

Charity registration number 220256

Company registration number 00242886 (England and Wales)

PEOPLE'S THEATRE ARTS GROUP LIMITED
(LIMITED BY GUARANTEE)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

PEOPLE'S THEATRE ARTS GROUP LIMITED
(LIMITED BY GUARANTEE)
LEGAL AND ADMINISTRATIVE INFORMATION

Chairman	A De'Ath
Trustees	S Appleby P Bradley X Brouwer (Appointed 23 September 2021) A Childs SE Cooper (Appointed 23 September 2021) A Dalglish (Appointed 23 September 2021) A De'Ath S Harrison L Heckels-Thompson C Hope M Hope M Smith (Appointed 23 September 2021) T Swinton K Worswick
Secretary	H Birleson
Treasurer	K Scott
Charity number	220256
Company number	00242886
Registered office	Stephenson Road Newcastle upon Tyne NE6 5QF
Auditor	RMT Accountants & Business Advisors Ltd Gosforth Park Avenue Newcastle upon Tyne NE12 8EG
Bankers	Barclays Bank plc 49 - 51 Northumberland Street Newcastle upon Tyne NE1 7AF

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PEOPLE'S THEATRE ARTS GROUP LIMITED (LIMITED BY GUARANTEE) TRUSTEE'S REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 JULY 2022

The trustees present their report and financial statements for the year ended 31 July 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the company's Memorandum and Articles of Association, the Companies Act 2006 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 (FRS 102) (effective 1 January 2015)"

Objectives and activities

There have been no significant changes in the principal activities of the company since last year which are those of an arts group. The objective of the group is to promote the arts within Newcastle upon Tyne and the wider region. A summary of the aims of the organisation, from the theatre's constitution, states that "The Company is established to promote, maintain and advance education by the encouragement of the Arts, including the Arts of drama, mime, dance, singing and music and to formulate, prepare and establish schemes therefore provided that all objects of the Company shall be of a charitable nature."

How our activities deliver public benefit

The trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission. The trustees consider that the activities undertaken by the charity provide a direct benefit to those who attend the performances staged during the year and to the wider community.

In addition by making the theatre facilities available to a wide range of school, dance, community and other charitable organisations we have given several thousand local residents access to facilities and experiences they would not otherwise enjoy.

Achievements and performance

Last year's report finished with 'The Phoenix is rising!' and now, at the end of a very successful year, we are delighted to be able to say that we have definitely risen! We have run a full programme of plays since our reopening in September 2021 and our audiences have returned. All performances for our first production were socially distanced and we have continued to provide a socially distanced option for each production during the year other than the panto. Our programme of plays has been varied, the artistic appreciation of our productions has been high, and we have recently been able to include our studio theatre back into our full programme. We are continuing with socially distanced options for productions during the coming year.

A number of people have helped to make big improvements to our backstage areas, with a lot of work being done to improve the scene dock and our workshop and our props areas and archive being reorganised and improved. A huge thank you to everyone involved in this. Additionally, what we used to call People's Lit restarted with our Northumbrian Evening and will continue, we have reopened for hires, we have established Wednesday coffee mornings and we have had some wonderful exhibitions in our Foyer Gallery.

We do have some challenges ahead, of course. We know we have a number of large expenses coming up during the Autumn but our finances are strong and we don't see any need for alarm – we simply need to be careful.

We have again been supported generously by our members and a number of loyal supporters and your donations really do make a difference. Our future is looking good!

Financial review

The results for the year under review can be seen on page 8.

**PEOPLE'S THEATRE ARTS GROUP LIMITED
(LIMITED BY GUARANTEE)
TRUSTEE'S REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 JULY 2022**

Reserves policy

The People's Theatre Arts Group Limited reserves policy deals with our general fund. The purpose of the reserves is to ensure we are able to properly manage unusual situations – for example, where an unexpected large expense is incurred, or where our income fails on an ongoing basis to cover our costs or, in a worst case scenario, the theatre had to close.

