



Nuneaton Arts CIO

Trustees' Report and Financial Statements
for the year ended 31 May 2023

Registered Charity number 1193774

Nuneaton Arts CIO
Financial Statements
for the year ended 31 May 2023

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Nuneaton Arts CIO
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for the year ended 31 May 2023

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 year ended 31st May 2023.

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.

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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 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 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.

The theatre auditorium was in use on 205 days during the year, there were 116 public performances on 103 days, with a further 88 days of rehearsals/set building and 14 days with educational activities. This was despite the cancellation of our main pantomime, which we had hoped would return after the Covid interruption. In addition many more activities took place in the rehearsal rooms, bar and the Courtyard outdoor performance space. The “Take a Bow” initiative, started during 2020 to increase involvement in Drama for primary school pupils, is now operating in 5 schools locally and has resulted in a number of school visits involving costume, props and backstage work. We have also introduced daytime activities (Yoga, Art and Calligraphy courses initially) to increase the diversity of our public offering and also to increase daytime use of the Abbey Theatre building.

Since August 2022 we have had a Development Officer in place on a part-time paid basis. This has improved our community involvement considerably and, following a successful funding bid to the National Lottery Community Fund, this post will continue into next year.

After several years of searching we have taken a lease on a 1000 sq ft storage and workshop building in Stockingford – this replaces the low and damp 700 sq ft building we previously leased from NBBC in The Parade. As well as giving us almost 50% more floor area than the old building it is also far higher, increasing the usable storage and workshop area to almost 1500 sq ft. We expect to surrender the lease on The Parade building at the end of June 2023 once we have cleared it completely.

Nuneaton and Bedworth Borough Council (NBBC), working in conjunction with the Transforming Nuneaton project team, submitted a bid under the Levelling Up 2 Government initiative – this was to create a new Theatre, Arts and Conference Centre in the centre of the town (on the current Bus Station site). Unfortunately this bid was not successful – it has since been indicated that there will be a Levelling Up 3 funding round but the timing and basis for this are uncertain. Since the announcement of the bid outcome we have been working with NBBC to secure the future of the existing theatre building – we lease the premises from NBBC but have not had a current lease for several years. As well as lacking certainty going forward this leaves us ineligible for virtually all building-related grants, as funding bodies normally require a minimum of 5 years outstanding on leased premises.

We updated and redecorated the bar area during the year, including changing the old sofas and coffee tables for easily moveable tables and chairs, This has made the area far more adaptable. We have also made substantial investments in the theatre lighting, sound and stage equipment, including our first purchase of LED moving lights. As well as reducing electricity usage this also reduces the necessity to use ladders to focus lighting for shows, resulting in both time savings on setup and also reduced working at height risk.

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Report of the trustees (continued)

FINANCIAL REVIEW

We have continued strict controls on day-to-day expenditure but have made significant investments in the theatre infrastructure following the return to more normal levels of revenue after the Covid pandemic. We are fortunate that we were largely insulated from energy price increases as we had negotiated fixed rate supply agreements with suppliers in 2020 and 2021. We have made provision in future budgets for the current electricity and gas charges.

Reserves policy and risks

The Trustees have set the required level of reserves to £50,000, 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 NBBC and the reserves do not therefore need to cover major building items. Current free reserves are £102,079. The remaining £52,079 still appears high compared to our target figure. If we do achieve a realistic lease we have a number of significant projects in mind, including provision of disabled access to the upper floor

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.

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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 are:

David Adams

Michael Colin Chappell (re-appointed 18 January 2023)

Anthony Richard Deeming

David John Griffith (Vice Chair)

Nathan Mark Harvey (re-appointed 18 January 2023)

Christopher David Hill (appointed 1 March 2023)

Gemma Louise Johnson (appointed 18 January 2023)

Rhian Margaret Luke

Phillip James Malkin

David Anthony Sedgwick (Chair) (re-appointed 18 January 2023)

Charity Number:

1193774

Registered Office:

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

Independent Examiner:

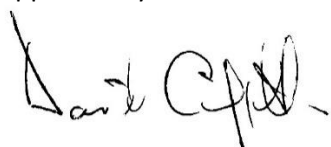
Karen Hanlan Independent Examiner Ltd

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: 9th October 2023

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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.

