

Company registration number: 01113093
Charity number: 266128

TRUSTEES' REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2022

ORANGE TREE THEATRE
LIMITED
(A company limited by
guarantee)

ORANGE TREE THEATRE LIMITED

(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details of the Company, its Trustees and advisers	1
Trustees' report	2 - 5
Independent auditor's report on the financial statements	6 - 9
Statement of financial activities	10
Balance sheet	11
Statement of cash flows	12
Notes to the financial statements	13 - 28

ORANGE TREE THEATRE LIMITED

(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS

FOR THE YEAR ENDED 30 JUNE 2022

Trustees	Richard Humphreys, Chair of OTTL Duncan Tatton-Brown, Chair of Finance Committee Carolyn Backhouse India Semper-Hughes Harriet Varley Robert Lisney Victoria Kent Anita Arora
Company registered number	01113093
Charity registered number	266128
Registered office and Principal office	1 Clarence Street Richmond Surrey TW9 2SA
Company secretary	Hanna Streeter
Independent auditor	Menzies LLP Chartered Accountants Centrum House 36 Station Road Egham Surrey TW20 9LF
Bankers	Royal Bank of Scotland PLC Richmond Surrey TW9 1DF
Solicitors	Harbottle & Lewis Hanover House 14 Hanover Square London W1R 0BE

ORANGE TREE THEATRE LIMITED

(A company limited by guarantee)

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 JUNE 2022

The Directors, who act as trustees for the purposes of charity law, have pleasure in presenting their report together with the audited financial statements for the year ended 30 June 2022.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Orange Tree Theatre Limited (the Charity) is a registered charity governed by its Articles of Association and a company limited by guarantee. It is headed by the Board of Directors, to which the Artistic Director (CEO) and the Executive Director of the Orange Tree Theatre report. The Finance Committee, consisting of certain Board members and the Executive Director, also reports to the Board.

The company's registration number is 1113093 and its registered charity number is 266128. The registered office is 1 Clarence Street, Richmond, Surrey, TW9 2SA.

A separate charitable limited company, the New Orange Tree Theatre Trust, owns the freeholds of the theatre and 47 Kew Road (its rehearsal space and workshop), both of which are currently leased to be used by the Charity.

The role of the Board of Directors is to oversee the direction and activities of the Charity, including its policies and procedures, to ensure that they are in accordance with its charitable objects. The Board sets and monitors the strategic direction of the Charity, although the initial preparation and implementation of any strategy is achieved through the Artistic Director, Paul Miller, and the Executive Director, Hanna Streeter. In January 2022, Paul Miller announced he would step down at the end of 2022, and the Trustees began the recruitment process for a new Artistic Director. The Board appointed Tom Littler, who joined the theatre in October 2022, at which time Hanna Streeter became joint CEO.

The Board continues to meet at least quarterly. The Board approves the annual budget after it has been examined in detail and approved by the Finance Committee. The Theatre's Heads of Departments manage their own budgets under the supervision of the Artistic and Executive Directors. The Board receives reports from these Directors to enable them to measure the Charity's performance against budgets and targets for the year. The Finance Committee is chaired by Duncan Tatton-Brown and meets at least quarterly ahead of each Board meeting.

The Board has given due consideration to the Charity Commission's published guidance on the operation of the public benefit requirements. The Directors of the Orange Tree Theatre Limited gave of their time freely and received no emoluments during the year. None of the Directors were reimbursed any expenses (see Note 8).

The Diversity and Inclusion Sub-committee of the Board, chaired by India Semper-Hughes, meet quarterly to review and progress development of the following four areas: Governance and permanent staff diversity; The content and authorship of the work on stage; Diversity of freelance employees; Safety and protection for all employees.

In December 2021, a new Capital Redevelopment committee was established to oversee the capital redevelopment of the OT's front of house spaces, comprising regular meetings as required to oversee the initial phase of the project. Members include Harriet Devey (Chair), Robert Lisney, the Executive Team, Development & Communications Director and Technical Director.

Induction papers covering the role and responsibilities of trustees are provided to new Directors and governance updates are provided as required.

ACTIVITIES, OBJECTIVES AND PUBLIC BENEFIT

The principal activity of the Charity is the operation of the Orange Tree Theatre (OT).

The charitable objects of the OT are principally to promote, maintain, improve, and advance education, particularly by the production of educational plays and the encouragement of the arts.

