

Little Angel Theatre

Annual Report and Financial Statements

31 March 2023

Charity Registration Number 232488

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Reference and administrative details of the charity, its trustees and advisers

| | |
|------------------------------------|--|
| Trustees | C Owen (Chair) L Cotton E Lewis L Le Roque C Lowry, FCA B Royal (appointed July 2023) L Stanfield S Wright S Zhu |
| Secretary | P Swindall, ACMA, CGMA |
| Principal office | 14 Dagmar Passage London N1 2DN |
| Charity registration number | 232488 |
| Auditor | Buzzacott LLP 130 Wood Street London EC2V 6DL |
| Bankers | The Co-operative Bank PO Box 250 Skelmersdale WN8 6WT Scottish Widows 67 Morrison Street Edinburgh EH3 8YJ CAF Bank 25 Kings Hill West Malling Kent ME19 4JQ |
| Solicitors | Bolt Burdon Solicitors Providence House Providence Place Islington N1 0NT |

Trustees' report Year to 31 March 2023

The Trustees, are pleased to present their annual report and accounts for the Little Angel Theatre's (the Theatre) activities for the year ended 31 March 2023.

The report has been prepared in accordance with Part 8 of the Charities Act 2011.

The financial statements have been prepared in accordance with the accounting policies set out on pages 23 to 27 of the attached financial statements and comply with the charity's Constitution, the Charities Act 2011 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 United Kingdom and Republic of Ireland (FRS 102).

Chair's Report

Delivering a full season of work, both at our home venues in Islington and through our touring programme across the UK, has been a fantastic achievement this year - welcoming audiences back to our buildings to engage with our artistic and participatory programme, as well as taking the magic of puppetry across the country from Devon to Scotland and everywhere in between.

We were incredibly excited to bring the live version of the lockdown hit - I Want My Hat Back - to our stages, as well as developing relationships with co-producers both for our in-house programme and out on tour. Welcoming back some of our classic revivals for new audiences has also been fantastic, particularly alongside the growth in the reach of our "Puppets for All" programme, which has seen even more people access our work. Our digital programme continues to evolve and respond to a changing environment, with closer links to our on-site programme.

Our work with schools continues in our eight local partner schools, with after-school puppet clubs, show-related workshops, and free show tickets for all children in the schools - working with the council to extend this throughout the borough with their 11by11 scheme. Our community programme also continued apace with lots of exciting partnerships with local organisations and tripling our engagement with nearby residents, working in partnership with them to curate a programme of relevant and impactful activity.

Our operations have not only been focused on supporting our full programme of activity again, but also in achieving this in a more environmentally responsible manner, through advocacy, training, reflection and positive action. Looking forward, we continue to adapt our operations to create a sustainable model for the charity, putting play at the heart of everything we do to ignite the imagination and give every child the opportunity to be creative, making ground-breaking puppetry shows and providing participatory activities for children and their families.

Little Angel Theatre continues to meet ongoing challenges faced by the cultural sector as a strong and resilient organisation. We have stayed true to our core values whilst ensuring that all aspects of our work reach or exceed the scale of output from previous years. It has been wonderful for these achievements to be externally recognised thanks to awards / nominations for individual shows and artists within the programme (Offies and Oliviers), as well as for the organisation itself (The Stage Awards).

Chair's Report (continued)

We are committed to using puppetry to engage with audiences, schools, community groups and emerging artists to deliver a diverse and inspiring range of shows and participation opportunities. Puppetry is an extraordinarily versatile and impactful artform; we are proud, 61 years on, to still be here as one of only three permanent puppet theatres in the UK.

Catherine L. Owen

Catherine Owen – Chairman of Trustees

The Theatre's objectives and its principal activities are to promote, maintain, improve and advance education, particularly by the production of educational plays, puppet shows, entertainments, tours and exhibitions. The Theatre also provides encouragement of the Arts, including the Arts of drama, mime, dance, puppetry, singing and music. Little Angel Theatre is a purpose-built puppet theatre with a dedicated double bridge and puppeteer's pit, and is also one of the country's oldest theatres presenting work for children.

We aim to fuel the imagination through the magic and wonder of puppetry. This is delivered through 4 key strands of work:

- ♦ **Artistic Programme** – presenting high quality innovative puppetry shows across both of our venues. This includes own productions, co-productions, visiting companies and can combine performance with participation, particularly at the Studios. Where possible to look to tour our current shows and our archive of shows both nationally and internationally. We are also continuing to develop a digital strand of output, including a reimagining of existing shows, spin-offs of existing shows, and educational content.
- ♦ **Creative Learning & Community Programme** - helping others to tell great stories using puppetry, recognising that puppetry is a powerful tool for learning. Helping people to express themselves creatively, develop confidence, improve communication and social skills, and develop their puppetry making and performance skills. We aspire to an “inch wide, mile deep” approach across 4 areas – schools partnerships, participation events, community outreach and professional training and development.
- ♦ **Stepping Stones Programme** – we are committed to developing people, from the children and young people that we work with to our staff team; and from teachers to artists. Indeed, for us, personal and professional development are key – regardless of age, education or career path. We believe that every stage in a person's life is transitional, and we want to provide the stepping stones from point A to B, regardless of the point of entry and exit; and help people to progress.
- ♦ **Enterprise Programme** – we recognise the need to develop an enterprising approach to our work to maximise earned income. We aim to diversify our income streams as well as contribute to core activity. This is undertaken through exploring alternative artistic models, upscaling current profitable activity, and testing new income generating ideas. Examples include facilitating corporate training, hiring spaces and puppets and maximising merchandising opportunities.

These activities are underpinned by prioritising and resourcing key operational activities such as understanding our audiences, investing in and developing our staff and other individuals that we work with, fundraising, investing in our buildings and infrastructure and embracing our heritage.

Public benefit

The Charity confirms that the Trustees have considered the Charity Commission's guidance on public benefit, including the guidance on public benefit and fee charging. The Theatre relies on grants and the income from fees and charges to cover its operating costs. In setting the level of fees, charges and concessions, the Trustees give careful consideration to the accessibility of the organisation for those on low incomes.

Public benefit (continued)

The Theatre is situated in the heart of the London Borough of Islington. Islington is a complex, culturally diverse, and socially and economically deprived inner-city borough. It has the 4th highest level of child poverty in London and a third of children live in an income-deprived household. We use puppetry to work with schools, families, local communities and people of all ages and backgrounds to encourage learning, increase confidence, creativity and imagination.

We run a Community Outreach Programme, where all activity is free, to deepen our engagement with disadvantaged members of the community, increasing the impact of all of our participation work and wider programme of activity. It comprises of projects with local community groups with people of all ages and backgrounds, utilising puppetry as a springboard to develop and encourage creativity, learning and community cohesion. Our ambition is to reach those who have never considered or had the opportunity to participate in creative pursuits and to ensure LAT serves the needs of its entire community in a creative and engaging way, using our expertise to improve people's lives. We adhere to the following principles:

- ◆ focusing on individual needs
- ◆ working with the community and for the community
- ◆ delivering bespoke, long-term projects, with continuity of support / appropriate content
- ◆ working with other voluntary sector partners to strengthen delivery / share expertise
- ◆ ensuring projects are fun, creative, imaginative and of the highest quality

Our Schools Partnership Programme works with eight schools, delivering a year-long programme of activity with some of our closest schools, which we continued to deliver digitally throughout the pandemic. We provide a wealth of opportunities for pupils and teachers, including access to shows, workshops and bespoke projects. Teachers also have access to training and support in bringing their curriculum to life via puppetry. It is an opportunity for local schools to engage with us on a much deeper level over a prolonged period of time – and at a hugely subsidised cost.

In addition, Puppets for All is our flagship programme for offering free tickets and workshop places to those who most need them. This is complemented by our policy to keep ticket prices as low as possible and the vast majority of our digital content has been delivered free of charge, extending our accessibility and reach.

While we keep all our prices as affordable as possible, we also use funds from our income-generating activities, including holiday clubs and shows, to support our community work.