We aim to hold in reserve sufficient money in our general fund to cover at least six-month's expenditure. The reasons for this are :-

- It would give us time to readjust our working model to ensure that our future income did cover our costs.
- It would enable us to cover most unexpected large expenses.
- In the worst case scenario of the theatre having to close, we would have sufficient funds to continue to pay running costs on the building until such time as these would no longer be our responsibility. Additionally we would have funds to cover professional legal or financial advisors if they were needed.

The Charity's total reserves amounted to £1,386,901 (2021: £1,391,752) at the year end. Of this £214,018 (2021: £167,946) is unrestricted and is held to finance future expenses and costs. £1,172,883 (2021: £1,223,806) is the restricted People's Fund and the majority of this fund is now represented by tangible fixed assets, namely leasehold improvements.

Risk

The trustees meet on a regular basis to consider the major strategic and operational risks of the charity and act accordingly to mitigate those risks.

COVID-19 risk

The COVID-19 pandemic continues to generate a significant level of uncertainty in the global economy. The Trustees will regularly assess the likely effects on the company's operations in an attempt to mitigate the risk as far as possible.

Structure, governance and management

The company is a company limited by guarantee and does not have a share capital. The company is governed by its Memorandum and Articles of Association.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

S Appleby	
P Bradley	
X Brouwer	(Appointed 23 September 2021)
A Childs	
SE Cooper	(Appointed 23 September 2021)
A Dalglish	(Appointed 23 September 2021)
A De'Ath	
S Harrison	
C Heckels-Thompson	(Resigned 23 September 2021)
L Heckels-Thompson	
C Hope	
M Hope	
M Smith	(Appointed 23 September 2021)
T Swinton	
J Thompson	(Resigned 23 September 2021)
K Worswick	

**PEOPLE'S THEATRE ARTS GROUP LIMITED
(LIMITED BY GUARANTEE)
TRUSTEE'S REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 JULY 2022**

The Trustees are the Board of Directors who are elected by the Members at the Annual General Meeting. Candidates must hold full membership and are nominated by full members. They hold office for one year and are eligible for re-election. The theatre holds an AGM each year, in September or October, which is open to all members. As well as reporting on activities during the year, the accounts are presented and nominations for the Management Committee and Productions Committee are put considered and the members of these committees for the coming year are elected.

The Management Committee has overall responsibility for the theatre, and is composed of the Chairman, Secretary and Treasurer of the theatre, plus up to 9 trustees. They meet on a monthly basis and review all major activity at the theatre, review theatre governance as required, and review the theatre finances at each meeting.

The Productions Committee is responsible for the programme of plays put on each season – for choosing the programme, ensuring performance rights are secured, ensuring appropriate teams and cast are organised for each play, and reviewing the success of each play. They meet on a weekly basis.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

Statement of trustee's responsibilities

The trustees, who are also the directors of People's Theatre Arts Group Limited for the purpose of company law, are responsible for preparing the Trustee's Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law 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 company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these 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 estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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 company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

In accordance with the company's articles, a resolution proposing that RMT Accountants & Business Advisors Ltd be reappointed as auditor of the company will be put at a General Meeting.

**PEOPLE'S THEATRE ARTS GROUP LIMITED
(LIMITED BY GUARANTEE)
TRUSTEE'S REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 JULY 2022**

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustee's report was approved by the Board of Trustees.

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H Birleson
Secretary

Dated:

**PEOPLE'S THEATRE ARTS GROUP LIMITED
(LIMITED BY GUARANTEE)
INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF PEOPLE'S THEATRE ARTS GROUP LIMITED**

Opinion

We have audited the financial statements of People's Theatre Arts Group Limited (the 'company') for the year ended 31 July 2022 which comprise the statement of financial activities, the balance sheet and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is 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)

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the trustee's report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustee's report has been prepared in accordance with applicable legal requirements.

