falling due after one year		-	-
Net assets		132,508	110,531
Funds of the Charity:			
Restricted Funds		-	-
Unrestricted Funds		132,508	110,531
Total Charity Funds		132,508	110,531

The accompanying accounting policies and notes form part of these financial statements.

The financial statements have been prepared in accordance with the requirements of the Charity Commission

Approved by the Trustees and signed on their behalf by:

David Griffith
Trustee

Date: 24th October 2022

Nuneaton Arts CIO
Financial Statements
for the year ended 31 May 2022

Principal accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

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 preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (updated 1 January 2019) - (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

In preparing these financial statements Update Bulletin 1 to the Charities SORP (FRS102) has been adopted and consequently a Statement of Cash flows has not been prepared.

Nuneaton Arts CIO meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historic cost or transaction value unless otherwise stated in the relevant accounting policy note.

b) Preparation of the accounts on a going concern basis

The financial statements have been prepared on a going concern basis which assumes that the Charity will continue to operate. The validity of this assumption is dependent upon the continuance of support from the charity's funders and in response to the progress made by the Charity in pursuing a viable budget. The Charity's current business plan shows that the Charity will be able to operate in the foreseeable future. Based on this understanding, the trustees believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments, which would result from the basis of preparation being inappropriate.

c) Funds

General accumulated funds are unrestricted funds available for general purposes and include funds designated for a particular purpose; the use of such funds remains at the discretion of the trustees.

Restricted funds are funds subject to conditions imposed by the donor or by specific terms of the appeal under which the funds are raised. The restrictive conditions are binding upon the Charity.

d) Income

Items of income are recognised and included in the accounts when all of the following criteria are met:

- The charity has entitlement to the funds;
- any performance conditions attached to the item(s) of income have been met or are fully within the control of the charity;
- there is sufficient certainty that receipt of the income is considered probable; and
- the amount can be measured reliably.

Nuneaton Arts CIO
Financial Statements
for the year ended 31 May 2022

- **Principal accounting policies (continued)**

e) 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.

Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the direct costs of operating the bar & coffee bar.
- Expenditure on charitable activities includes the direct costs of activities undertaken to further the purposes of the charity and their associated support & governance costs.

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

f) Deferred Income

Income is deferred when monies are received in advance relating to performances or bookings commencing in the following financial year.

g) Tangible fixed assets

Depreciation is provided at a rate calculated to write off the cost on a straight line basis over a period of less than the estimated useful life of the assets as follows:

Property refurbishment – 10%pa
Fixtures, fittings and equipment – 25%pa

Fixed assets are capitalised depending on their value at the discretion of the trustees.

h) Stock

Stock is included at the lower of cost and net realisable value.

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 after taking account 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.

Nuneaton Arts CIO
Financial Statements
for the year ended 31 May 2022

Principal accounting policies (continued)

k) 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.

l) Taxation

As a registered charity no provision is considered necessary for taxation.

Notes to the financial statements

1. Donations and legacies

	Year ended 31 May 2022 £	14 months ended 31 May 2021 £
Donations	1,052	2,657
Grants		
- Restricted grant from Arts Council England	-	11,620
- Restricted grant from Warwickshire CC	-	1,500
- Nuneaton & Bedworth BC Covid Support grant	4,000	25,000
- Nuneaton & Bedworth Annual Grant	2,650	2,650
- Nuneaton & Bedworth NDR payments	17,000	18,572
- HMRC Job retention payments	345	5,401
- Other	850	-
	24,897	67,400

Restricted income in 2020/21 comprised £1,500 from Warwickshire County Council towards the purchase and installation of a Defibrillator and £11,620 from Arts Council England towards the development and opening of the Courtyard outdoor performance area. There was no restricted income in 2021/22

Nuneaton Arts CIO
Financial Statements
for the year ended 31 May 2022

Notes to the financial statements (continued)

2. Charitable Activities

	Year ended 31 May 2022	14 months ended 31 May 2021
		£
Nuneaton Arts productions	20,311	372
Theatre hire	25,594	2,049
Room hire	8,833	565
Equipment rental and sales	8,034	2,297
Advertising sales	160	-
Ticket printing	400	-
Other	302	764
	63,634	6,047

3. Trading activities

	Year ended 31 May 2022	14 months ended 31 May 2021
	£	£
Bar and coffee bar takings	40,873	330

Nuneaton Arts CIO
Financial Statements
for the year ended 31 May 2022

Notes to the financial statements (continued)