Review of activities 2022/23

On Our Stages

It's been wonderful to deliver a full season of shows to our audiences this year, welcoming back some of our much-loved classics, working with exciting co-producers on new work and creating fresh productions for our audiences.

Review of activities 2022/23 (continued)

On Our Stages (continued)

A particular highlight was bringing the Offie winning show, ***I Want My Hat Back Trilogy***, on to our stage. This began life as 3 digital shorts during the initial Covid-19 Lockdown, and was then featured on the BBC ("the little theatre with the big lockdown following"). The show received excellent reviews from both audiences and critics, and went on to complete a national tour. It was exciting to co-produce with Goblin Theatre, Blouse and Skirt Theatre Company and The Mercury Theatre on brand-new show ***The Instrumentals***, inspired by the Afro-Caribbean diaspora, that explored grief and sadness through seventies soul and funk. This show has also been Offie nominated for its design and played alongside a revival of ***The Flying Bath*** in the studio.

Another vibrant co-production was ***King of Nothing*** – a reimagining of the classic tale The Emperor's New Clothes, with Monstro Theatre, which played alongside our ***Miniature Travelling Circus***, a new production for our youngest audiences in the Autumn, receiving a wonderful 5* review in The Stage. At Christmas we revived two of our best loved shows - ***We're Going on a Bear Hunt*** and ***The Pixie and the Pudding***.

This year we welcomed 5 exciting productions into our spaces to showcase some of the exciting work from artists and companies from across the UK including ***Jina and the Stem Sisters*** produced by HDMT Music, ***Kinder*** an immersive production from Smoking Apples, ***Science Adventure: The Power Pickle*** from Coppice Theatre, ***Anansi Brings Back the Day*** from Swallow's Wings Puppetry and finally, String Theatre brought us ***A Water Journey***.

Following its run at Little Angel Studios, *Kinder* was awarded two Offies - Theatre for Young Audiences Awards - Original Music/Sound and Production and won the Etties award for Best Theatre for Young Audiences Production. This show was supported by LAT's artist development programme and we are so thrilled to see its successes.

On Tour

Our puppets have been out and about across the country again - visiting everywhere from Totnes in Devon to Alnwick on the Scottish border. Our shows have been seen by nearly 95,000 people whilst on tour this year, with 6 shows - ***Handa's Surprise***, ***We're Going on a Bear Hunt***, ***There's a Rang Tan in my Bedroom and Other Stories***, ***Me...***, ***I Want My Hat Back*** and ***King of Nothing*** all heading out to other venues.

We have also been working with Firelight and Watershed Productions to increase the scale of our touring programme, taking ***The Smartest Giant in Town*** and ***The Singing Mermaid*** out across the UK, including a West End transfer for *Giant* to St Martin's Theatre, and receiving an Olivier Award nomination.

On Screen

We released 6 more digital short commissions on our YouTube channel - ***Priya and the Twirling Wind*** by Raven Kaliana (featured on BBC India and was a part of the UK Asian Film Festival); ***Super Speedy Star Baby*** by Louisa Ashton (also audio described); ***The Card Bard: The Tempest***, by Hannah Khalil; ***Medusa's First Kiss*** from P Burton-Morgan and Holly Mallett; ***The Firebird*** composed by Noah Mosley and co-produced by English Touring Opera based on a poem by Micheal Rosen (nominated for YAM Awards for Best Opera and Best Digital Project) and ***Sy The Fly***, by Melinda Burton.

Review of activities 2022/23 (continued)

On Screen (continued)

We launched two new series this year, with the aim to develop a longer relationship with some of our viewers. **Bertie** an environmental entertainment and education series (7 episodes) for children aged 3 to 8 and **Make Your Worries Away** is a series designed and performed by Joni-Rae Carrick, of 7 make-along videos, each with a different worry and different craft activity, to help children find coping mechanisms for dealing with the things that make them anxious.

In December 2022, we launched our first digital Pay-Per-View film with **The Pixie and the Pudding**. Internationally, we reached places as far as the USA and Israel and we had a strong uptake from our PFA scheme (with 32 households accessing the film for free). This is the start of a strand of work, unlocking access to our productions or those who otherwise experience barriers to see our shows, whether geographical, socio-economic or disability based. Going forwards, we aim to offer this alongside all of the shows that feature on our stages.

We continue to create digital output with our schools, artist development programme and community groups to share the culmination of projects with their classes, friends, family and other stakeholders. Highlights this year include **Wishing on a Star** by Spectrum Youth Theatre and **The Bridge School Film Project** both working with young people with special educational needs.

Hospital / Hospice Touring

We continue to deliver this strand of our work, with our next tour set to be delivered in May 2023 – a tour to children's hospitals across the country.

Community

All our community programmes continue to be offered for free. We run activities for all ages, including local residents who may face isolation or who want an opportunity to meet their neighbours and learn a new creative skill at the same time. Our programme of work for local residents is very much led by them, and themes for workshops or specific activities we deliver are often suggested by the participants themselves. Our aim is to make our work as accessible and inclusive as possible so that everyone in the local and wider community can engage with us and enjoy the benefits of arts engagement with friends and family.

We offer free tickets to families across the borough who face barriers accessing our work via our **Puppets For All** scheme and through partnership projects with other local organisations including food banks, charities supporting women who face domestic abuse and Islington Council's Children in Need team. This year we gave away nearly 1,500 tickets through the scheme.

Our activities this year offered 3,348 opportunities for engagement. Sessions ranged from Crafternoons, Family Fundays and our Gardening Club; to Arts & Chat and Knit and Natter. Our weekly **Crafternoon** sessions for local families are extremely popular and parents appreciate the quality time they get to spend with their children doing something new and exciting, as well as meeting other families who live nearby, extending both their social and support network. We also held several one-off events including a **Community Festival** on the street outside our Studio venue with puppet shows, games and craft activities.

Review of activities 2022/23 (continued)

Community (continued)

We partnered with 17 local organisations offering unique opportunities for the young people they work with to engage with our programme including The Arc foodbank (Little Wings Drama Club), Nia and the Maya Centre (shadow puppetry project), and HMP Wandsworth (delivering performances and workshops at their family days).

Creative Learning – Schools, Courses and Classes

Young people in disadvantaged areas are least likely to be able to access cultural activity even through school - this inequality reinforces cycles of exclusion and deprivation. Access to the arts in schools nationally is becoming harder, and has become more so in recent years.

Our work with local schools is a vital part of our more overarching aim to address this inequality. Our current School Partnership Programme provides regular access to shows and creative activities and experiences for approximately 3,000 primary aged children in Islington across eight schools and our work with Islington Council via their 11by11 scheme ensures that all Islington schools are given access to our productions and are able to experience the magic and wonder of live theatre.

Schools benefit from tickets to our productions, puppetry workshops for their pupils, afterschool clubs and support for teachers to enhance the delivery of their curriculum more creatively. We also deliver workshops in schools across London and beyond, ranging from one day puppet making sessions to more bespoke delivery and longer projects, allowing pupils to learn skills in puppet making and explore storytelling and performing with the puppets they have made - over 1,500 children participated in these workshops last year.

Our classes and courses allow those who engage with us to step inside the organisation, learning skills, playing with their creativity and taking bits of Little Angel home with them. It allows people to engage through performing, making and sensory play. This was an incredible year in terms of increasing our engagement, with more than 7 times as many people taking part, compared to our pre-pandemic numbers – over 2,000 places on our Funday and Family workshops sold, over 600 babies and toddlers attended our early years Angel's Little Explorers sessions and well over 750 children engaged with us at off-site workshops.

Professional Development & Emerging Artists

Adult learning courses were delivered to more than 230 participants over the course of the year, with our Foundation and Intermediate courses running alongside specialised short courses. Our partnership with the Guildhall School continues - the Masters students were supported to develop a show which toured to some of our partner schools and into local community venues. We also worked with East 15 and Royal Central School of Speech and Drama in supporting the development of Puppetry and Theatre for Young Audiences skills as part of their programmes.

