

PEOPLE'S THEATRE ARTS GROUP LIMITED
(LIMITED BY GUARANTEE)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

Draft Financial Statements at 22 September 2023 at 11:53:36
PEOPLE'S THEATRE ARTS GROUP LIMITED
(LIMITED BY GUARANTEE)
LEGAL AND ADMINISTRATIVE INFORMATION

Chairman	A De'Ath	
Trustees	S Appleby P Birleson P Bradley X Brouwer A Childs SE Cooper A Dalglish A De'Ath S Harrison M Hope T Swinton K Worswick J Wilson Craw	(Appointed 20 September 2022) (Appointed 20 September 2022)
Secretary	H Birleson	
Treasurer	K Scott	
Charity number	220256	
Company number	00242886	
Registered office	Stephenson Road Newcastle upon Tyne NE6 5QF	
Auditor	Sumer Auditco Limited The Beehive Beehive Ring Road London Gatwick Airport Gatwick United Kingdom RH6 0PA	
Bankers	Barclays Bank plc 49 - 51 Northumberland Street Newcastle upon Tyne NE1 7AF	

Draft Financial Statements at 22 September 2023 at 11:53:36
PEOPLE'S THEATRE ARTS GROUP LIMITED
(LIMITED BY GUARANTEE)
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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 2023

The trustees present their report and financial statements for the year ended 31 July 2023.

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 [governing document], 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 2019).

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

We've had another great year and our strength, community spirit and imagination have shone through. We have produced a wide range of challenging productions, we have displayed the work of a number of talented local artists in our Foyer Gallery and open mic nights, we now have established Wednesday coffee mornings and a monthly roleplay gaming group which are open to all, and we thank all our volunteers who give their time so generously to enable this to happen. We also continue to hire our venue for community ventures, such as dance schools, the Heaton Schools Shakespeare Festival, poetry readings and comedy nights, and parent and baby mornings. The People's Theatre is a very special place.

We have made some important improvements to our main stage rigging and this will enable our LED lighting project to get underway. The whole project will take a number of years to complete but we now have the right basis on which to build. The main stage work meant that 2 shows had to be moved to the studio and we do thank everyone for their help in making this change a successful one. Inevitably the move reduced the audience from these shows but we did the most that was possible in putting on extra performances and maximising the audience capacity.

We also want to thank our members, and other loyal followers, for their continued support in the form of donations. We are a strong and thriving community and look forward to next year with great anticipation.

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 2023

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.

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 Birleson	(Appointed 20 September 2022)
P Bradley	
X Brouwer	
A Childs	
SE Cooper	
A Dalglish	
A De'Ath	
S Harrison	
L Heckels-Thompson	(Resigned 20 September 2022)
C Hope	(Resigned 20 September 2022)
M Hope	
M Smith	(Resigned 20 September 2022)
T Swinton	
K Worswick	
J Wilson Craw	(Appointed 20 September 2022)

PEOPLE'S THEATRE ARTS GROUP LIMITED

(LIMITED BY GUARANTEE)

TRUSTEE'S REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 JULY 2023

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 Sumer Auditco Limited 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 2023

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.

.....
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 2023 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 2023 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 Sumer Auditco Limited
Statutory Auditor
The Beehive Ring Road
Gatwick
RH6 0PA

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 2023****Current financial year**

		Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Total 2022 £
	Notes				
Income from:					
Donations and legacies	3	72,076	-	72,076	65,007
Charitable activities	4	184,288	-	184,288	196,889
Other trading activities	5	57,070	-	57,070	30,514
Investments	6	306	-	306	8
Total income		313,740	-	313,740	292,418
Expenditure on:					
Raising funds	7	44,245	9,834	54,079	51,938
Charitable activities	8	222,490	55,726	278,216	227,972
Other	10	-	16,975	16,975	17,359
Total resources expended		266,735	82,535	349,270	297,269
Net income/(expenditure) for the year/ Net movement in funds		47,005	(82,535)	(35,530)	(4,851)
Fund balances at 1 August 2022		214,018	1,172,883	1,386,901	1,391,752
Fund balances at 31 July 2023		261,023	1,090,348	1,351,371	1,386,901

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 2023

Prior financial year

		Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
	Notes			
Income from:				
Donations and legacies	3	65,007	-	65,007
Charitable activities	4	196,889	-	196,889
Other trading activities	5	30,514	-	30,514
Investments	6	8	-	8
Total income		292,418	-	292,418
Expenditure on:				
Raising funds	7	42,131	9,807	51,938
Charitable activities	8	172,398	55,574	227,972
Other	10	-	17,359	17,359
Total resources expended		214,529	82,740	297,269
Net incoming/(outgoing) resources before transfers		77,889	(82,740)	(4,851)
Gross transfers between funds		(31,817)	31,817	-
Net income/(expenditure) for the year/ Net movement in funds		46,072	(50,923)	(4,851)
Fund balances at 1 August 2021		167,946	1,223,806	1,391,752
Fund balances at 31 July 2022		214,018	1,172,883	1,386,901