**PEOPLE'S THEATRE ARTS GROUP LIMITED
(LIMITED BY GUARANTEE)
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF PEOPLE'S THEATRE ARTS GROUP LIMITED**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustee's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustee's report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustee's responsibilities, the trustees, who are also the directors of the company for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

**PEOPLE'S THEATRE ARTS GROUP LIMITED
(LIMITED BY GUARANTEE)
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF PEOPLE'S THEATRE ARTS GROUP LIMITED**

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the charitable company and the sector in which it operates, we identified that the following laws and regulations are significant to the entity:

- Those laws and regulations considered to have a direct effect on the financial statements including UK financial reporting standards, Company Law and Charity Law.
- Those laws and regulations for which non-compliance may be fundamental to the operating aspects of the charity and therefore may have a material effect on the financial statements include compliance with charitable objectives, public benefit, fundraising regulations, safeguarding and health and safety legislation.

These matters were discussed amongst the engagement team at the planning stage and the team remained alert throughout the audit.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and the Trustees as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence and legal costs incurred; review of Trustee meeting minutes; testing the appropriateness of journal entries; and the performance of analytical review to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Mr Stephen Slater (Senior Statutory Auditor)
for and on behalf of RMT Accountants & Business Advisors Ltd
Statutory Auditor
Gosforth Park Avenue
Newcastle upon Tyne
NE12 8EG**

Date:

PEOPLE'S THEATRE ARTS GROUP LIMITED
(LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 JULY 2022

Current financial year

		Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Total 2021 £
	Notes				
Income from:					
Donations and legacies	3	65,007	-	65,007	121,325
Charitable activities	4	196,889	-	196,889	4,284
Other trading activities	5	30,514	-	30,514	4,322
Investments	6	8	-	8	25
Total income		292,418	-	292,418	129,956
Expenditure on:					
Raising funds	7	42,131	9,807	51,938	31,458
Charitable activities	8	172,398	55,574	227,972	157,244
Other	13	-	17,359	17,359	17,728
Total resources expended		214,529	82,740	297,269	206,430
Net incoming/(outgoing) resources before transfers		77,889	(82,740)	(4,851)	(76,474)
Gross transfers between funds		(31,817)	31,817	-	-
Net income/(expenditure) for the year/ Net movement in funds		46,072	(50,923)	(4,851)	(76,474)
Fund balances at 1 August 2021		167,946	1,223,806	1,391,752	1,468,226
Fund balances at 31 July 2022		214,018	1,172,883	1,386,901	1,391,752

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

PEOPLE'S THEATRE ARTS GROUP LIMITED
(LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 JULY 2022

Prior financial year

		Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
	Notes			
Income from:				
Donations and legacies	3	116,108	5,217	121,325
Charitable activities	4	4,284	-	4,284
Other trading activities	5	4,322	-	4,322
Investments	6	25	-	25
Total income		124,739	5,217	129,956
Expenditure on:				
Raising funds	7	21,656	9,802	31,458
Charitable activities	8	101,700	55,544	157,244
Other	13	-	17,728	17,728
Total resources expended		123,356	83,074	206,430
Net incoming/(outgoing) resources before transfers		1,383	(77,857)	(76,474)
Gross transfers between funds		(24,514)	24,514	-
Net income/(expenditure) for the year/ Net movement in funds		(23,131)	(53,343)	(76,474)
Fund balances at 1 August 2020		191,077	1,277,149	1,468,226
Fund balances at 31 July 2021		167,946	1,223,806	1,391,752

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

PEOPLE'S THEATRE ARTS GROUP LIMITED
(LIMITED BY GUARANTEE)
BALANCE SHEET
AS AT 31 JULY 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	14		1,620,702		1,682,395
Current assets					
Debtors	15	43,295		16,571	
Cash at bank and in hand		222,627		180,596	
		265,922		197,167	
Creditors: amounts falling due within one year	16	(54,666)		(28,309)	
Net current assets			211,256		168,858
Total assets less current liabilities			1,831,958		1,851,253
Creditors: amounts falling due after more than one year	17		(445,057)		(459,501)
Net assets			1,386,901		1,391,752
Income funds					
Restricted funds	19		1,172,883		1,223,806
<u>Unrestricted funds</u>					
Designated funds		3,310		-	
General unrestricted funds		210,708		167,946	
			214,018		167,946
			1,386,901		1,391,752

The financial statements were approved by the Trustees on

.....
A De'Ath
Trustee

Company Registration No. 00242886

**PEOPLE'S THEATRE ARTS GROUP LIMITED
(LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

1 Accounting policies

Charity information

People's Theatre Arts Group Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Stephenson Road, Newcastle upon Tyne, NE6 5QF.