In December 2022 we took on another ethnically diverse puppetry intern, with over 200 individuals applying for the position. Puppetry isn't a diverse art form and we are passionate about changing this through funded opportunities. Starting with a skills evaluation to highlight gaps in knowledge and inform the direction of the training, we have ring-fenced professional development time to cover skills that aren't being honed in the day-to-day work and to equip them with other soft skills that they will need once they leave. They are also studying the Open University course 'Working as a Creative Freelancer' to widen their sector knowledge.

Review of activities 2022/23 (continued)

Professional Development & Emerging Artists (continued)

We provided 70 hours of free space for emerging artists and companies to support R&D, auditions and rehearsals.

Statistics and Year-on-Year Comparisons

| Year | Performances In-House | Attendance In-House | Performances on Tour | Attendance on Tour | Digital Performances | Views |
|-----------|-----------------------|---------------------|----------------------|--------------------|----------------------|-------|
| 2022-23** | 868 | 59,144 | 655 | 80,519 | 35 | 261k |
| 2021-22 | 663 | 31,104 | 168 | 23,814* | 61 | 362k |
| 2020-21 | 21 | 1,113 | n/a | n/a | 25 | 843k |
| 2019-20 | 938 | 58,212 | 432 | 41,042 | | |
| 2018-19 | 929 | 56,620 | 469 | 40,306 | | |

*including estimate for Bugaboo digital tour

**figures include tours managed by 3rd party co-producers, as detailed in the narrative

Key developments in year ended March 2023

- 1) LAT delivered a full year of programming across both our sites, working with co-producers, investing in new work and celebrating some of our best loved revivals. Disruption from COVID-19 was minimal, with robust contingency plans in place.
- 2) We delivered a full season of touring work, travelling the length and breadth of the country with our shows, producing ourselves and working with 3rd party companies.
- 3) We were honoured to be able to celebrate the achievements of the organisation, and all of those who have worked with and for us, at awards events throughout the year. Being shortlisted for Fringe Venue of the Year 2023 at The Stage Awards, nominated for an Olivier award for The Smartest Giant in Town (Best Family show) and receiving 13 nominations at the Offies, representative of our work as a producer, co-producer and the support we give to other independent companies working in our sector.
- 4) LAT has continued to produce digital content, with 35 videos released this year. Our reach is not as high as it was during the lockdowns, however we have had consistent viewing figures, and are committed to continue to produce digital content and develop our audiences through our Watch, Make, Share programme. We also launched our pilot pay-per-view programme, widening access to our core programme of work.
- 5) All of our usual strands of operation, including our schools partnership programme, our community engagement programme, our professional development courses and our participatory work (delivering workshops and clubs both at our venues and offsite) delivered a full year of activity, deepening our engagement with even more of our audiences and beneficiaries.

Review of activities 2022/23 (continued)

Key developments in year ended March 2023 (continued)

- 6) LAT continues to invest in an enterprising approach – generating secondary income through various angles, reducing our dependence on an oversubscribed fundraising environment whilst keeping our prices low and our outputs accessible.
- 7) Our commitment to diversification of the puppetry sector remains strong, with recruitment of a new cohort of design trainees underway. We are also committed to reduce our environmental impact, with a staff group leading on reviewing all areas of our operations and buildings, and all new productions adhering to Theatre Green Book standards.

Financial position

Over the last year we have continued to welcome our audiences and beneficiaries back and rebuild our programme, both at our two sites in Islington, and through our nationwide touring programme. This was made possible by support from generous funders, building partnerships with co-producers and local organisations and ambitious but agile financial management. Over the past 12 months, we have delivered an almost uninterrupted programme of events, returning our earned income to pre-pandemic levels. We have continued to deliver digital content, engaging with this new audience that we developed over the pandemic, and are working on ways to subsidise this going forward.

Total philanthropic giving came to £268,899 (as detailed in Notes 1 & 2 of the financial statements), this is a decrease on the previous year, where over 45% of our income came from grants and donations, as opposed to 17% this year. This is more in line with the level of philanthropic funding we received before Covid-19. As always, we are grateful to a large number of individuals who have given donations or become members, their ongoing support is critical to ensuring the financial stability of the organisation.

The Statement of Financial Activities shows total reserves amounting to £1,834,516 with net deficit for the year of £98,965 as disclosed in the financial statements. Reserves include £1,576,693 of unrealised funds, with a further £258,823 of unrestricted funds.

Out of the total of £258,823 of unrestricted funds, £17,942 were designated to specific purposes, £87,677 were represented by tangible and intangible assets and £23,307 related to the investment property. The charity therefore held £129,898 free reserves as at 31 March 2023 (see reserves section below for more detail on our reserves policy).

Over 80% of our expenditure was ploughed straight into our charitable activities – we remain dedicated to supporting our beneficiaries, creating opportunities for our freelance family of artists, retaining our staff team and maintaining our cherished buildings.

There are three designated funds – one for improvements to the fabric of the theatre building; a second to encourage and enable artistic innovation in future programming and a third relating to grant income that has been received in the current financial year, but has been committed to / ringfenced against activity which is taking place in the next financial year.

Investment powers

Under the constitution, the charity has the power to make any investment decisions that the Trustees see fit.

Reserves policy

It is the policy of the Theatre to maintain unrestricted funds, which are the free reserves of the Theatre, at a level which equates to approximately 3 months of committed unrestricted expenditure. The aim of the reserves policy is to set it at such a level that we are able to maintain cash flow and provide funds to cover management, administration and support costs for a period of 3 months. Our stated unrestricted expenditure includes many items that would not be committed to without either securing related income in advance or are not contracted and would not be expended if the organisation was not operational - for example, touring, visiting company activity, schools workshops, some creative learning projects, merchandise cost of sales, casual staffing, etc.

Currently we hold free reserves of £129,897. This is in line with our policy, however we are working on building these up further over the next few years with our business model projected to grow as we diversify our operations and income.

Fundraising policy

We are grateful to the many charitable trusts, individuals and organisations who make generous financial contributions towards our work. We are reliant on private and philanthropic income to maintain our activity. We monitor and control our fundraising activities, to ensure that our supporters have a positive experience and are treated fairly. We follow the Institute of Fundraising's guidelines with regard to best research practice. We have not and do not sell donor details as we understand that they have trusted us with their money and information. Fundraising activity is included on our risk register to ensure that it can be managed accordingly and forms part of regular board reporting processes. We are committed to ethical fundraising and foster a culture of utmost respect for donor choice and have not received any complaints in the year. We did not employ a professional fundraiser during the year.

Plans for future periods

We are very excited for our next year of programming, with shows already onsale right through to February 2024. We continue to offer a mixed model of presenting shows, working with co-producers, investing in our own new productions and reviving popular and important work. We are thrilled to bring back Neil Gaiman's ***Wolves in the Walls***, a production cut short due to COVID-19, alongside ***Wow! Said the Owl*** at the studios, with the Autumn season showcasing a refreshed production of ***Red Riding Hood and the Wolf*** (renamed ***Big Bad Me***), and our ever popular show for babies and toddlers, ***The Bed***, based on a poem by Sylvia Plath. Over Christmas, we are reviving the classic ***Wow! It's Night-time*** at the Theatre, alongside a new co-production of ***Charlie Cook's Favourite Book*** at the Studios, with The Lowry and The Rose Theatre, Kingston.

Moving forward we are planning to condense our visiting company work into one summer season, consolidating our platform for external work, and providing an opportunity for our design intern to showcase work. The inaugural ***Children's Puppet Festival*** will take place in August 2023, and feature 13 productions from companies across the UK and Europe, and will become a key component of our artist development programme.

Plans for future periods (continued)

Following its run in-house over Christmas, **Charlie Cook's Favourite Book** will embark on a national tour to over 70 mid/large-scale venues across the country. This is the largest tour that we have undertaken as an organisation, and will enable us to present work to more people and in new venues. Alongside the production, we will be developing a play-based workshop that demonstrates to both teachers and parents/carers how you can explore a picture book through play. We are also taking **The Slightly Annoying Elephant** to Edinburgh in the summer, **The Smartest Giant in Town** will return to the West End for a Christmas run, and we will present **Finding Santa** in the Bloomsbury Theatre, the first time we have worked with this mid-scale venue. Several other productions will also run tours and transfers in line with our usual operations.