The general aims and objectives of the OT are:

- To produce theatre of a national standard throughout the year, at affordable prices
- To promote new writing and rediscoveries of neglected work
- To engage with the community as widely as possible through education and participation programmes
- To encourage the development of emerging artists

ORANGE TREE THEATRE LIMITED

(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

As outlined below under Achievement and Performance, the Directors are satisfied that these objectives continue to be met and satisfy the public benefit test.

DESCRIPTION OF THE ACTIVITIES UNDERTAKEN FOR THE PUBLIC BENEFIT ACHIEVEMENTS AND PERFORMANCE

Following the period of closure due to Covid-19 pandemic, the theatre re-opened in May 2021 to a socially distanced audience in line with Government guidelines. Our first production of the financial year was the London premiere of *Last Easter* by Bryony Lavery, directed by Tinkue Craig, which was in rehearsals when we closed the theatre in March 2020. The play opened to good reviews, including a 4-star notice from Arifa Akbar in *The Guardian*.

OT Extraordinary, our first fundraiser event since the pandemic was a great event that took place on the *Last Easter* set. A packed house wildly applauded all the great acts who had given the services for us, and it felt like a great way to thank and reward our supporters whilst raising much needed funds.

In September, the winner of the 2021 JMK Award was Diane Page, with *Athol Fugard's Statements After an Arrest Under the Immorality Act*, and she directed a fine show, with sensitive performances from the actors and a striking design. This followed with our production of *Rice* by Asian Australian playwright Michele Lee, directed by Matthew Xia in a co-production with Actors Touring Company, which toured nationally after its UK premiere at the OT.

In November we revived *While The Sun Shines* by Terrance Rattigan, directed by Paul Miller which played over Christmas into January, while our Community family show *Pinocchio* played in the daytime on the top of the set.

In January 2022 we had a short 2-week programming break to remove the temporary distanced seating in the auditorium and reinstall the fixed bench seating to increase capacity. Audiences remained cautious for this period.

We then produced a full-length version of Sonali Bhattacharyya's political and witty *Two Billion Beats*, which had featured as a 15-minute short in *Outside*, the live-streamed short plays in March 2021. This was directed by Nimmo Ismail.

In March 2022 we opened *Tom Fool* by Franz Xaver Kroetz, directed by Diyan Zora. A scrupulous and excellently achieved production, perfectly acted.

Pamela Carter's play *The Misfortune of the English*, directed by Oscar Toeman, opened to good reviews in April 2022, a striking production of a highly unusual play, with terrific performances.

The final production of the year was *The False Servant* by Pierre Marivaux, translated by Martin Crimp and directed by Paul Miller. This was originally scheduled for 2020 when we closed for the pandemic. An exceptionally good company made great work of this complex French classic.

All productions were live streamed and made available on demand, via OT On Screen, in collaboration with The Umbrella Rooms.

Continuing our commitment to schools, our Shakespeare for schools project played this year to a mixture of primary and secondary schools in the theatre, with workshops to accompany the performances. This year's play was *A Midsummer Night's Dream* and directed by Fiona Drummond.

The year culminated in a celebration of our youth and community groups, in an intergenerational festival event called *Seven Celebrations*. Director Jen Bakst conceived the basis for the event, knitting together all the groups' wants and instincts into a cohesive whole that didn't iron out anyone's individuality.

Covid was present throughout the whole year and unfortunately, we had to cancel performances from every run due to company illness, meaning that, combined with lower capacities, box office was down in comparison to pre-pandemic years. The generous increase on our Theatre Tax Relief claim made up for some of this shortfall, as well as the deferring of part of our CRF 3 funds in accordance with ACE's terms. We therefore saw increased grant and TTR income compared with pre-pandemic years.

ORANGE TREE THEATRE LIMITED

(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

FUTURE DEVELOPMENTS

Before the year end we announced a new Autumn 2022 season and the final programme of outgoing Artistic Director Paul Miller to include a new production of Yellowman by Dael Orlandersmith, directed by Diane Page; the next JMK Award winning production; Paul Miller's final production at the OT, Arms and The Man by Bernard Shaw; a revival of Two Billion Beats by Sonali Bhattacharya, directed by Nimmo Ismail, and Grim Brenda, a new play by Ross Willis, developed with and directed by Ned Bennett.

