

Company registration number: 01066757

Charity registration number: 501953

Manchester Young People's Theatre Ltd

known as

Contact Theatre

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2023

Manchester Young People's Theatre Ltd

known as Contact Theatre

Contents

Reference and Administrative Details	1 to 2
Chair's Report	3 to 4
Trustees' Report	5 to 17
Independent Auditors' Report	18 to 21
Consolidated Statement of Financial Activities	22
Consolidated Balance Sheet	23
Balance Sheet	24
Consolidated Statement of Cash Flows	25
Notes to the Financial Statements	26 to 52

Manchester Young People's Theatre Ltd

known as Contact Theatre

Reference and Administrative Details

Chair	Mr J Akinola, (resigned 14 June 2023) Ms A Wilson, (appointed 14 June 2023) (resigned 15 November 2023) Ms B Ikpasaja (appointed 15 November 2023)
Trustees	Ms G Flynn Ms F Ope Ms A Wilson (resigned 15 November 2023) Ms R Tennenhaus (resigned 14 June 2023) T Ajayi, (appointed 22 March 2023) Mr J Wilkinson, (resigned 22 March 2023) Mr C Cremin (resigned 15 November 2023) Mr P Olubayo Ms T Olaniran, (appointed 22 March 2023) Ms J Y Cheung, (appointed 22 March 2023) P Fatayo, (appointed 22 March 2023)
Secretary	Mr S Moon, (resigned 30 June 2023)
Manchester City Council representatives	replacement pending
GMCA representatives	replacement pending
University of Manchester representative	Dr K Dorney, (resigned 22 March 2023) Mr J de Groot, (appointed 22 March 2023)
Key management personnel	K Thompson, Artistic Director/Chief Executive (resigned 14 December 2023 as Chief Executive) L Whitehurst, Head of Creative Development S Moon, Head of Finance (resigned 30 June 2023) F Bradley, Head of Finance (appointed 31 October 2023) M Barham, Head of Marketing & Communications (resigned 26 June 2023) S Stephens, Head of Commercial & Visitor Experience (resigned 6 March 2023) J Dale-Dowd, Head of Production/Executive Director (appointed 15 December 2023 to Executive Director)
Charity Registration Number	501953
Company Registration Number	01066757
	The charity is incorporated in England and Wales.

Manchester Young People's Theatre Ltd

known as Contact Theatre

Reference and Administrative Details

Registered Office	Contact Theatre Devas Street Oxford Road Manchester M15 6JA
Auditor	Beever and Struthers Chartered Accountants and Statutory Advisors Suite 9b, The Beehive Shadsworth Business Park Lions Drive Blackburn BB1 2QS
Solicitors	Gateley LLP Ship Canal House 98 King Street Manchester M3 3AP
Bankers	Natwest Bank plc 1 Spinningfields Square Manchester M3 3AP

Manchester Young People's Theatre Ltd

known as Contact Theatre

Chair's Report for the Year Ended 31 March 2023

Contact's mission to change the face of UK culture has been truly alive in this recent financial year. As ever, young people sat at the heart of decision making at Contact, playing central roles in artistic programming, recruitment and governance. Keisha Thompson lead Contact to continue to deliver for young people, audiences and local communities, using its resources and expertise to empower young people, support the next generation of creativity, and welcome new audiences to enjoy and benefit from the diverse programming offer.

In early March, five new trustees were appointed to the Board of Trustees, strengthening the capability and capacity of Contact's governance oversight and expanding the organisation's network as a charity and arts venue in Manchester. Our model of committing to 50% of Trustees being under the age of 30 continues to attract interest from across the UK and further afield. In October 2022, (then) vice chair Ali Wilson hosted youth board members from Gent theatre Viernulvier on a visit to Contact and continues to consult them on youth governance.

The building has welcomed artists, audiences, participants, visitors and clients across the year, offering a friendly and inviting space for all. A busy calendar of commercial hires has welcomed new visitors to Contact's building, for whom the experience of the building is enriched with the buzz of young people populating its public spaces. The open call for a kitchen and cafe vendor residency instigated a collaborative process with young people to select a new partnership, beginning a new era for Contact's food and drink offer, resulting in Ardwick-based kitchen ARMR's appointment in December 2022.