We continue to offer professional development courses and classes – our foundation and intermediate courses remaining particularly popular. We continue to work to tackle the lack of diversity in the puppetry sector, offering a full-time, paid, design internship, as well as other professional development and employment opportunities. We will continue to develop our school partnership programme with 8 Islington primary schools, as well as working to deliver 11by11 (an Islington Council scheme to deliver 11 cultural opportunities to all local school children by year 11), as well as supporting the development of the council's new culture strategy.

We are excited to be able to deliver a second physical tour of **If Not Here...Where?** (our suitcase show created from ideas and stories from young people at Great Ormond Street Hospital) to children's hospitals and hospices across the country in May 2023. We are also excited to be developing a new suitcase show – the **Welcome Project**, a show developed with local children with experiences of migration. The show will tour to bridging hotels around the country, providing a welcome to refugee families within their first six months here, linking them to further support available to ease their transition. We have also started working with HMP Wandsworth at their family days, enhancing the quality of their family time through shows and craft activities, and we are currently in early planning to develop another suitcase show dedicated to support these events. Our community remains at the heart of everything we do and we are thrilled to have secured funding for our community programme for the upcoming financial year – deepening our relationships with local partners and delivering weekly sessions for local residents and a number of bespoke projects.

Going concern

Considering all factors within the control of the management of the organisation and reasonably foreseeable external factors, the Trustees are confident the organisation has adequate resources to operate for the foreseeable future. We have adapted our business plan and operations, rebuilding to pre-pandemic levels of turnover, whilst facilitating meaningful output and have a detailed plan that enables a scalable and effective operation which is able to continue in a variety of possible scenarios, and that these risks are being proactively and effectively managed.

Structure, Governance & Management

Governing document

The Theatre is constituted as a charitable incorporated organisation (CIO) and is therefore governed by its constitution. The Theatre's Charity No. is 232488.

Structure, Governance & Management (continued)

Appointment of Trustees

Apart from the first charity trustees (who have defined terms in the constitution), every trustee must be appointed for a term of three years by a resolution passed at a properly convened meeting of the charity trustees. A charity trustee who has served for one term may be reappointed for a second consecutive term but may not be reappointed for a third term without an interval of at least one year.

Trustee induction and training

New Trustees receive an information pack to brief them on their legal obligations under Charity and Company law, a copy of the current version of the Charity's Constitution, a copy of the CIO's latest Trustees' Annual Report and statement of accounts. They meet key employees and other Trustees. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Trustees

The following served as Trustees during the year and up to the date of signing this report, except where shown:

| Trustee | Appointed / Retired / Resigned |
|----------------|--------------------------------|
| L Cotton | |
| E Lewis | |
| L Le Rocque | |
| C Lowry | |
| C Owen (Chair) | |
| B Royal | Appointed July 2023 |
| L Stanfield | |
| S Wright | |
| S Zhu | |

Organisation

The Board of Trustees administers the Charity. The Board meets at least quarterly and there is a sub-committee covering finance. The Chief Executives are appointed by the Trustees to manage the day-to-day operations of the Charity – Artistic Director Samantha Lane has been in this post since June 2015, and Executive Director Peta Swindall has been appointed as joint CEO from April 2021. To facilitate effective operations, the joint Chief Executives alongside other key management personnel (the Senior Producer, the Head of Commercial Development and the Head of Creative Learning) have delegated authority, within terms of delegation approved by the Trustees, for operational matters including finance, employment and artistic performance related activities.

Related parties

The Charity works collaboratively with other theatres. Certain trustees and key management personnel have roles at other theatres. Further details are provided within the notes to the financial statements.

Structure, Governance & Management (continued)

Risk management

The Trustees have a risk management strategy which comprises:

- ◆ An annual review of the risks the Charity may face;
- ◆ The establishment of systems and procedures to mitigate those risks identified in the plan; and
- ◆ The implementation of procedures designed to minimize any potential impact on the Charity should those risks materialise.

The Trustees have assessed the major risks to which the Theatre is exposed, in particular the ongoing reliance on successful fundraising performance, the overstretching of human resources, fostering an environment in which the creative team are able to take risks and those related to the operations, policies, procedures and finances of the Theatre. They are satisfied that systems are in place to mitigate our exposure to the major risks – identifying specific areas of risk and giving an impetus for better planning through regular review of the organisational risk register. A key element in the management of financial risk is the setting of a reserves policy and its regular review by the Trustees.

Key strategic risks which are currently being closely monitored and reviewed include:

- ◆ **Fundraising Activity** – in an increasingly competitive market with funding for art's sake becoming less prevalent and more focus on funding work outside of London, this is an area of close monitoring and review. The organisation is actively diversifying its income streams to become less reliant on this area (for example through mid-scale touring and enterprising activity) and only committing to expenditure related to grant funded projects once grants have been awarded. There is also a dedicated group on the Board who focus on providing additional support to the Executive around this area.
- ◆ **Staffing and HR capacities** – there has been a high level of staff turnover across the arts industry, and ensuring wellbeing is maintained is challenging with a need to rebuild the charity output to pre-pandemic levels. The board and executive are mindful of this, and are proactively reviewing output and capacity levels to manage this. The organisation is preparing for a trial of the 4-day week in September to give an opportunity to improve work-life balance for staff and freelancers that work with us.

Key management personnel

The key management personnel of the charity, who are in charge of directing and controlling, running and operating the charity on a day to day basis, comprise the members of the Board (who are not remunerated for their role as Trustees), the Artistic and Executive Directors (the joint Chief Executives), the Senior Producer, the Head of Commercial Development and the Head of Creative Learning. The organisation has a salary scale with bands covering all personnel within the organisation, including Key Management Personnel. Changes to levels of pay for employees can be made in line with this document and alongside the annual appraisal process, with objectives linked to the key strategic aims of the organisation, that all permanent employees complete. Salaries are benchmarked annually and scale is reviewed by the Executive in response to this and adjusted where appropriate and financially deliverable, subject to the approval of the Board. Executive pay reviews follow a similar model, however they are undertaken by the Board.

Statement of trustees' responsibilities

The trustees are responsible for preparing the trustees' report and accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare accounts for each financial year, which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period. In preparing these accounts, the trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in 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);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- ◆ prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, applicable Charity (Accounts and Reports) Regulations and the provisions of the charity's trust deed/constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

This report was approved by the board on 24/10/2023 and authorised to sign on its behalf by

Catherine L. Owen

.....

Catherine Owen

Independent auditor's report to the trustees of Little Angel Theatre

Opinion

We have audited the accounts of Little Angel Theatre (the 'charity') for the year ended 31 March 2023, which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the accounts. 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 accounts:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 March 2023 and of 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 Charities Act 2011.

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 accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts 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 trustees' 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 charity'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 and financial statements, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report and financial statements. 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- ◆ the information given in the trustees' annual report is inconsistent in any material respect with the accounts; or
- ◆ sufficient accounting records have not been kept; or
- ◆ the accounts are not in agreement with the accounting records and returns; or
- ◆ we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations; and
- ◆ we obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and determined that the most significant frameworks which are directly relevant to specific assertions in the accounts are those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011), those that relate to safeguarding and data protection (General Data Protection Regulation).

We assessed the susceptibility of the charity's accounts to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management as to their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions; and
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.