Our dedicated Development (fundraising) team comprises two full time permanent and one part time permanent staff. No external fundraisers were engaged for the period. We have a Development Committee; an active commitment from the Board with new Trustees and time allocated by the Executive to ensure that fundraising and philanthropic giving continues at a sustainable level. We are in the process of recruiting a new Development Board to support and grow fundraising moving forward.

We are in the process of recruiting three new Trustees, following an open application process and meetings. Four Trustees of the Board are recruited from a pool of Associate Artists at any one time. One of the new Trustees will be a new Chair and one will be a new Chair of the Finance Committee.

Following a successful pre-application for a future building project which would transform the front of house and audience experience, and accessibility of the theatre, we have begun feasibility planning for the project, with funding committed to get us to RIBA Stage 3. Once our planning application has been submitted we will begin a fundraising strategy which could take 2-3 years.

FINANCIAL REVIEW

The financial result for the period is set out on page 12. There was net expenditure of £20,185 for the year (2021: net income of £564,954). Total Funds at 30 June 2022 were £1,623,660 (2021: £1,643,845). The financial result for the period was in line with expectations due to combined salary sacrifices, the Government's Job Retention Scheme, LBRuT Grants, the Culture Recovery Fund, ongoing support from regular funders and donations to the Survival Fund.

GOING CONCERN

The outbreak of Coronavirus has severely impacted the Orange Tree Theatre's activities including, in common with other theatres, OTT Ltd ceasing public performances on 16 March 2020 in compliance with the Government's Covid-19 Restrictions. Though having reopened to the public on 22 May 2021, and with the efforts made to ensure the charity's survival, the Directors feel confident in the Executive's plans for recovery into 2023.

The Charity had a cumulative surplus of Unrestricted General Reserves, including the Sustainability Fund, of £825,444 at 30th June 2022 (2021: £840,406). This is above the target of at least £150,000. Given the total of the General Reserves, and following a review of a budget and cashflow forecast to 30 June 2023, the Directors consider the Charity is a going concern for at least 12 months following approval of these accounts.

DIRECTORS

The Directors who held office during the year were as follows: Kate Ellis (resigned 8 December 2021), Richard Humphreys (Chair of OTTL), Duncan Tatton-Brown (Chair of the Finance Committee), Carolyn Backhouse, India Semper-Hughes (Chair of Diversity and Inclusion Committee), Harriet Devey (Chair of Capital Redevelopment Committee & Development Committee), Robert Lisney, Victoria Kent, Anita Arora. The Directors also perform the duties of charity trustees; all appointments require the approval of the Board of Directors. The current number of Directors is 8.

INFORMATION GIVEN TO AUDITOR

Each of the persons who is a Director at the time when this Directors' report is approved has confirmed that so far as that Director is aware, there is no relevant audit information of which the charity's auditor is unaware, and that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any information needed by the Charity's auditor in connection with preparing his report and to establish that the charity's auditor is aware of that information.

ORANGE TREE THEATRE LIMITED

(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

RESERVES POLICY AND RISK MANAGEMENT

The Directors consider that the funds received each year should be fully utilised to meet the objectives of the theatre as stated above. However, the Directors also consider that it is desirable to hold a surplus of unrestricted funds to meet ongoing contractual commitments. The Directors maintain a Risk Register and review major risks to the Charity on an annual basis to establish systems and procedures to mitigate identified risks. Certain of these reviews concentrate on specific aspects such as budgeting, artistic programme planning, health and safety and equal opportunities. Management accounts and cashflow are reviewed at every meeting. The Directors remain satisfied that the regular risk assessment reviews ensure that they are able to sufficiently manage the risks to which the charity is exposed. The current Reserves Policy requires at least £150,000.

BASIS OF PREPARATION

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities. These statements comply with current statutory requirements, the requirements of the charity's governing document and the requirement of the Charities SORP (FRS 102).

ACKNOWLEDGMENTS

The Directors are grateful for the continuing support of those public bodies that provide revenue support for the theatre, and to all those who have contributed to its success over the past year. This includes the Artistic and Executive Directors and staff of the theatre, all our volunteers and supporters, and all those who contribute and help to raise funds at the Orange Tree.