Amongst a challenging economic landscape, Contact has worked hard to create resilience and sustainability throughout the organisation's resources. A redesign of staffing structure and devising of new staffing roles took place in March 2023, this was a refocusing, to ensure Contact's activity serves its community as best as is possible as well as capacity building within the Development and Commercial teams. Continued review of the economic landscape has led to a further refining of Contact's staff structure which was carried out in the latter part of 2023. Keisha Thompson resigned as Artistic Director & CEO to allow a shift in focus for an interim period of 12-18 months. Keisha resigned her CEO position in December 2023 with her Artistic role continuing through to March 2024. Other staffing changes, following resignations up to the end of Q3 23/24, allowed Contact to restructure avoiding redundancies. Jack Dale-Dowd was appointed as Interim Executive Director to oversee the next 12-18 months. Implementation of technology and digital support across working practices has been vital in supporting staff and finding new and robust ways to work. The impact of the rise in cost-of-living and inflation has created further challenges to Contact's staff, with whom the organisation continues to reflect with on how we can further improve working experience. Reviewing of the artistic and participation program is ongoing, with efforts to find further opportunity to rebuild reserves and adapt to the economic landscape, whilst maintaining our commitment to our vision, mission and values. A revising of Contact's operating model and focus of resources will see the continuation of Contact's vital Young Person participation and leadership development work with a reduction in the programmed artistic work, allowing additional space for further income generating activities and performances.

Our commitment to anti-racism continues to be channelled both through our internal work, but also in our Anti-Racism training offer, picked up by three artistic organisations in this last year. Growing a commercial offer that remains firmly within our values has been a priority for Contact, ensuring that all work we do contributes directly to our mission: to change the face of UK culture, of which anti-racist practise is crucial.

Contact's artistic offer remains bold, investing programming in local, early-career artists making exciting work. Productions from visiting companies continue to offer Contact's audiences unique cultural experiences, building curiosity and loyalty within the Oxford Road community. Participation projects throughout the year have enriched the lives of young people, who demonstrate their connection to Contact through their use of the building as not only a place to learn and develop, but also to relax and be themselves. The programme continues to be a unique offer in Manchester, co-produced with Contact's young programming team and full of reasons to return.

Manchester Young People's Theatre Ltd

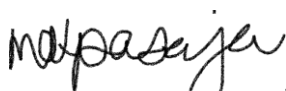
known as Contact Theatre

Chair's Report for the Year Ended 31 March 2023

We remain steadfast in our commitment to providing transformative experiences for young people, nurturing new artists, caring for each other and the environment, promoting inclusion and understanding between communities and a commitment to anti-racism.

This year has presented Contact with another set of unique challenges, each requiring action rooted in care and nuance. We look forward to a year of building resilience for Contact whilst ensuring that our values and mission are carried out through our work at Contact and with partners.

The chair's report was approved by the trustees of the charity on 6.3.2024 and signed on its behalf by:



.....
Ms B Ikpasaja (appointed 15 November 2023)
Chair of the Board

Manchester Young People's Theatre Ltd

known as Contact Theatre

Trustees' Report

The trustees, who are directors for the purposes of company law, present their strategic report for the year ended 31 March 2023, in compliance with s414C of the Companies Act 2006.

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 March 2023.

Objectives and activities

Objectives and Activities

Our vision is a world where young people are empowered by creativity and the arts.

Our mission is to change the face of UK culture.

From our sustainable creative building in Manchester, we do this by:

- Empowering young people from all backgrounds as creative leaders and agents of social change
- Supporting the next generation of artists and creatives
- Inspiring new audiences with stories and experiences that reflect our community

Our values are:

- We take a young-person centred approach to decision-making
- We promote inclusion, access, understanding between communities, and a commitment to anti-racism
- We foster artistic excellent, integrity and creative risk-taking
- We nurture new artists, creative leaders and audiences
- We care for our health, each other and our community
- We care for our planet and environment, working towards a carbon neutral future

We use these values to inform our activity, and as the framework for evaluating our progress. In shaping our objectives for the year and planning our activities

Our main areas of activity are:

- Providing transformative experiences for young people
- Producing high quality new work with a focus on social realities
- Operating a unique, ethical and welcoming building Contact is an environmentally sustainable building with an energy rating of A

Manchester Young People's Theatre Ltd

known as Contact Theatre

Trustees' Report

Main Activities 2022-2023

Our activity is multi-faceted and diverse, ensuring young people have access to creative learning programmes as well as world-class entertainment and artwork. Early career artists are supported through a structured programme of seed fund commissions alongside in-house financial, producer and technical support. The artistic programme maintains a focus on pressing social issues relevant to young people. Contact is a leader in the field of diversity and representation, both of which are at the core of both our produced and presented work. Our on-going target is that 50% of the artists that we support are from a Black, Asian or Minority Ethnic background, markedly higher than local or national averages, and a target we again met in 2022-23.