Auditor's responsibilities for the audit of the accounts (continued)

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ reading the minutes of meetings of those charged with governance; and
- ◆ enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at 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 charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and with regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott LLP

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 9 November 2023

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Statement of financial activities 31 March 2023

| | Notes | Un- restricted funds £ | Restricted funds £ | Total funds 2023 £ | Un- restricted funds £ | Restricted funds £ | Total funds 2022 £ |
|---|-------|---------------------------------|--------------------------|-----------------------------|---------------------------------|--------------------------|-----------------------------|
| Income and endowments from: | | | | | | | |
| Donations and legacies | | | | | | | |
| . Donations | 1 | 97,815 | — | 97,815 | 64,686 | 8,870 | 73,556 |
| . Grants | 2 | 24,132 | 146,952 | 171,084 | 370,219 | 107,798 | 478,017 |
| Charitable activities | | | | | | | |
| . Show, touring and education | 3 | 1,001,422 | — | 1,001,422 | 486,034 | — | 486,034 |
| Other trading activities | | | | | | | |
| . Enterprise income | | 228,558 | — | 228,558 | 101,665 | — | 101,665 |
| Investment | 4 | 66,529 | — | 66,529 | 64,500 | — | 64,500 |
| Total | | 1,418,456 | 146,952 | 1,565,408 | 1,087,104 | 116,668 | 1,203,772 |
| Expenditure on: | | | | | | | |
| Raising funds | 5 | 88,448 | — | 88,448 | 68,709 | 15,000 | 83,709 |
| Enterprise | 6 | 201,926 | — | 201,926 | 82,190 | — | 82,190 |
| Investment | 7 | 18,821 | — | 18,821 | 18,811 | — | 18,811 |
| Charitable activities | | | | | | | |
| . Shows | 8 | 742,036 | 33,064 | 775,100 | 698,519 | 176,934 | 875,453 |
| . Digital | 8 | 23,216 | 17,643 | 40,859 | 42,562 | 72,330 | 114,892 |
| . Touring | 8 | 254,010 | — | 254,010 | 73,119 | 37,836 | 110,955 |
| . Education | 8 | 188,964 | 96,245 | 285,209 | 133,072 | 136,230 | 269,302 |
| Total | | 1,517,421 | 146,952 | 1,664,373 | 1,116,982 | 438,330 | 1,555,312 |
| Net expenditure | | (98,965) | — | (98,965) | (29,878) | (321,662) | (351,540) |
| Other recognised gains | | | | | | | |
| Unrealised gains on investment assets | 21 | — | — | — | 70,000 | — | 70,000 |
| Net movement in funds for the year | | (98,965) | — | (98,965) | 40,122 | (321,662) | (281,540) |
| Reconciliation of funds | | | | | | | |
| Total funds brought forward | | 1,933,481 | — | 1,933,481 | 1,893,359 | 321,662 | 2,215,021 |
| Total funds carried forward | | 1,834,516 | — | 1,834,516 | 1,933,481 | — | 1,933,481 |

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

All income and expenditure derive from continuing activities.

The notes on pages 28 to 37 form part of these accounts.

Balance sheet 31 March 2023

| | Notes | 2023 £ | 2023 £ | 2022 £ | 2022 £ |
|--|-------|----------------|------------------|----------------|------------------|
| Fixed assets | | | | | |
| Intangible assets | 14 | | 14,280 | | 28,140 |
| Tangible assets | 15 | | 73,397 | | 85,067 |
| Investments | 16 | | 1,600,000 | | 1,600,000 |
| | | | 1,687,677 | | 1,713,207 |
| Current assets | | | | | |
| Stock | | 9,961 | | 8,011 | |
| Debtors | 17 | 306,599 | | 132,689 | |
| Cash at bank and in hand | | 192,288 | | 340,908 | |
| | | 508,848 | | 481,608 | |
| Current liabilities | | | | | |
| Creditors: Amounts falling due within one year | 18 | (362,009) | | (261,334) | |
| Net current assets | | | 146,839 | | 220,274 |
| Net assets | | | 1,834,516 | | 1,933,481 |
| The funds of the charity | | | | | |
| Restricted funds | 22 | | — | | — |
| Unrestricted funds | | | | | |
| . General funds | 21 | | 239,881 | | 338,846 |
| . Designated funds | 21 | | 17,942 | | 17,942 |
| . Revaluation reserve | 21 | | 1,576,693 | | 1,576,693 |
| | | | 1,834,516 | | 1,933,481 |

Approved by the trustees and signed on their behalf by:

Catherine L. Owen

Catherine Owen

Approved on: 24/10/2023

The notes on pages 28 to 37 form part of these accounts.

Statement of cash flows Year to 31 March 2023

| | Notes | 2023 £ | 2022 £ |
|--|-------|------------------|-----------|
| Cash flows from operating activities: | | | |
| Net cash used in operating activities | A | (204,949) | (176,035) |
| Cash flows from investing activities: | | | |
| Rental income received | | 66,451 | 64,500 |
| Fixed asset purchases | | (10,200) | (62,228) |
| Interest received | | 78 | — |
| Net cash provided by investing activities | | 56,329 | 2,272 |
| Change in cash and cash equivalents in the year | | (148,620) | (173,763) |
| Cash and cash equivalents at 1 April 2022 | B | 340,908 | 514,671 |
| Cash and cash equivalents at 31 March 2023 | B | 192,288 | 340,908 |

Notes to the statement of cash flows for the year to 31 March 2023.

A Reconciliation of net movement in funds to net cash used in operating activities

| | 2023 £ | 2022 £ |
|---|------------------|-----------|
| Net movement in funds (as per the statement of financial activities) | (98,965) | (281,540) |
| Adjustments for: | | |
| Amortisation charge | 13,860 | 13,860 |
| Depreciation charge | 21,870 | 21,212 |
| Interest receivable | (78) | — |
| Rental income receivable | (66,451) | (64,500) |
| Increase in stock | (1,950) | (2,187) |
| (Increase) decrease in debtors | (173,910) | 97,391 |
| Increase in creditors | 100,675 | 109,729 |
| Unrealised gain on revaluation | — | (70,000) |
| Net cash used in operating activities | (204,949) | (176,035) |

B Analysis of cash and cash equivalents

| | 2023 £ | 2022 £ |
|--|----------------|-----------|
| Total cash and cash equivalents: cash at bank and in hand | 192,288 | 340,908 |

Principal accounting policies 31 March 2023

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

Basis of preparation

These financial statements have been prepared for the year to 31 March 2023 with comparative information given in respect to the year to 31 March 2022.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with the principles set out in 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 United Kingdom and Republic of Ireland (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in sterling and are rounded to the nearest pound.

Assessment of going concern

The trustees have assessed the position of the charity as a going concern in preparing this report and financial statements. They have made this assessment, in respect of a period of at least one year from the date of approval of these accounts, based on the charity's operational and business plan; budgets and cashflow forecasts to 31 October 2024; the forecast reserves position at 31 March 2024; its evolving plans for the period to 31 March 2024 and beyond; and its commitment to moving to a more flexible and financially viable business model.

Little Angel Theatre has secured over 65% of the fundraised income that it requires to balance its budget in the current (2023/24) financial year at the point of signing off these financial statements. This year the organisation continues to shift its reliance towards earned income as the live programme of output continues to grow, but these projections are conservative.

Funding secured includes grants from a mixture of pre-existing and new funders. Recognising that Little Angel Theatre's continued ability to deliver its programme of work will depend on continued forward secured funding, the Trustees have considered several factors in concluding that the adoption of the going concern basis in the preparation of these financial statements is appropriate. These have included:

- ◆ The forward pipeline of secured and prospective income streams for a period of at least 12 months from the date of approval of these accounts.
- ◆ The rigour of pipeline monitoring and cost controls that are in place to ensure a balanced budget in the current (2023-24) FY and plans to deliver a subsidy in the subsequent financial year (2024-25) to increase reserves in response to an increase in organisational turnover and expenditure commitments while still maintaining delivery of Little Angel Theatre's programme of activity.

Assessment of going concern (continued)

- ◆ Cash management and working capital controls in place to manage the potential risks of late payments by funders and ensure restricted and unrestricted assets and reserves are appropriately managed.

After making this assessment the Trustees are confident the organisation has adequate resources to operate for the foreseeable future and can adopt the Going Concern basis in preparing its financial statements.

The trustees have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern, and the charity will have sufficient resources to meet its liabilities as they fall due.

Critical accounting estimates and areas of judgement

The preparation of the accounts in compliance with the Charities SORP FRS 102 requires the use of certain critical accounting estimates. It requires also that management and Trustees exercise judgement in applying the charity's accounting policies.