This report was approved by the Directors and signed on their behalf by:

Approved by order of the members of the board of Trustees and signed on their behalf by:

DocuSigned by:



.....CF73DAF45BB6C4C.....
Duncan Tatton-Brown
Director

Date: 14-Feb-2023

ORANGE TREE THEATRE LIMITED

(A company limited by guarantee)

MENZIES
BRIGHTER THINKING

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ORANGE TREE THEATRE LIMITED

Opinion

We have audited the financial statements of Orange Tree Theatre Limited (the 'charitable company') for the year ended 30 June 2022 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, 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 30 June 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 charitable 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.

ORANGE TREE THEATRE LIMITED

(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ORANGE TREE THEATRE LIMITED (CONTINUED)

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

We have nothing to report in respect of the following matters in relation to which 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 Trustees' report and from the requirement to prepare a Strategic report.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes 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 charitable 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.

ORANGE TREE THEATRE LIMITED

(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ORANGE TREE THEATRE LIMITED (CONTINUED)

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.

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:

- The Charity is subject to laws and regulations that directly affect the financial statements including financial reporting legislation. We determined that the following laws and regulations were most significant including the Charities Act 2011, Safeguarding Vulnerable Groups Act 2006, Health and Safety legislation and employment law. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.
- We understood how the Charity is complying with those legal and regulatory frameworks by making inquiries to management and those responsible for legal and compliance procedures. We corroborated our inquiries through our review of board minutes.
- The engagement partner assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations. The assessment did not identify any issues in this area.

We assessed the susceptibility of the Charity's financial statements to material misstatement, including how fraud might occur. We considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas; posting of fraudulent journal entries, authorisation, processing, and payment of fraudulent expenses and timing of income recognition.

Audit procedures performed by the engagement team included:

- Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
- Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
- Challenging assumptions and judgments made by management in its significant accounting estimates; and identifying and testing journal entries, in particular any journal entries posted with unusual account combinations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

ORANGE TREE THEATRE LIMITED

(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ORANGE TREE THEATRE LIMITED (CONTINUED)

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Janice Matthews

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Janice Matthews FCA (Senior statutory auditor)

for and on behalf of

Menzies LLP

Chartered Accountants

Statutory Auditor

Centrum House

36 Station Road

Egham

Surrey

TW20 9LF

Date: 14-Feb-2023

ORANGE TREE THEATRE LIMITED

(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 30 JUNE 2022

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:					
Donations and legacies	3	775,052	136,600	911,652	1,558,667
Charitable activities		582,725	-	582,725	88,026
Other trading activities	5	6,655	-	6,655	3,695
Investments		272	-	272	67
Other income	6	258,786	-	258,786	54,038
Total income		1,623,490	136,600	1,760,090	1,704,493
Expenditure on:					
Raising funds	7	184,085	4,680	188,765	227,403
Charitable activities	8	1,459,590	131,920	1,591,510	912,136
Total expenditure		1,643,675	136,600	1,780,275	1,139,539
Net movement in funds		(20,185)	-	(20,185)	564,954
Reconciliation of funds:					
Total funds brought forward		1,643,845	-	1,643,845	1,078,891
Net movement in funds		(20,185)	-	(20,185)	564,954
Total funds carried forward		1,623,660	-	1,623,660	1,643,845

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

The notes on pages 13 to 28 form part of these financial statements.

ORANGE TREE THEATRE LIMITED

(A company limited by guarantee)

REGISTERED NUMBER: 01113093

BALANCE SHEET


AS AT 30 JUNE 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	13	885,341	919,297
		885,341	919,297
Current assets			
Stocks	14	2,528	320
Debtors	15	365,207	273,073
Cash at bank and in hand		734,091	1,048,503
		1,101,826	1,321,896
Creditors: amounts falling due within one year	16	(363,507)	(597,348)
Net current assets		738,319	724,548
Total assets less current liabilities		1,623,660	1,643,845
Total net assets		1,623,660	1,643,845
Charity funds			
Restricted funds	17	-	-
Unrestricted funds	17	1,623,660	1,643,845
Total funds		1,623,660	1,643,845

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

DocuSigned by:

 CF73DAF15B6C1C2.....
Duncan Tatton-Brown

Date: 14-Feb-2023

The notes on pages 13 to 28 form part of these financial statements.