4. Expenditure

	Year ended 31 May 2022	14 months ended 31 May 2021
	£	£
<i>Raising funds:</i>		
Bar & coffee bar purchases	18,176	2,576
Bar equipment repairs & renewals	-	117
	18,176	2,693
<i>Cost of Theatre activities:</i>		
Hired-in equipment, recharged	2,278	1,342
Licence fees	3,372	958
Theatre equipment repairs & renewals	3,789	1,338
Nuneaton Arts productions	19,716	596
Courtyard Theatre set up (inc. £2,753 restricted)	234	2,955
Print, stationery and postage	1,001	1,149
Marketing	785	-
Educational support	405	-
Miscellaneous	1,157	-
	32,737	8,338
<i>Establishment expenses:</i>		
Rent	1,448	1,110
Heating & lighting	4,659	4,673
Rates & water	2,626	1,299
Cleaning materials & hygiene services	15,883	6,538
Maintenance contracts	2,542	2,794
Repairs & renewals (inc. £1,500 restricted)	432	6,748
Insurance	6,672	6,145
	34,262	29,307
<i>Administrative expenses:</i>		
Accountancy costs/Professional fees	-	276
Telephone & internet	2,203	2,088
Staff costs, including volunteer expenses & staff training cost	7,749	8,813
Bank charges	269	46
Depreciation of fixed assets	12,031	16,025
	22,252	27,248
<i>Governance costs:</i>		
Independent Examiner's fee	1,000	800
	1,000	800
Total charitable expenditure	90,251	65,693

Nuneaton Arts CIO
Financial Statements
for the year ended 31 May 2022

Notes to the financial statements (continued)

5. Merger accounting

As explained in the Trustees Annual Report a new Charity Nuneaton Arts CIO (Charity number 1193774) was registered by the Charity Commission on 11 March 2021. Under a transfer agreement dated 1 June 2021 the undertaking and assets of the old charity (the Nuneaton Arts Council, charity number 259613) were transferred to the new charity who then took on all activities previously undertaken by the old charity. This old charity will be removed by the Charity Commission in due course. As required by section 27 of the SORP the transaction has been accounted for as a merger and results pre & post-merger have been combined in these financial statements as follows:

	Old charity pre-merger £	New charity post- merger £	Combined total £
Total income	-	130,404	130,404
Total expenditure	(-)	(108,427)	(108,427)
Net income and net movement in funds	-	21,977	21,977

All funds pre and post-merger were unrestricted and the new charity did not commence activity until the date of the merger.

An analysis of the net assets at the date of merger is as follows:

	Old charity £	New charity £	Combined total £
Fixed Assets	27,316	-	27,316
Cash at bank	75,696	-	75,696
Stocks	3,039	-	3,039
Debtors	10,923	-	10,923
Creditors	(6,443)	-	(6,443)
Total un-restricted funds transferred	110,531	-	110,531

6. Staff costs, trustee remuneration and expenses

No employee earned more than £60,000 per annum. Gross salaries paid were £7,761 (2021: £8,813). No social security payments or pension contributions were made in the year (2021: £nil).

The average number of employees during the year was one (full-time equivalent 0.4) (2021: 0.4).

No remuneration was paid to trustees. During the year expenses totalling £2,660.65 were reimbursed to 3 Trustees for costs incurred on behalf of the charity relating mainly to equipment and repairs (2021: £nil).

Nuneaton Arts CIO
Financial Statements
for the year ended 31 May 2022

Notes to the financial statements (continued)

7. Tangible fixed assets

	Property refurbishment £	Fixture, Fittings & Equipment £	Total £
Cost			
At beginning of period	87,834	178,926	266,760
Additions	-	2,545	2,545
Disposals	-	-	-
At end of period	87,834	181,471	269,305
Depreciation			
At beginning of period	75,590	163,854	239,444
Charge for the period	3,315	8,716	12,031
At end of period	78,905	172,570	251,475
Net Book Value			
At 31 May 2022	8,929	8,901	17,830
At 31 May 2021	12,244	15,072	27,316

8. Debtors

	31 May 2022 £	31 May 2021 £
Accrued income	3,625	7,181
Prepayments	4,740	3,742
	8,365	10,923

9. Creditors: amounts falling due within one year

	31 May 2022 £	31 May 2021 £
Trade creditors	-	954
Accruals	7,244	2,745
Deferred income (deposits received in advance)	2,824	2,744
	10,068	6,443

Nuneaton Arts CIO
Financial Statements
for the year ended 31 May 2022

Notes to the financial statements (continued)

	31 May 2022	31 May 2021
	£	£
Deferred income:		
Balance brought forward	2,744	3,256
Transferred to statement of financial activities	(2,744)	(637)
Deferred in period	2,824	125
Balance at end of period	2,824	2,744

10. Operating lease commitments

	31 May 2022	31 May 2021
	£	£
The following annual operating lease payments are committed to be paid:		
Expiring:		
Within one year	626	626
Between two and five years	-	-

11. Controlling Interests

The charity is controlled by the trustees.

12. Transactions with related parties

Certain of the Trustees also run or are involved in the management of organisations who use the facilities of the Theatre or hire technical equipment from the Theatre. Such transactions are at the same rate as for other equivalent organisations and are detailed below:

Organisation	Trustee	Year ended 31 May 2022	14 months ended 31 May 2021
Abbey Players	David Sedgwick (Manager/Principal)	£2,377	-
	Michael Chappell (Committee Member)		
Masqueraders	David Adams (Committee Member, co-opted)	£3,696	£90
Rabble	David Adams (Manager/Principal)	£1,601	-
	Simon Winterman (Manager)		
Sudden Impulse	Nathan Harvey (Trustee)		
Production Company	Philip Malkin (Trustee)	£4,906	-
Sudden Impulse	Simon Winterman (Manager/Principal)		
Theatre Academy		£1,445	£202

There were no outstanding balances with related parties as at 31 May 2022 (2021: £nil)