Our presented programme of theatre, music, spoken word, dance, comedy and cabaret features early career and first-time artists alongside internationally acclaimed companies. Contact audiences get to be the first to experience innovative and pioneering shows that go on to major venues and festivals, and to experience the work of artists who go on to renowned and award-winning careers, as well as those presenting work across the world in mid-large scale productions.

Within this iconic building the atmosphere is open and welcoming, with local young people populating the most front-facing roles. Contact provides a meeting place for young people, communities and artists to work and socialise together. We provide free Wi-Fi, and there is no obligation to buy or consume anything in our public spaces. We also present a high-quality visual art programme of exhibitions and artists' films that complement and often relate to the performance programme. These are curated across public spaces around the building, and are always free to enter. As an organisation championing young people, Contact pays all staff the national living wage, regardless of age. The Trustees are proactive in ensuring that our activities benefit the public and young people, and as a consequence have considered the guidance in all our activities and fee charging.

The Agency is in its second year of a new five-year era, with a cycle ending in April 2023. Fifteen agents from Moston and Harphurhey completed the program with three being selected for funding. Graduate agents of the program have been successful in their application for funding to support their video game project Dawn To The Light. Contact continues to work in collaboration with national partners in London, Belfast, Chester and Southampton, thanks to support from the National Community Lottery Fund.

CYC produced three works across this period: Halo directed by AD/CEO Keisha Thompson, Whilst You Were Waiting Something Changed directed by internationally renowned performance Gob Squad, and Flip the Script, directed by local artist Mark Croasdale in which four new writers, selected by CYC cast, to create new staged work celebrating the number 50.

Music Drop, Level Up and Studio School ran until August '22, bringing young people into our media lounge to develop new multimedia creation skills. Evaluation now ongoing with young people to refine delivery and project designs, as well as secure future funding. Contact continues to work in partnership with external organisations to deliver projects from the media lounge.

Arts & Trauma Network, devised as part of Contact's health & science provision was launched in partnership with Oldham Coliseum, Manchester Art Gallery and University of Manchester, with funding from GMCVO to develop a Greater Manchester community of practice exploring arts and trauma over 2022. This work continues. Balmy Army, co-commissioned in partnership with HOME + MIF + 42nd St + The Horsfall, saw the creation and delivery of an activist movement for youth-led mental health around activism, culminating in a live event at HOME, in collaboration with Manchester International Festival.

Manchester Young People's Theatre Ltd

known as Contact Theatre

Trustees' Report

GMCDP worked with Contact and People's History Museum on a creative project with a group of young disabled artists, exploring artwork in and around archives of disability.

Re:Con recruited three new programmer/producers in Jan '23, who will develop skills over the next eighteen months, culminating in the creation of new work. This continues a long-standing program empowering young programmers/producers with work-place experience and key support to develop core skills. Previous Re:Con members have become both freelance and permanent producers at Contact, as well as Trustees and Chair of the Board.

Queer Contact continued its tradition of celebrating a spectrum of queer lived experience with a festival amplifying voices of queer artists across the UK and beyond, featuring Ginny Lemon and Sister Sister, House of Suarez Vogue Ball and the queerest tardis of all time in The Gallifrey Cabaret, amongst much more. A steering group of young queer people consulted on the program, ensuring their voice and lived experience ran through the heart of the festival.

Future Fires supported the development of five socially engaged community action projects, including work to celebrate trans joy, delivering accessible creative writing workshops for East and Southeast Asians and exploring climate justice through spoken word.

The Lion King musical, in connection with Palace Theatre, delivered workshops at Contact for young people and school groups to connect audiences across GM to the show, sharing practices of commercial theatre practice and building relationships with audiences from Contact's community.

Far Apart saw the fruition of a research collaboration between People's Palace Project and Contact, looking beyond lockdown to understand how UK arts orgs can continue to support young people's wellbeing. Far Apart involved consultation with young people and hiring young researchers as consultants, culminating in an event that took place in 2022.