ORANGE TREE THEATRE LIMITED

(A company limited by guarantee)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash generated/(used) in operating activities (Note19)	19	(282,552)	776,825
Cash flows from investing activities			
Purchase of tangible fixed assets	13	(11,861)	(57,878)
Net cash used in investing activities		(11,861)	(57,878)
Cash inflows from new borrowing		-	150,000
Repayments of borrowing		(20,000)	-
Change in cash and cash equivalents in the year		(314,413)	868,947
Cash and cash equivalents at the beginning of the year		1,048,504	179,557
Cash and cash equivalents at the end of the year	20	734,091	1,048,504

The notes on pages 13 to 28 form part of these financial statements

ORANGE TREE THEATRE LIMITED

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

1. General information

The Charity is a private company limited by guarantee registered in England and Wales. The members of the company are the Directors named on page 1. In the event of the Charity being wound up, the liability in respect of guarantee is limited to £1 per member of the Charity.

The address of the registered office and principal place of business is 1 Clarence Street, Richmond, Surrey, TW9 2SA.

The company's registration number is 1113093, the charity registration number is 266128.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Orange Tree Theatre Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Going concern

The Charity is dependent upon grants, donations and box office receipts to enable it to continue to trade. The projections for the Charity for twelve months from the balance sheet date assume that such income will continue to be forthcoming and indicate that, barring unforeseen circumstances, the Charity will be able to continue trading for the foreseeable future and meets the going concern criteria and the financial statements have therefore been prepared under the going concern basis of accounting. The Directors work closely with the Artistic and Executive Directors in continuing to develop the future financial model for the theatre to restore its own financial reserves to a level that will secure its future as a sustainable enterprise.

ORANGE TREE THEATRE LIMITED

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

2. Accounting policies (continued)

2.3 Income

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants, donations and legacy income

Revenue grants that are unconditional are recognised in the period in which they become receivable. Project specific grants with attached conditions are recognised in the period in which the project to which they relate occurs and matched to the associated expenditure. Donations, income raised from fundraising activities and legacy income are accounted for on the earlier of receipt or when they become receivable, the latter based on reasonable certainty as to entitlement, receipt and measurement.

Fundraising Activities

Fundraising activities include a range of events and club memberships, which are recognised in the period in which they are received.

Investment Income

Investment income is recognised on a receivable basis.

Income from Charitable Activities

Income from theatre admission fees is included in income in the period in which the relevant performance takes place.

Government Grants

Grants from the Arts Council Cultural Recovery Fund are recognised as income to fund the costs in the period to which these relate.

2.4 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. Costs are inclusive of any VAT which cannot be recovered.

Cost of raising funds are costs incurred in attracting voluntary income and fundraising activities.

The cost of charitable activities includes those costs incurred in staging performances in the main theatre and for the community and education programmes, as well as the costs of the ancillary theatre activities.

Governance costs include an estimate of the time spent by the Executive Directors on constitutional and statutory requirements and the associated external legal and professional fees.

Support costs include central functions and have been allocated to activity cost categories on proportion to the direct costs incurred for those activities.

2.5 Tangible fixed assets and depreciation

Tangible fixed assets costing £250 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

ORANGE TREE THEATRE LIMITED

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

2. Accounting policies (continued)

2.5 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Freehold property	-	2%	Straight line
Leasehold improvements	-	2%	Straight line
Office equipment	-	10%	Straight line
Theatre fittings and equipment	-	10%	Straight line

2.6 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

2.7 Liabilities and provisions

Liabilities 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.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

2.8 Financial instruments

The 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 and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.9 Pensions

The Company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Company to the fund in respect of the year.

2.10 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

ORANGE TREE THEATRE LIMITED

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

3. Income from donations and legacies

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations and other grants	101,683	31,600	133,283	285,013
Grants receivable - public funds	579,534	105,000	684,534	1,206,733
Fundraising income	93,835	-	93,835	66,921
	<u>775,052</u>	<u>136,600</u>	<u>911,652</u>	<u>1,558,667</u>
<i>Total 2021</i>	<u>1,372,017</u>	<u>186,650</u>	<u>1,558,667</u>	

Grants receivable from Public Funds includes grants providing core funds. During the period Orange Tree Theatre Limited received a grant of £105,000 (2021: £105,000) from London Borough of Richmond. The purpose of this grant was to contribute to survival through the pandemic and towards the theatre's programme of work, access to cultural activities and the provision of educational and participatory programmes.

Grants receivable includes £450,856 (2021: £930,256) from the DCMS/Arts Council Cultural Recovery Fund, and £Nil (2021: £130,114) from the Coronavirus Job Retention Scheme. Orange Tree Theatre Limited also benefited from an interest free loan under the Coronavirus Business Interruption Loan scheme.