1.1 Accounting convention

The accounts have been prepared in accordance with the company's Memorandum and Articles of Association, the Companies Act 2006 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 (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The company is a Public Benefit Entity as defined by FRS 102.

The company has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements. This includes taking into account the potential impact of COVID-19 to ensure that cashflow is positively managed and the impact to the charity's operations are mitigated. The Board has concluded that the going concern assumption is appropriate in preparing these financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the company is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the company has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the company has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

All grant income is recognised gross when receivable.

Play tickets are deferred when bookings are received in advance of the play to which they relate.

**PEOPLE'S THEATRE ARTS GROUP LIMITED
(LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022**

1 Accounting policies

(Continued)

Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.5 Expenditure

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

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to a category. Where costs cannot be directly attributed to a particular heading they have been allocated to activities on a basis consistent with the use of resources.

1.6 Tangible fixed assets

Individual fixed assets costing £100 or more are capitalised at cost including irrecoverable VAT.

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	Over remaining term of lease
Computer equipment	3 or 4 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

At each reporting end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**PEOPLE'S THEATRE ARTS GROUP LIMITED
(LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022**

1 Accounting policies

(Continued)

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.10 Taxation

The company is a registered charity and no taxation is payable on its income.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Irrecoverable VAT

Irrecoverable VAT is charged against the category of resources expensed for which it was incurred.

1.14 Concessionary loans

Concessionary loans are initially recognised and measured at the amount received, with the carrying amount adjusted in subsequent years to reflect repayments and any accrued interest.

**PEOPLE'S THEATRE ARTS GROUP LIMITED
(LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022**

2 Critical accounting estimates and judgements

In the application of the company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

Assessing indicators of impairment

In assessing whether there have been any indicators of impairment of assets, the trustees have considered both external and internal sources of information such as market conditions and experience of recoverability.

Key sources of estimation uncertainty

Determining residual values and useful economic lives of tangible fixed assets

The company depreciates tangible fixed assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes.

Judgement is applied by trustees when determining the residual values for tangible fixed assets. When determining the residual value trustees aim to assess the amount that the company would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful economic life. Where possible this is done with reference to external market prices.

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3 Donations and legacies

	Unrestricted funds 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Donations and gifts	35,561	28,194	5,217	33,411
Grants	16,447	77,957	-	77,957
Membership subscriptions	12,999	9,957	-	9,957
	<u>65,007</u>	<u>116,108</u>	<u>5,217</u>	<u>121,325</u>

Grants receivable for core activities

	Unrestricted funds 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Coronavirus Job Retention Scheme	3,359	30,931	-	30,931
Other Government Grants	7,088	31,026	-	31,026
Charitable Trusts	6,000	16,000	-	16,000
	<u>16,447</u>	<u>77,957</u>	<u>-</u>	<u>77,957</u>

4 Charitable activities

	2022 £	2021 £
Play tickets	193,179	331
Programme sales	3,710	-
Theatre tax relief	-	3,953
	<u>196,889</u>	<u>4,284</u>

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5 Other trading activities

	2022	2021
	£	£
Premises hire	16,049	4,222
Wardrobe and equipment hire	133	100
Green room	13,392	-
Sundry	940	-
	<u>30,514</u>	<u>4,322</u>
Other trading activities	<u>30,514</u>	<u>4,322</u>

6 Investments

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Interest receivable	8	25
	<u>8</u>	<u>25</u>