In the view of the trustees, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities as the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year. As set out in these accounting policies under "going concern", the trustees have considered the impact of a variety of risks, including external factors such as economic uncertainty and have concluded that it is appropriate for the charity to continue to prepare its accounts on the going concern basis.

In preparing these accounts, the Trustees have made significant estimates and judgements in the following areas:

- ◆ Estimating the expected useful economic life of tangible fixed assets for the purposes of determining the annual depreciation charge;
- ◆ Estimating the expected useful economic life of intangible fixed assets for the purposes of determining the annual amortisation charge;
- ◆ Estimating the market value of the investment property;
- ◆ Allocating support costs across the charity's activities;

Income recognition

Income is recognised in the period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

Donations are received by way of cash and gifts and are included in full in the Statement of Financial Activities when receivable. Cash donations are included as income when they are received. Gifts donated for resale are included as income when they are sold. Donated assets are included at the value to the charity where this can be quantified and a third party is bearing the cost. The value of services provided by volunteers has not been included.

Income recognition (continued)

Grants, are recognised in full in the Statement of Financial Activities in the year in which they are receivable.

Income from charitable activities represents the total value of box office income, income from tours and education, received by the charity from customers during the year, excluding value added tax.

Trading income from merchandising and refreshments from shows is recognised on receipt.

Rental income from the investment property is recognised over the period of the agreement.

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

Expenditure recognition

Expenditure is included in the statement of financial activities when incurred and includes any attributable VAT which cannot be recovered.

Expenditure comprises the following:

- a. The costs of raising funds include the salaries, direct costs and overheads associated with generating donated income.
- b. The costs of refreshments and merchandise include salaries, direct costs and overheads associated with generating income from the sale of refreshments and merchandise.
- c. The costs of managing investment include salaries and overheads associated with managing the charity's investment property.
- d. The costs of charitable activities comprise expenditure on the charity's primary charitable purposes as described in the report of the Board.

Allocation of support and governance costs

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment.

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

Support costs and governance costs are apportioned based on the estimated staff time spent on raising funds, charitable activities and associated ancillary trading activities, and managing the investment property.

Intangible fixed assets and amortisation

| | |
|---------------------|---------------|
| Website Development | 33.3% on cost |
|---------------------|---------------|

Investment in a new website has been included at cost, and the depreciation rate applied is reflective of the rate of change of technology in this area.

Tangible fixed assets and depreciation

Fixed assets are included at cost and depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

| | |
|----------------------------------|----------------------|
| Freehold land and buildings | 2.5% on cost |
| Fixtures, fittings and equipment | 20% reducing balance |
| Motor vehicles | 25% on cost |
| Lighting system | 10% on cost |
| IT equipment | 20% on cost |
| Leasehold improvements | 10% on cost |

Investments

The valuation of the investment property, which is rented out to third party tenants, is based on current open market valuation. These properties are not depreciated.

Unrealised gains (or losses) on the investment property are calculated as the difference between the open market value at the year end and the carrying value at that date. Unrealised gains (or losses) are credited (or debited) in the year in which they arise.

Stock

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

Debtors

Debtors are recognised at the settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Basic financial instruments

The charitable company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value.

Fund structure

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor-imposed conditions.

General funds represent those monies which are freely available for application towards achieving any charitable purpose that falls within the charity's charitable objects.

Designated funds are monies set aside of unrestricted general funds and designated for specific purposes by the trustees.

Revaluation reserve represents the value of unrealised gains on the charity's investment property.

Leases

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged on a straight-line basis over the lease term.

Pensions

Contributions in respect of defined contribution pension schemes are charged to the statement of financial activities when they are payable to the scheme. The charity's contributions are restricted to the contributions disclosed in note 11. There were no outstanding contributions at the year end. The charity has no liability beyond making its contributions and paying across the deductions for employees' contributions.

Taxation

The Little Angel Theatre is a registered charity and therefore not liable to income tax or corporation tax on income derive from its charitable activities, as it falls with the various exemptions available to registered charities.

1. Income from donations

| | Un-restricted funds £ | Restricted funds £ | 2023 Total funds £ | 2022 Total funds £ |
|--------------------------------------|--------------------------|-----------------------|--------------------------|--------------------------|
| Members | 72 | — | 72 | 319 |
| Regular, one-off and other donations | 97,743 | — | 97,743 | 73,237 |
| Total 2023 | 97,815 | — | 97,815 | 73,556 |

| | Un-restricted funds £ | Restricted funds £ | 2022 Total funds £ |
|--------------------------------------|--------------------------|-----------------------|--------------------------|
| Members | 319 | — | 319 |
| Regular, one-off and other donations | 64,367 | 8,870 | 73,237 |
| Total 2022 | 64,686 | 8,870 | 73,556 |

2. Income from grants

| | Un-restricted funds £ | Restricted funds £ | 2023 Total funds £ | 2022 Total funds £ |
|-----------------------------|--------------------------|-----------------------|--------------------------|--------------------------|
| Arts Council England | 21,414 | 17,643 | 39,057 | 275,107 |
| CJRS Grant (furlough) | — | — | — | 32,881 |
| London Borough of Islington | — | 30,097 | 30,097 | 51,643 |
| Children in Need | — | — | — | 9,716 |
| D'Oyly Carte | — | — | — | 5,000 |
| Ernst Hecht | — | 50,000 | 50,000 | — |
| Foyle Foundation | — | — | — | 25,000 |
| Fenton | — | — | — | 5,000 |
| Greenpeace | — | — | — | 5,000 |
| Radcliff Foundation | — | — | — | 5,000 |
| MPL Communications | — | 5,000 | 5,000 | — |
| Trusthouse | — | — | — | 5,000 |
| Grants under £5,000 | 2,718 | 44,212 | 46,930 | 58,670 |
| Total 2023 | 24,132 | 146,952 | 171,084 | 478,017 |

2. Income from grants (continued)

| | Un- restricted funds £ | Restricted funds £ | 2022 Total funds £ |
|-----------------------------|---------------------------------|--------------------------|-----------------------------|
| Arts Council England | 257,465 | 17,642 | 275,107 |
| CJRS grant (furlough) | 32,881 | — | 32,881 |
| London Borough of Islington | 34,143 | 17,500 | 51,643 |
| Children in Need | — | 9,716 | 9,716 |
| D'Oyly Carte | — | 5,000 | 5,000 |
| Ernst Hecht | — | — | — |
| Foyle Foundation | 25,000 | — | 25,000 |
| Fenton | — | 5,000 | 5,000 |
| Greenpeace | — | 5,000 | 5,000 |
| Radcliff Foundation | — | 5,000 | 5,000 |
| MLP Communications | — | — | — |
| Trusthouse | — | 5,000 | 5,000 |
| Grants under £5,000 | 20,730 | 37,940 | 58,670 |
| Total 2022 | 370,219 | 107,798 | 478,017 |

3. Income from charitable activities

| | Un- restricted funds £ | Restricted funds £ | Total funds 2023 £ | Un- restricted funds £ | Restricted funds £ | Total funds 2022 £ |
|--------------------|---------------------------------|--------------------------|-----------------------------|---------------------------------|--------------------------|-----------------------------|
| Box office | 640,969 | — | 640,969 | 361,662 | — | 361,662 |
| Touring | 195,041 | — | 195,041 | 31,870 | — | 31,870 |
| Education | 11,750 | — | 11,750 | 10,500 | — | 10,500 |
| Theatre tax relief | 153,662 | — | 153,662 | 82,002 | — | 82,002 |
| | 1,001,422 | — | 1,001,422 | 486,034 | — | 486,034 |

4. Income from investments

| | Un- restricted funds £ | Restricted funds £ | Total funds 2023 £ | Un- restricted funds £ | Restricted funds £ | Total funds 2022 £ |
|--------------------------------------|---------------------------------|--------------------------|-----------------------------|---------------------------------|--------------------------|-----------------------------|
| Income from investment properties | 66,451 | — | 66,451 | 64,500 | — | 64,500 |
| Interest received | 78 | — | 78 | — | — | — |
| | 66,529 | — | 66,529 | 64,500 | — | 64,500 |