Of the total amounts received during the period £4,000 (2021: £193,396) has been carried forward to the 2022/2023 financial year to be matched with expenditure during that period as specified by the grant providers and £Nil (2021: £Nil) is included in the Restricted Fund and the balance in Unrestricted Funds.

ORANGE TREE THEATRE LIMITED

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

4. Analysis of income from charitable activities

	2022 £	2021 £
Box office income	443,043	63,661
Fees and subscriptions	56,501	19,185
Ancillary Theatre activities	33,573	5,180
	533,117	88,026

5. Income from other trading activities

Income from fundraising events

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Fundraising	6,655	6,655	3,695
	3,695	3,695	
<i>Total 2021</i>			

6. Other incoming resources

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Other income	805	805	172
Theatre tax relief	257,981	257,981	53,866
	258,786	258,786	54,038
	54,038	54,038	
<i>Total 2021</i>			

ORANGE TREE THEATRE LIMITED

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

7. Expenditure on raising funds

Costs of raising voluntary income

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Costs of raising voluntary income	4,152	-	4,152	5,065
Wages and salaries	116,080	4,680	120,760	156,149
Support costs	63,853	-	63,853	66,189
	<u>184,085</u>	<u>4,680</u>	<u>188,765</u>	<u>227,403</u>
<i>Total 2021</i>	<u>188,909</u>	<u>38,494</u>	<u>227,403</u>	

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Total 2021 £
Operation of Theatre	<u>1,459,590</u>	<u>131,920</u>	<u>1,591,510</u>	<u>912,136</u>
<i>Total 2021</i>	<u>763,980</u>	<u>148,156</u>	<u>912,136</u>	

ORANGE TREE THEATRE LIMITED

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

9. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Operation of Theatre	1,195,522	395,988	1,591,510	912,136
<i>Total 2021</i>	<i>621,685</i>	<i>290,451</i>	<i>912,136</i>	

Analysis of direct costs

	Operation of Theatre 2022 £	Total funds 2022 £	Total funds 2021 £
Staff costs	859,871	859,871	452,083
Depreciation	49,335	49,335	36,894
Marketing and publicity	53,693	53,693	20,445
Costumes and disposable props	108,083	108,083	41,916
Royalties payable and commissions	26,782	26,782	9,317
Box office costs	20,952	20,952	24,922
Ancillary theatre activities	31,265	31,265	12,922
Access costs	45,541	45,541	23,186
	1,195,522	1,195,522	621,685
<i>Total 2021</i>	<i>621,685</i>	<i>621,685</i>	

ORANGE TREE THEATRE LIMITED

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Operation of Theatre 2022 £	Total funds 2022 £	Total funds 2021 £
Staff costs	153,454	153,454	96,016
General office costs	82,418	82,418	22,288
Property costs	127,566	127,566	115,811
Interest paid	7,622	7,622	6,363
Governance costs	24,928	24,928	49,973
	<u>395,988</u>	<u>395,988</u>	<u>290,451</u>
<i>Total 2021</i>	<u>290,451</u>	<u>290,451</u>	

10. Auditor's remuneration

	2022 £	2021 £
Fees payable to the Charity's auditor for the audit of the Company's annual accounts	12,575	11,750
Fees payable to the Charity's auditor in respect of:		
Taxation compliance services	3,100	2,920
Accounts preparation	1,325	1,240
	<u>1,325</u>	<u>1,240</u>

11. Staff costs

	2022 £	2021 £
Wages and salaries	1,088,759	687,479
Social security costs	53,442	45,556
Contribution to defined contribution pension schemes	20,136	13,619
	<u>1,162,337</u>	<u>746,654</u>

ORANGE TREE THEATRE LIMITED

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

11. Staff costs (continued)

The average number of persons employed by the Company during the year was as follows:

	2022 No.	2021 No.
Productions - Full time	18	21
Productions - Part time	5	2
Box Office / Front of House - Full time	1	1
Box Office / Front of House - Part time	14	21
Administration office - Full time	6	6
Administration office - Part time	2	2
	46	53

No employee received remuneration amounting to more than £60,000 in either year.

The remuneration and benefits received by key management personnel totaled £115,471 during the year (2021: £106,629).

12. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

During the year ended 30 June 2022, no Trustee expenses have been incurred (2021 - £NIL).