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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 2023 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

Date: 9 October 2023

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Statement of financial activities

	Note	Unrestricted £	Restricted £	Total 2023 £	Total 2022 £
Income from:					
Donations and legacies	1	3,377	9,800	13,177	25,897
Charitable Activities	2	76,768	-	76,768	63,634
Trading activities	3	61,758	-	61,758	40,873
Total income		141,903	9,800	151,703	130,404
Expenditure on:					
Raising funds	4	28,603	-	28,603	18,176
Charitable activities	4	114,829	2,880	117,709	90,251
Total expenditure		143,432	2,880	146,312	108,427
Net (expenditure)/ income for year and net movement in funds		(1,529)	6,920	5,391	21,977
Reconciliation of funds					
Total funds brought forward		132,508	-	132,508	110,531
Total funds carried forward		130,979	6,920	137,899	132,508

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.

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Balance sheet

	Notes	31 May 2023 £	31 May 2022 £
Fixed Assets			
Tangible assets	6	35,820	17,830
Current Assets			
Bar stock		5,239	4,007
Technical stock		509	439
Debtors	7	8,656	8,365
Cash at bank and in hand		103,531	111,935
		<u>117,935</u>	<u>124,746</u>
Current Liabilities			
Creditors: falling due within one year	8	(15,856)	(10,068)
Net current assets		102,079	114,678
Creditors: falling due after one year		-	-
Net assets		<u>137,899</u>	<u>132,508</u>
Funds of the Charity:			
Restricted Funds	9	6,920	-
Unrestricted Funds		130,979	132,508
Total Charity Funds		<u>137,899</u>	<u>132,508</u>

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: 9th October 2023

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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.

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- **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.

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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 2023	Year ended 31 May 2022
	£	£
Donations	727	1,052
Grants		
- Nuneaton & Bedworth BC Covid Support grant	-	4,000
- Nuneaton & Bedworth Annual Grant	2,650	2,650
- Nuneaton & Bedworth NDR payments	-	17,000
- HMRC Job retention payments	-	345
- Other	-	850
	3,377	25,897
- Restricted grant from Big Lottery Community Fund for Coronation Celebration & legacy event	9,800	-
	13,177	25,897

There was no restricted income in 2021/22

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Notes to the financial statements (continued)

2. Charitable Activities

	Year ended 31 May 2023	Year ended 31 May 2022
		£
Nuneaton Arts productions & courses	13,601	20,311
Theatre hire	42,419	25,594
Room hire	10,658	8,833
Equipment rental and sales	9,746	8,034
Advertising sales	-	160
Ticket printing	344	400
Other	-	302
	76,768	63,634

3. Trading activities

	Year ended 31 May 2023	Year ended 31 May 2022
	£	£
Bar and coffee bar takings	61,758	40,873

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Notes to the financial statements (continued)

4. Expenditure

	Year ended 31 May 2023	Year ended 31 May 2022
	£	£
<i>Raising funds:</i>		
Bar & coffee bar purchases	27,850	18,176
Bar equipment repairs & renewals	1,023	-
	28,603	18,176
<i>Cost of Theatre activities:</i>		
Hired-in equipment, recharged	1,786	2,278
Licence fees	3,968	3,372
Theatre equipment repairs & renewals	5,801	3,789
Nuneaton Arts productions & courses	12,754	19,716
Courtyard Theatre set up	-	234
Print, stationery and postage	1,526	1,001
Marketing	4,128	785
Educational support	7,592	405
Miscellaneous	1,310	1,157
	38,865	32,737
<i>Establishment expenses:</i>		
Rent	2,448	1,448
Heating & lighting	10,816	4,659
Rates & water	3,303	2,626
Cleaning materials & hygiene services	21,316	15,883
Maintenance contracts	2,292	2,542
Repairs & renewals	3,366	432
Insurance	7,360	6,672
	50,901	34,262
<i>Administrative expenses:</i>		
Accountancy costs/Professional fees		-
Telephone & internet	1,746	2,203
Staff costs	8,817	7,749
Bank charges	721	269
Depreciation of fixed assets	15,658	12,031
	26,942	22,252
<i>Governance costs:</i>		
Independent Examiner's fee	1,000	1,000
	1,000	1,000
Total charitable expenditure	117,709	90,251