7 Raising funds

	Unrestricted funds	Restricted funds	Total	Total
	£	£	2022	2021
			£	£
<u>Fundraising and publicity</u>				
Support costs	42,131	9,807	51,938	31,458
	<u>42,131</u>	<u>9,807</u>	<u>51,938</u>	<u>31,458</u>
	<u>42,131</u>	<u>9,807</u>	<u>51,938</u>	<u>31,458</u>
For the year ended 31 July 2021				
Fundraising and publicity	21,656	9,802		31,458
	<u>21,656</u>	<u>9,802</u>		<u>31,458</u>

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8 Charitable activities

	2022	2021
	£	£
Royalties	8,601	2,766
Stage expenses	8,819	4,761
Water	1,178	1,181
Wardrobe expenses	2,181	-
Repairs and renewals	12,493	25,543
Props	1,321	-
Fees and expenses	400	-
Other direct costs	2,221	1,807
Programmes	1,309	81
House expenses	5,470	1,640
Publicity	15,091	42
Irrecoverable VAT	6,408	4,427
	<u>65,492</u>	<u>42,248</u>
Share of support costs (see note 10)	152,015	109,681
Share of governance costs (see note 10)	10,465	5,315
	<u>227,972</u>	<u>157,244</u>
Analysis by fund		
Unrestricted funds	172,398	101,700
Restricted funds	55,574	55,544
	<u>227,972</u>	<u>157,244</u>

9 Net movement in funds

	2022	2021
	£	£
Net movement in funds is stated after charging/(crediting)		
Fees payable to the company's auditor for the audit of the company's financial statements	2,000	2,000
Depreciation of owned tangible fixed assets	67,093	67,057
	<u>69,093</u>	<u>69,057</u>

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10 Support costs

	Support costs	Governance costs	2022	2021	Basis of allocation
	£	£	£	£	
Staff costs	60,026	-	60,026	47,679	Staff time
Depreciation	67,093	-	67,093	67,057	Use of premises
Electricity and gas	33,236	-	33,236	11,724	Use of premises
Insurance	10,838	-	10,838	10,066	Use of premises
Cleaning	24,839	-	24,839	632	Use of premises
Printing, postage and telephone	3,374	-	3,374	1,582	Use of premises
Sundry expenses	1,747	-	1,747	796	Use of premises
Bank charges	2,800	-	2,800	1,603	Use of premises
Audit fees	-	2,000	2,000	2,000	Governance
Legal and professional	-	8,465	8,465	3,315	Governance
	<u>203,953</u>	<u>10,465</u>	<u>214,418</u>	<u>146,454</u>	
Analysed between					
Fundraising	51,938	-	51,938	31,458	
Charitable activities	152,015	10,465	162,480	114,996	
	<u>203,953</u>	<u>10,465</u>	<u>214,418</u>	<u>146,454</u>	

11 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the company during the year in their capacity as trustee. T Swinton, a trustee during the year, received £15,400 (2021: £14,000) during the year in respect of his position as theatre technician.

12 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Operating of theatre	<u>8</u>	<u>3</u>
Employment costs	2022 £	2021 £
Wages and salaries	59,334	46,883
Other pension costs	692	796
	<u>60,026</u>	<u>47,679</u>

There were no employees whose annual remuneration was £60,000 or more.

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13 Other

	2022	2021
	£	£
Financing costs	17,359	17,728

14 Tangible fixed assets

	Leasehold improvements	Computer equipment	Total
	£	£	£
Cost			
At 1 August 2021	1,967,583	16,168	1,983,751
Additions	5,400	-	5,400
At 31 July 2022	1,972,983	16,168	1,989,151
Depreciation and impairment			
At 1 August 2021	285,188	16,168	301,356
Depreciation charged in the year	67,093	-	67,093
At 31 July 2022	352,281	16,168	368,449
Carrying amount			
At 31 July 2022	1,620,702	-	1,620,702
At 31 July 2021	1,682,395	-	1,682,395