ORANGE TREE THEATRE LIMITED

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

13. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Office equipment £	Theatre fittings and equipment £	Total £
Cost or valuation					
At 1 July 2021	347,152	1,327,512	28,307	104,037	1,807,008
Additions	-	-	8,208	3,653	11,861
At 30 June 2022	347,152	1,327,512	36,515	107,690	1,818,869
Depreciation					
At 1 July 2021	178,500	636,190	10,975	62,046	887,711
Charge for the year	6,944	26,548	6,956	5,369	45,817
At 30 June 2022	185,444	662,738	17,931	67,415	933,528
Net book value					
At 30 June 2022	161,708	664,774	18,584	40,275	885,341
At 30 June 2021	168,652	691,322	17,332	41,991	919,297

14. Stocks

	2022 £	2021 £
Finished goods and goods for resale	2,528	320

15. Debtors

	2022 £	2021 £
Due within one year		
Trade debtors	7,927	33,056
Other debtors	303,331	125,830
Prepayments and accrued income	53,949	114,187
	365,207	273,073

ORANGE TREE THEATRE LIMITED

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

16. Creditors: Amounts falling due within one year

	2022 £	2021 £
Bank loans	130,000	147,023
Trade creditors	86,257	69,866
Other taxation and social security	15,574	12,757
Other creditors	23,018	68,081
Accruals and deferred income	108,658	299,621
	363,507	597,348
	2022 £	2021 £
Deferred income at 1 July 2021	254,448	60,148
Grants released to income during the year	(193,396)	(48,964)
Ticket sales released to income during the year	(61,052)	(11,184)
Grants deferred until the following year	4,000	193,396
Ticket sales deferred until the following year	2,961	61,052
	6,961	254,448

ORANGE TREE THEATRE LIMITED

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

17. Statement of funds

Statement of funds - current year

	Balance at 1 July 2021 £	Income £	Expenditure £	Balance at 30 June 2022 £
Unrestricted funds				
Designated funds				
47, Kew Road Fund - asset*	296,598	-	(12,600)	283,998
53, Kew Road Fund - asset*	168,650	-	(6,944)	161,706
New Theatre Fund - asset*	288,332	-	(13,949)	274,383
Sustainability Fund - cash	150,000	-	-	150,000
Designated Reserve Fund - cash	319,281	-	-	319,281
New Artists Fund - cash	49,859	-	-	49,859
	<u>1,272,720</u>	<u>-</u>	<u>(33,493)</u>	<u>1,239,227</u>
General funds				
General Funds	<u>371,125</u>	<u>1,623,490</u>	<u>(1,610,182)</u>	<u>384,433</u>
Total Unrestricted funds	<u>1,643,845</u>	<u>1,623,490</u>	<u>(1,643,675)</u>	<u>1,623,660</u>
Restricted funds				
Garrick Charitable Trust	-	4,000	(4,000)	-
Heathrow Community Fund	-	600	(600)	-
Hampton Fund	-	18,000	(18,000)	-
Noel Coward Foundation	-	3,000	(3,000)	-
Haskel Family Foundtion	-	6,000	(6,000)	-
LBRUT	-	105,000	(105,000)	-
	<u>-</u>	<u>136,600</u>	<u>(136,600)</u>	<u>-</u>
Total of funds	<u>1,643,845</u>	<u>1,760,090</u>	<u>(1,780,275)</u>	<u>1,623,660</u>

* These assets are property assets all fundamental to fulfilling the charity's principal objectives.

ORANGE TREE THEATRE LIMITED

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

17. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 July 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 30 June 2021 £
Unrestricted funds					
Designated funds					
47, Kew Road Fund - asset*	309,199	-	(12,601)	-	296,598
53, Kew Road Fund - asset*	175,593	-	(6,943)	-	168,650
New Theatre Fund - asset*	302,281	-	(13,949)	-	288,332
Sustainability Fund - cash	150,000	-	-	-	150,000
Designated Reserve Fund - cash	-	-	-	319,281	319,281
New Artists Fund - cash	-	-	-	49,859	49,859
	<u>937,073</u>	<u>-</u>	<u>(33,493)</u>	<u>369,140</u>	<u>1,272,720</u>
General funds					
General Funds	<u>141,818</u>	<u>1,517,843</u>	<u>(919,396)</u>	<u>(369,140)</u>	<u>371,125</u>
Total Unrestricted funds	<u>1,078,891</u>	<u>1,517,843</u>	<u>(952,889)</u>	<u>-</u>	<u>1,643,845</u>
Restricted funds					
Garrick Charitable Trust	-	105,000	(105,000)	-	-
Heathrow Community Fund	-	54,250	(54,250)	-	-
LBRUT	-	12,400	(12,400)	-	-
Writers Collective	-	9,000	(9,000)	-	-
Community	-	6,000	(6,000)	-	-
	<u>-</u>	<u>186,650</u>	<u>(186,650)</u>	<u>-</u>	<u>-</u>
Total of funds	<u>1,078,891</u>	<u>1,704,493</u>	<u>(1,139,539)</u>	<u>-</u>	<u>1,643,845</u>