5. Expenditure on raising funds

| | Un-restricted funds £ | Restricted funds £ | Total funds 2023 £ | Un-restricted funds £ | Restricted funds £ | Total funds 2022 £ |
|------------------------|--------------------------|-----------------------|--------------------------|--------------------------|-----------------------|--------------------------|
| Direct costs | 36 | — | 36 | 729 | — | 729 |
| Staff costs (note 11) | 64,172 | — | 64,172 | 49,580 | 15,000 | 64,580 |
| Support costs (note 9) | 24,240 | — | 24,240 | 18,400 | — | 18,400 |
| | 88,448 | — | 88,448 | 68,709 | 15,000 | 83,709 |

6. Expenditure on enterprise

| | Un-restricted funds £ | Restricted funds £ | Total funds 2023 £ | Un-restricted funds £ | Restricted funds £ | Total funds 2022 £ |
|------------------------|--------------------------|-----------------------|--------------------------|--------------------------|-----------------------|--------------------------|
| Direct costs | 57,453 | — | 57,453 | 20,452 | — | 20,452 |
| Staff costs (note 11) | 113,460 | — | 113,460 | 48,620 | — | 48,620 |
| Support costs (note 9) | 31,013 | — | 31,013 | 13,118 | — | 13,118 |
| | 201,926 | — | 201,926 | 82,190 | — | 82,190 |

7. Expenditure on managing investment

| | Un-restricted funds £ | Restricted funds £ | Total funds 2023 £ | Un-restricted funds £ | Restricted funds £ | Total funds 2022 £ |
|------------------------|--------------------------|-----------------------|--------------------------|--------------------------|-----------------------|--------------------------|
| Staff costs (note 11) | 15,441 | — | 15,441 | 15,087 | — | 15,087 |
| Support costs (note 9) | 3,379 | — | 3,379 | 3,724 | — | 3,724 |
| | 18,821 | — | 18,821 | 18,811 | — | 18,811 |

8. Expenditure on charitable activities

| | Direct costs £ | Staff costs (note 11) £ | Support costs (note 9) £ | 2023 Total £ | 2022 Total £ |
|-----------|-------------------|-------------------------------|--------------------------------|--------------------|--------------------|
| Shows | 276,401 | 310,967 | 187,732 | 775,100 | 875,453 |
| Digital | 17,674 | 16,880 | 6,305 | 40,859 | 114,892 |
| Touring | 129,225 | 63,088 | 61,697 | 254,010 | 110,955 |
| Education | 78,289 | 137,318 | 69,601 | 285,209 | 269,302 |
| | 501,590 | 528,252 | 325,335 | 1,355,177 | 1,370,602 |

8. Expenditure on charitable activities (continued)

Analysis of expenditure on charitable activities between restricted and unrestricted funds:

| | Un- restricted funds £ | Restricted funds £ | 2023 Total funds £ |
|-----------|---------------------------------|--------------------------|-----------------------------|
| Shows | 742,036 | 33,064 | 775,100 |
| Digital | 23,216 | 17,643 | 40,859 |
| Touring | 254,010 | — | 254,010 |
| Education | 188,964 | 96,245 | 285,209 |
| | 1,208,226 | 146,952 | 1,355,177 |

| | Direct costs £ | Staff costs (note 11) £ | Support costs (note 9) £ | 2022 Total £ |
|-----------|----------------------|----------------------------------|-----------------------------------|--------------------|
| Shows | 470,238 | 267,172 | 138,043 | 875,453 |
| Digital | 64,854 | 32,618 | 17,420 | 114,892 |
| Touring | 33,602 | 52,771 | 24,582 | 110,955 |
| Education | 63,771 | 133,869 | 71,662 | 269,302 |
| | 634,773 | 480,110 | 255,719 | 1,370,602 |

| | Un- restricted funds £ | Restricted funds £ | 2022 Total funds £ |
|-----------|---------------------------------|--------------------------|-----------------------------|
| Shows | 698,519 | 176,934 | 875,453 |
| Digital | 42,562 | 72,330 | 114,892 |
| Touring | 73,119 | 37,836 | 110,955 |
| Education | 133,071 | 136,230 | 269,302 |
| | 947,271 | 423,330 | 1,370,602 |

9. Support costs

| | Un- restricted funds £ | Restricted funds £ | 2023 Total £ | 2022 Total £ |
|------------------|---------------------------------|--------------------------|--------------------|--------------------|
| Depreciation | 21,870 | — | 21,870 | 21,215 |
| Amortisation | 13,860 | — | 13,860 | 13,860 |
| Governance costs | 16,650 | — | 16,650 | 15,020 |
| Other costs | 326,587 | 5,000 | 331,587 | 240,866 |
| | 378,967 | 5,000 | 383,967 | 290,961 |

10. Net movement in funds

This is stated after charging:

| | 2023 £ | 2022 £ |
|--|-----------|-----------|
| Staff costs (note 11) | 721,326 | 608,397 |
| Auditor's remuneration (including irrecoverable VAT) | | |
| . Statutory audit services (current year) | 10,500 | 7,800 |
| . Statutory audit services (prior year) | — | 1,820 |
| . Non audit services | 6,150 | 5,400 |
| Depreciation | 21,870 | 21,215 |
| Amortisation | 13,860 | 13,680 |
| Operating lease payments | 30,880 | 30,230 |

11. Employees

The average monthly numbers of employees during the year were:

| | 2023 No. | 2022 No. |
|-----------------|-------------|-------------|
| Artistic Output | 12 | 12 |
| Technical | 1 | 1 |
| Education | 4 | 5 |
| Enterprise | 4 | — |
| Administration | 3 | 5 |
| | 24 | 22 |

| | 2023 £ | 2022 £ |
|-------------------------|-----------|-----------|
| Employment costs | | |
| Salaries and wages | 647,022 | 551,254 |
| Social security costs | 60,758 | 45,418 |
| Pension costs | 13,545 | 11,725 |
| | 721,325 | 608,397 |

There were no employees during the year with emoluments above £60,000 (2022 – none).

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the members of the Board, the Artistic and Executive Directors (joint Chief Executives), the Senior Producer, the Head of Development, the Head of Commercial Development and the Head of Creative Learning. The total remuneration (including taxable benefits and employer's pension contributions) of the key management personnel for the year was £230,350 (2022 – £224,647).

12. Members of the Board

No members of the Board received any remuneration in respect of their service during the year (2022 – none).

No members of the Board received reimbursement of expenses in the year (2022 – none).

13. Taxation

Little Angel Theatre Company is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

14. Intangible fixed assets

| | Website and brand development £ | Total £ |
|--|--|---------------|
| Cost | | |
| At 1 April 2022 | 42,000 | 42,000 |
| Additions | — | — |
| At 31 March 2023 | 42,000 | 42,000 |
| Provision for diminution in value | | |
| At 1 April 2022 | 13,860 | 13,860 |
| Charge for the year | 13,860 | 13,860 |
| At 31 March 2023 | 27,720 | 27,720 |
| Net book values | | |
| At 31 March 2023 | 14,280 | 14,280 |
| At 31 March 2022 | 28,140 | 28,140 |

15. Tangible fixed assets

| | Land and buildings freehold £ | Lighting £ | Fixtures, fittings and equipment £ | Motor vehicle £ | IT equipment £ | Leasehold improve- ment £ | Total £ |
|------------------------|--|---------------|---|-----------------------|----------------------|------------------------------------|----------------|
| Cost | | | | | | | |
| At 1 April 2022 | 42,087 | 170,345 | 76,197 | 5,500 | 30,075 | 65,374 | 389,578 |
| Additions | — | 6,242 | 1,958 | — | — | 2,000 | 10,200 |
| Disposals | — | — | — | (5,500) | — | — | (5,500) |
| At 31 March 2023 | 42,087 | 176,587 | 78,155 | — | 30,075 | 67,374 | 394,278 |
| Depreciation | | | | | | | |
| At 1 April 2022 | 29,219 | 152,391 | 63,732 | 5,500 | 19,831 | 33,838 | 304,511 |
| Charge for the year | 1,585 | 5,793 | 3,846 | — | 3,143 | 7,503 | 21,870 |
| Disposals | — | — | — | (5,500) | — | — | (5,500) |
| At 31 March 2023 | 30,804 | 158,184 | 67,578 | — | 22,974 | 41,341 | 320,881 |
| Net book values | | | | | | | |
| At 31 March 2023 | 11,283 | 18,404 | 10,576 | — | 7,101 | 26,033 | 73,397 |
| At 31 March 2022 | 12,868 | 17,954 | 12,465 | — | 10,244 | 31,536 | 85,067 |

16. Fixed asset investment

| | Total 2023 £ | Total 2022 £ |
|-------------------------------------|--------------------|--------------------|
| Investment property | | |
| At 1 April 2022 | 1,600,000 | 1,530,000 |
| Net unrealised gains on revaluation | — | 70,000 |
| At 31 March 2023 | 1,600,000 | 1,600,000 |

The investment property is situated in the UK. The investment property was revalued at market value as at 31 March 2023 by an external valuer, Neilson & Bauer Ltd.