15 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	10,603	40
Other debtors	2,767	8,687
Prepayments and accrued income	29,925	7,844
	43,295	16,571

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16 Creditors: amounts falling due within one year

	2022	2021
	£	£
Borrowings	9,444	9,060
Other taxation and social security	11,910	551
Trade creditors	5,096	2,733
Other creditors	11,356	4,758
Accruals and deferred income	16,860	11,207
	<u>54,666</u>	<u>28,309</u>

17 Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Borrowings	445,057	459,501
	<u>445,057</u>	<u>459,501</u>

18 Loans and overdrafts

	2022	2021
	£	£
Debenture loans	406,501	415,561
Other loans	48,000	53,000
	<u>454,501</u>	<u>468,561</u>
Payable within one year	9,444	9,060
Payable after one year	445,057	459,501
	<u>454,501</u>	<u>468,561</u>

The above loans from members, are provided as concessionary loans for the purpose of furtherance of the charitable activities of the charity. The loans are repayable over 5 years, after a 3 year repayment holiday starting from the date of the loan. No interest is payable on these loans and no security has been given by the charity.

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19 Analysis of movements in funds
Current financial year

The income funds of the charity include the following funds comprising of unexpended resources:

	Movement in funds				
	Balance at 1 August 2021	Incoming resources	Resources expended	Transfers	Balance at 31 July 2022
	£	£	£	£	£
Restricted funds:					
Redevelopment fund	1,223,806	-	(82,740)	31,817	1,172,883
Unrestricted funds:					
General fund	167,946	292,418	(214,529)	(35,127)	210,708
Technical equipment upgrades	-	-	-	3,310	3,310
	<u>1,391,752</u>	<u>292,418</u>	<u>(297,269)</u>	<u>-</u>	<u>1,386,901</u>

A transfer has been made between General Funds and the Redevelopment Fund to reflect the expenditure on the theatre redevelopment associated liabilities.

Previous financial year

	Movement in funds				
	Balance at 1 August 2020	Incoming resources	Resources expended	Transfers	Balance at 31 July 2021
	£	£	£	£	£
Restricted funds:					
Redevelopment fund	1,277,149	5,217	83,074	24,514	1,389,954
Unrestricted funds:					
General fund	191,077	124,739	(123,356)	(24,514)	167,946
	<u>1,468,226</u>	<u>129,956</u>	<u>(206,430)</u>	<u>-</u>	<u>1,391,752</u>

20 Analysis of net assets between funds

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total Unrestricted funds 2022 £	Restricted funds 2021 £	Total 2021 £
Fund balances at 31 July 2022 are represented by:					
Tangible assets	41,318	1,579,384	1,620,702	43,028	1,682,395
Current assets/(liabilities)	220,700	(9,444)	211,256	177,918	168,858
Long term liabilities	(48,000)	(397,057)	(445,057)	(406,501)	(459,501)
	<u>214,018</u>	<u>1,172,883</u>	<u>1,386,901</u>	<u>1,223,806</u>	<u>1,391,752</u>

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21 Nature and purpose of funds

General fund

This fund is unrestricted and was set up by the company to fund the day-to-day running of the theatre.

Redevelopment fund

This fund is restricted and was set up in 2013 for the sole purpose of funding the theatre refurbishment and extension project.

The majority of this fund is now represented by tangible fixed assets, namely leasehold improvements.

22 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

The following amounts were outstanding at the reporting end date:

	Amounts owed to related parties	
	2022	2021
	£	£
Entities with common trustees	4,000	4,000
Trustees	18,000	18,000
	<u>22,000</u>	<u>22,000</u>

All amounts outstanding are unsecured and interest free.

The amount due from entities with common trustees is repayable on demand, all other amounts are repayable equally over 5 years, after a remaining period of 2 years without repayment.

The following amounts were outstanding at the reporting end date:

	Amounts owed by related parties	
	2022	2021
	£	£
Entities with common trustees	1,710	1,710
	<u>1,710</u>	<u>1,710</u>

No guarantees have been given or received.