ORANGE TREE THEATRE LIMITED

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

17. Statement of funds (continued)

47 & 53, Kew Road Fund - asset

The theatre and the premises at 47 and 53 Kew Road form part of the charity's core infrastructure and are fundamental to fulfilling the charity's principal objectives. The Directors consider that it is essential that these assets are preserved and as a consequence, the New Theatre Fund and the 47 and 53 Kew Road Funds were established.

The 47 Kew Road Fund was established out of the Premises Reserve and grants from The New Orange Tree Theatre Trust to identify the additional funds spent specifically on the building work at 47 Kew Road. It was entirely spent in respect of the works to this building. A transfer from the Fund is made each year to represent the depreciation charge in that year.

New Theatre Fund - asset

The New Theatre Fund was established out of the reserves of the Charity, and has been entirely spent in respect of improvements to the main theatre and 53 Kew Road.

The New Theatre Fund has been used to fit out and equip the Theatre and 53 Kew Road and is offset by depreciation to date, as follows:

	£
Cost of main theatre	697,461
Contribution to cost of 53 Kew Road	89,830
Depreciation charged to date	(436,945)
Transfer to 53 Kew Road Fund	(75,963)
	<u>274,383</u>

Sustainability Fund - cash

The Sustainability Fund was set-up with gifts from donors to assist with the ebb and flow of cashflow. The Fund is not expected to be used for budget relief and draw down from the Fund is allowed only in circumstances, and subject to controls, agreed by the Finance Committee.

Designated Reserve Fund - cash

The Designated Reserve Fund was set-up with funding from the Arts Council as part of their Cultural Recovery Fund programme. These are for sustainability coming out of the pandemic, are not restricted and are free to spend in any timescale as decided by the Board.

OT New Artists Fund - cash

The OT new artists fund is a fund created to use for commissioning and artist development work.

The Restricted Funds relate to the following:

LBRUT - Income from the London Borough of Richmond applied to core costs and running the theatre, attracting local residents and visitors to Education and Participation events.

Education and Participation - Income received from trusts to be applied towards education and participation activities.

All of the above grants flow through Restricted Funds but as they were all fully expended during the period do not form part of the closing balance of these Funds.

ORANGE TREE THEATRE LIMITED

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	885,341	885,341
Current assets	1,101,826	1,101,826
Creditors due within one year	(363,507)	(363,507)
Total	1,623,660	1,623,660

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	919,297	919,297
Current assets	1,321,896	1,321,896
Creditors due within one year	(597,348)	(597,348)
Total	1,643,845	1,643,845

19. Reconciliation of net movement in funds to net cash flow from operating activities

	2022 £	2021 £
Net income/expenditure for the year (as per Statement of Financial Activities)	(20,185)	564,954
Adjustments for:		
Depreciation charges	45,817	36,894
Increase in stocks	(2,208)	778
Increase in debtors	(92,134)	(77,701)
Increase/(decrease) in creditors	(216,819)	254,877
Finance charge on loan	2,977	(2,977)
Net cash provided by/(used in) operating activities	(282,552)	776,825

ORANGE TREE THEATRE LIMITED

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

20. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand	734,091	1,048,504
Total cash and cash equivalents	734,091	1,048,504

21. Analysis of changes in net debt

	At 1 July 2021 £	Cash flows £	Other non- cash changes £	At 30 June 2022 £
Cash at bank and in hand	1,048,503	(314,412)	-	734,091
Debt due within 1 year	(147,023)	20,000	(2,977)	(130,000)
	901,480	(294,412)	(2,977)	604,091

22. Related party transactions

The Company has not entered into any related party transaction during the year, nor are there any outstanding balances owing between related parties and the Company at 30 June 2022.