17. Debtors

| | 2023 £ | 2022 £ |
|--------------------------------|-----------|-----------|
| Trade debtors | 43,234 | 18,862 |
| Other debtors | 7,250 | 7,250 |
| Theatre Tax Relief accrued | 153,622 | 82,002 |
| Prepayments and accrued income | 102,493 | 24,575 |
| | 306,599 | 132,689 |

18. Creditors: amounts falling due within one year

| | 2023 £ | 2022 £ |
|---------------------------------|-----------|-----------|
| Trade creditors | 4,634 | 2,834 |
| Taxes and social security costs | 33,022 | (5,402) |
| Other creditors | 14,650 | 14,650 |
| Accruals and deferred income | 309,703 | 249,252 |
| | 362,009 | 261,334 |

Deferred income relates to grants and ticket sales received in advance.

Deferred income reconciliation:

| | 2023 £ | 2022 £ |
|----------------------------------|-----------|-----------|
| Deferred income at 1 April | 161,981 | 80,970 |
| Amounts deferred during the year | 198,436 | 161,981 |
| Amounts released during the year | (123,932) | (80,970) |
| Deferred income at 31 March | 236,485 | 161,981 |

19. Lease commitments

The total value of the minimum lease payments under non-cancellable operating leases were as follows:

| | 2023 £ | 2022 £ |
|---------------------------|-----------|-----------|
| Land and buildings | | |
| Within a year | 32,368 | 32,368 |
| Two to five years | 129,472 | 129,472 |
| More than five years | 129,472 | 161,840 |
| | 291,312 | 344,167 |

20. Analysis of net assets between funds

| | Unrestricted funds | | | | 2023 Total funds £ | 2022 Total funds £ |
|--|-----------------------|--------------------------|-----------------------------|--------------------------|---------------------------------------|-----------------------------|
| | General funds £ | Designated funds £ | Revaluation reserve £ | Restricted funds £ | | |
| Fund balances at 31 March 2023 as represented by: | | | | | | |
| Intangible fixed assets | 14,280 | — | — | — | 14,280 | 28,140 |
| Tangible fixed assets | 73,397 | — | — | — | 73,397 | 85,067 |
| Investment assets | 23,307 | — | 1,576,693 | — | 1,600,000 | 1,600,000 |
| Current assets | 490,906 | 17,942 | — | — | 508,848 | 481,608 |
| Current liabilities | (362,009) | — | — | — | (362,009) | (261,334) |
| | 239,881 | 17,942 | — | — | 1,834,516 | 1,933,481 |

| | Unrestricted funds | | | | 2022 Total funds £ |
|--|-----------------------|--------------------------|-----------------------------|--------------------------|-----------------------------|
| | General funds £ | Designated funds £ | Revaluation reserve £ | Restricted funds £ | |
| Fund balances at 31 March 2022 as represented by: | | | | | |
| Intangible fixed assets | 28,140 | — | — | — | 28,140 |
| Tangible fixed assets | 85,067 | — | — | — | 85,067 |
| Investment assets | 23,307 | — | 1,576,693 | — | 1,600,000 |
| Current assets | 463,666 | 17,942 | — | — | 481,608 |
| Current liabilities | (261,334) | — | — | — | (261,334) |
| | 338,846 | 17,942 | 1,576,693 | — | 1,933,481 |

21. Unrestricted funds

| | At 1 April 2022 £ | Income £ | Expenditure £ | Transfers and gains £ | At 31 March 2023 £ |
|-----------------------------|----------------------------|------------------|--------------------|-----------------------------|-----------------------------|
| Designated fund – buildings | 15,269 | — | — | — | 15,269 |
| Designated fund – creative | 2,673 | — | — | — | 2,673 |
| Designated fund - committed | — | — | — | — | — |
| Revaluation reserve | 1,576,693 | — | — | — | 1,576,693 |
| General funds | 338,846 | 1,418,456 | (1,517,420) | — | 239,881 |
| | 1,933,481 | 1,418,456 | (1,517,420) | — | 1,834,516 |

| | At 1 April 2021 £ | Income £ | Expenditure £ | Transfers and gains £ | At 31 March 2022 £ |
|-----------------------------|----------------------------|------------------|--------------------|-----------------------------|--------------------------|
| Designated fund – buildings | 15,269 | — | — | — | 15,269 |
| Designated fund – creative | 2,673 | — | — | — | 2,673 |
| Designated fund - committed | 53,587 | — | — | (53,587) | — |
| Revaluation reserve | 1,506,693 | — | — | 70,000 | 1,576,693 |
| General funds | 315,137 | 1,087,104 | (1,116,982) | 53,587 | 338,846 |
| | 1,893,359 | 1,087,104 | (1,116,982) | 70,000 | 1,933,481 |

General funds represent those funds that are unrestricted and not designated for specific purposes.

21. Unrestricted funds (continued)

The designated building fund is for improvements to the fabric of the theatre building.

The designated creative fund was created in 2015/16 to enable artistic innovation in future programming. It is anticipated that there will be some contribution from this fund into the development of our digital strand of activity.

The designated committed fund relates to grant income that has been received in the current financial year, but has been committed to / ringfenced against activity which is taking place in the next financial year.

The revaluation reserve represents unrealised gains on revaluation of the investment property at 41 Cross Street. Movements in unrealised gains during the year were as follows:

| | At 1 April 2022 £ | Change in market value £ | At 1 March 2023 £ |
|-------------------|-------------------------|-----------------------------------|-------------------------|
| Revaluation gains | 1,576,693 | — | 1,576,693 |

| | At 1 April 2021 £ | Change in market value £ | At 1 March 2022 £ |
|-------------------|-------------------------|-----------------------------------|-------------------------|
| Revaluation gains | 1,506,693 | 70,000 | 1,576,693 |

22. Restricted funds

| | At 1 April 2022 £ | Income £ | Expenditure £ | Transfers £ | At 31 March 2023 £ |
|-------------------------------|----------------------------|-------------|------------------|----------------|-----------------------------|
| Restricted funds | — | 146,952 | (146,952) | — | — |
| Total restricted funds | — | 146,952 | (146,952) | — | — |

| | At 1 April 2021 £ | Income £ | Expenditure £ | Transfers £ | At 31 March 2022 £ |
|-------------------------------|----------------------------|-------------|------------------|----------------|-----------------------------|
| Restricted funds | 321,662 | 116,668 | (438,330) | — | — |
| Total restricted funds | 321,662 | 116,668 | (438,330) | — | — |

Restricted funds comprise amounts of grants and other income accrued in relation to specific projects. Restricted funds were awarded in relation to specific projects, some of which concluded during this financial year, and some which are due to take place in future financial years.

23. Related party transactions

The following related party transactions took place during the reporting period:

- ♦ The aggregate donations received from trustees and related parties during the year was £1,305 (2022 – £2,097).
- ♦ Peta Swindall (Executive Director) is on the board of Metta Theatre Company whom Little Angel Theatre commissioned to create a digital short production in 2021. No payment was made to the Metta Theatre Company in relation to the commission in 2023 or 2022.