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 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	14		1,634,868		1,620,702
Current assets					
Debtors	15	23,087		43,295	
Cash at bank and in hand		197,147		222,627	
		220,234		265,922	
Creditors: amounts falling due within one year	17	(72,519)		(54,666)	
Net current assets			147,715		211,256
Total assets less current liabilities			1,782,583		1,831,958
Creditors: amounts falling due after more than one year	18		(431,212)		(445,057)
Net assets			1,351,371		1,386,901
Income funds					
Restricted funds	19		1,090,348		1,172,883
<u>Unrestricted funds</u>					
Designated funds		3,310		3,310	
General unrestricted funds		257,713		210,708	
			261,023		214,018
			1,351,371		1,386,901

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 2023

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 financial statements have been prepared in accordance with the company's [governing document], the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). 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 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.

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 2023

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 2023

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 2023

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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FOR THE YEAR ENDED 31 JULY 2023

3 Donations and legacies

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Donations and gifts	10,341	17,561
Legacies receivable	17,209	18,000
Grants	29,843	16,447
Membership subscriptions	14,683	12,999
	<u>72,076</u>	<u>65,007</u>

Grants receivable for core activities

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Coronavirus Job Retention Scheme	-	3,359
Other Government Grants	3,343	7,088
Charitable Trusts	26,500	6,000
	<u>29,843</u>	<u>16,447</u>

4 Charitable activities

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Play tickets	172,102	193,179
Programme sales	4,031	3,710
Theatre tax relief	8,155	-
	<u>184,288</u>	<u>196,889</u>

PEOPLE'S THEATRE ARTS GROUP LIMITED**(LIMITED BY GUARANTEE)****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 JULY 2023****5 Other trading activities**

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Premises hire	36,733	16,049
Wardrobe and equipment hire	1,683	133
Green room	17,074	13,392
Sundry	1,580	940
	<hr/>	<hr/>
Other trading activities	57,070	30,514
	<hr/>	<hr/>

6 Investments

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Interest receivable	306	8
	<hr/>	<hr/>

7 Raising funds

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Total 2022 £
<u>Fundraising and publicity</u>				
Other fundraising costs	1,000	-	1,000	-
Support costs	43,245	9,834	53,079	51,938
	<hr/>	<hr/>	<hr/>	<hr/>
	44,245	9,834	54,079	51,938
	<hr/>	<hr/>	<hr/>	<hr/>
For the year ended 31 July 2022				
Fundraising and publicity	42,131	9,807		51,938
	<hr/>	<hr/>		<hr/>

PEOPLE'S THEATRE ARTS GROUP LIMITED
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FOR THE YEAR ENDED 31 JULY 2023

8 Charitable activities

	2023	2022
	£	£
Royalties	13,975	8,601
Stage expenses	19,560	8,819
Water	2,603	1,178
Wardrobe expenses	1,347	2,181
Repairs and renewals	15,834	12,493
Props	826	1,321
Fees and expenses	-	400
Other direct costs	1,767	2,221
Programmes	960	1,309
House expenses	4,361	5,470
Publicity	14,394	15,091
Irrecoverable VAT	31,571	6,408
	<u>107,198</u>	<u>65,492</u>
Share of support costs (see note 9)	162,056	152,015
Share of governance costs (see note 9)	8,962	10,465
	<u>278,216</u>	<u>227,972</u>
Analysis by fund		
Unrestricted funds	222,490	172,398
Restricted funds	55,726	55,574
	<u>278,216</u>	<u>227,972</u>

PEOPLE'S THEATRE ARTS GROUP LIMITED
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FOR THE YEAR ENDED 31 JULY 2023

9 Support costs

	Support costs	Governance costs	2023	2022	Basis of allocation
	£	£	£	£	
Staff costs	61,570	-	61,570	60,026	Staff time
Depreciation	67,831	-	67,831	67,093	Use of premises
Electricity and gas	36,797	-	36,797	33,236	Use of premises
Insurance	12,581	-	12,581	10,838	Use of premises
Cleaning	28,392	-	28,392	24,839	Use of premises
Printing, postage and telephone	3,303	-	3,303	3,374	Use of premises
Sundry expenses	1,546	-	1,546	1,747	Use of premises
Bank charges	3,115	-	3,115	2,800	Use of premises
Audit fees	-	2,000	2,000	2,000	Governance
Legal and professional	-	6,962	6,962	8,465	Governance
	<u>215,135</u>	<u>8,962</u>	<u>224,097</u>	<u>214,418</u>	
Analysed between					
Fundraising	53,079	-	53,079	51,938	
Charitable activities	162,056	8,962	171,018	162,480	
	<u>215,135</u>	<u>8,962</u>	<u>224,097</u>	<u>214,418</u>	

Governance costs includes payments to the auditors of £2,000 (2022: £2,000) for audit fees and £815 (2022: £815) for non audit services.