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Notes to the financial statements (continued)

5. Staff costs, trustee remuneration and expenses

No employee earned more than £60,000 per annum. Gross salaries paid were £8,817 (2022: £7,761). No social security payments or pension contributions were made in the year (2022: £nil).

The average number of employees during the year was one (full-time equivalent 0.4) (2022: 0.4).

No remuneration was paid to trustees. During the year expenses totalling £2,382.41 were reimbursed to 6 Trustees for costs incurred on behalf of the charity relating mainly to the bar refurbishment, equipment and repairs (2022: £2,660.65).

6. Tangible fixed assets

	Property refurbishment £	Fixture, Fittings & Equipment £	Total £
Cost			
At beginning of period	87,834	181,471	269,305
Additions	-	33,648	33,648
Disposals	-	-	-
At end of period	87,834	215,119	302,953
Depreciation			
At beginning of period	78,905	172,570	251,475
Charge for the period	2,306	13,352	15,658
At end of period	81,211	185,922	267,133
Net Book Value			
At 31 May 2023	6,623	29,197	35,820
At 31 May 2022	8,929	8,901	17,830

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Notes to the financial statements (continued)

7. Debtors

	31 May 2023	31 May 2022
	£	£
Accrued income	1,838	3,625
Prepayments	6,818	4,740
	8,656	8,365

8. Creditors: amounts falling due within one year

	31 May 2023	31 May 2022
	£	£
Accruals	9,824	7,244
Deferred income (deposits received in advance)	6,032	2,824
	15,856	10,068

Deferred income:

	31 May 2023	31 May 2022
	£	£
Balance brought forward	2,824	2,744
Transferred to statement of financial activities	(2,824)	(2,744)
Deferred in period	6,032	2,824
	6,032	2,824

9. Funds

	Balance at beginning of period	Income	Expenditure	Transfers	Balance at end of period
	£	£	£		£
Restricted funds					
Big Lottery Community Fund – Coronation Celebration & Legacy Event	-	9,800	(2,880)	-	6,920
Unrestricted funds					
General fund	132,508	141,903	(143,432)	-	130,979
Total funds	132,508	151,703	(146,312)	-	137,899

Big Lottery Community Funds – funds received in April 2023 towards a Coronation celebration event which was held in May 2023. Remaining funds will be spent during 2023 in supporting the development officer, running a number of diversity days and the Hope Festival.

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Notes to the financial statements (continued)

10. Operating lease commitments

	31 May 2023	31 May 2022
The following annual operating lease payments are committed to be paid:		
Expiring:	£	£
Within one year	500	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 2023	Year ended 31 May 2022
Abbey Players	David Sedgwick (Manager/Principal) Michael Chappell (Committee Member)	£1,595	£2,377
Masqueraders	David Adams (Committee Member, co-opted)	£5,585	£3,696
NAODS	Christopher Hill (Committee Member)	£3,404	£1,630
Rabble	David Adams (Manager/Principal) Simon Winterman (Manager)	£2,122	£1,601
Sudden Impulse	Nathan Harvey (Trustee)		
Production Company	Philip Malkin (Trustee)	£1,522	£4,906
Sudden Impulse	Simon Winterman (Manager/Principal)		
Theatre Academy		£240	£1,445

There were no outstanding balances with related parties as at 31 May 2023 (2022: £nil)