10 Other

	Restricted funds 2023 £	Restricted funds 2022 £
Financing costs	<u>16,975</u>	<u>17,359</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 £15,199 (2022: £15,400) during the year in respect of his position as theatre technician.

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FOR THE YEAR ENDED 31 JULY 2023

12 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Operating of theatre	8	8
	<u>8</u>	<u>8</u>
Employment costs	2023 £	2022 £
Wages and salaries	60,659	59,334
Other pension costs	911	692
	<u>61,570</u>	<u>60,026</u>

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

13 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

14 Tangible fixed assets

	Leasehold improvements £	Computer equipment £	Total £
Cost			
At 1 August 2022	1,972,983	16,168	1,989,151
Additions	81,997	-	81,997
	<u>2,054,980</u>	<u>16,168</u>	<u>2,071,148</u>
At 31 July 2023	2,054,980	16,168	2,071,148
Depreciation and impairment			
At 1 August 2022	352,281	16,168	368,449
Depreciation charged in the year	67,831	-	67,831
	<u>420,112</u>	<u>16,168</u>	<u>436,280</u>
At 31 July 2023	420,112	16,168	436,280
Carrying amount			
At 31 July 2023	<u>1,634,868</u>	<u>-</u>	<u>1,634,868</u>
At 31 July 2022	<u>1,620,702</u>	<u>-</u>	<u>1,620,702</u>

PEOPLE'S THEATRE ARTS GROUP LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

15 Debtors

	2023	2022
	£	£
Amounts falling due within one year:		
Trade debtors	9,585	10,603
Other debtors	2,767	2,767
Prepayments and accrued income	10,735	29,925
	<u>23,087</u>	<u>43,295</u>

16 Loans and overdrafts

	2023	2022
	£	£
Debenture loans	397,057	406,501
Other loans	44,000	48,000
	<u>441,057</u>	<u>454,501</u>
Payable within one year	9,845	9,444
Payable after one year	<u>431,212</u>	<u>445,057</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.

17 Creditors: amounts falling due within one year

	2023	2022
	£	£
Borrowings	9,845	9,444
Other taxation and social security	8,403	11,910
Trade creditors	5,912	5,096
Other creditors	12,246	11,356
Accruals and deferred income	36,113	16,860
	<u>72,519</u>	<u>54,666</u>

18 Creditors: amounts falling due after more than one year

	2023	2022
	£	£
Borrowings	<u>431,212</u>	<u>445,057</u>

PEOPLE'S THEATRE ARTS GROUP LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

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 2022	Incoming resources	Resources expended	Transfers
	£	£	£	£
Restricted funds:				
Redevelopment fund	1,172,883	-	(82,535)	-
Unrestricted funds:				
General fund	214,018	313,740	(266,735)	-
	<u>1,386,901</u>	<u>313,740</u>	<u>(349,270)</u>	<u>-</u>
	<u>1,386,901</u>	<u>313,740</u>	<u>(349,270)</u>	<u>-</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 2021	Incoming resources	Resources expended	Transfers
	£	£	£	£
Restricted funds:				
Redevelopment fund	1,223,806	-	(82,740)	31,817
Unrestricted funds:				
General fund	167,946	292,418	(214,529)	(31,817)
Technical equipment upgrades	-	-	-	3,310
	<u>1,391,752</u>	<u>292,418</u>	<u>(297,269)</u>	<u>-</u>
	<u>1,391,752</u>	<u>292,418</u>	<u>(297,269)</u>	<u>-</u>

20 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.

PEOPLE'S THEATRE ARTS GROUP LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

21 Analysis of net assets between funds

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Fund balances at 31 July 2023 are represented by:						
Tangible assets	120,932	1,513,936	1,634,868	41,318	1,579,384	1,620,702
Current assets/(liabilities)	184,091	(36,376)	147,715	220,700	(9,444)	211,256
Long term liabilities	(44,000)	(387,212)	(431,212)	(48,000)	(397,057)	(445,057)
	<u>261,023</u>	<u>1,090,348</u>	<u>1,351,371</u>	<u>214,018</u>	<u>1,172,883</u>	<u>1,386,901</u>

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	
	2023	2022
	£	£
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	
	2023	2022
	£	£
Entities with common trustees	1,710	1,710
	<u>1,710</u>	<u>1,710</u>

No guarantees have been given or received.