BBC Reciprocal Mentoring Scheme connected twenty-five young people from Contact's network to twenty-five staff members across BBC Children & BBC Education in a twelve-month reciprocal mentoring scheme, each pair supporting each other in creative and professional endeavours. As a result of the program, at least two young people are now in full-time employment at BBC. This saw the beginning of a relationship between BBC and Contact, instigated initially via trustee and BBC employee Bex Tennenhaus.

Commissions continued with local artists benefiting from financial, strategic and artistic support to develop new works. Malandra Jacks, Rory Aaron and Miray Sidhom all received specialist support packages as early-career artists.

Drama and English Teacher Network was established in connection with HOME and Royal Exchange Theatre to increase creative programmes that work for and with the curriculum, developing stronger relations between teachers and the cultural institutions in Greater Manchester.

Manchester Young People's Theatre Ltd

known as Contact Theatre

Trustees' Report

Marketing

The majority of staff operate within a mix of in-person/at home scheduling, continuing our commitment to more flexible working and hybridity across the organisation since the pandemic. Participation programmes encourage young people to engage in a way that suits them, supporting those who prefer to engage remotely. Board meetings run in a hybrid-fashion, allowing Trustees to contribute to ongoing governance work without travel.

Contact's marketing and communication strategy adapted to post-Covid and significant organisational changes: in April 2022 we announced Keisha Thompson's appointment, which heightened brand awareness and brought in great publicity, supported by our freelance PR Binita Walia. Community-specific audience engagement freelancers were employed to raise the profile of the artistic program, Contact's website redevelopment project began and the 50th birthday campaign was launched.

Booking trends confirmed the established popularity pattern of our Space 2 shows featuring local artists, with Miray Sidholm's *The Bread We Break* and Rory Aaron's *This Town* selling out across their runs. A very busy autumn season required some creative management of the marketing and communications strategy, resulting in a more holistic approach to promoting over 20 performances. This looked like a digital season announcement, PR, a season brochure, flyer distribution, email and paid social ads as well as individual audience development and press campaigns for shows, all running simultaneously with the 50th birthday campaign. Sell-out comedy show with Sofie Hagen came in as a commercial hire but inspired thinking around working with ticketing agents.

Alongside delivering the Autumn season, Contact completed its copywriting project with Reeds Words and continued to work on our website redevelopment. As well as late booking, our trends for majority under 35s audiences continued through the season.

Whilst usually dark in January, Contact had three performances of *Wasteland* programmed, 50 Hours of Focus workshop series, Covid Song Cycle and an early start to *Queer Contact*. The success of *Wasteland*, selling out with the majority of sales in the two weeks ahead of the show opening, As the first venue in the tour, inspired confidence in instances where Contact is the first venue for a production tour. Nerves about not having as much collateral as other spaces to promote the show were eased by a robust marketing, press and audience development campaign paying off.

Commercial

The commercial team has met ongoing demand for commercial space hires across the building. Throughout this financial year, Contact delivered 66 bookings of commercial hires from a diverse range of clients, including Disney, RFK Human Rights, Manchester City Council and Coram Shakespeare Schools, achieving over 50% of the commercial income target despite an challenging economic landscape. Efforts to attract commercial hires continue.

Contact's Anti-Racism Training package was delivered to local arts venue HOME and completed delivery to London-based Battersea Arts Centre, as well as a taster workshop for The Tetley, contemporary art gallery in Leeds. Interest in this program continues to grow, with increasing interest from organisations outside of Greater Manchester.

Following an open call for a kitchen and bar vendor, local vendor ARMR were appointed to run Contact's bar and kitchen offer, which commenced in April 2023. Alongside their plant-based food offer, ARMR bring with them long standing relations with local community members in Ardwick and the wider Manchester City area, some of whom will visit Contact's building for the first time upon ARMR's appointment.

Manchester Young People's Theatre Ltd

known as Contact Theatre

Trustees' Report

Financial review

Unrestricted Funds - Group

Contact had an operating deficit of £492,824 in 2022-23 (2021-22: deficit of £90,469). The unrestricted reserves stood at £172,351 at 31 March 2023.

The principal sources of income were grants and donations, income from the artistic programme and commercial hires. Arts Council England, GMCA, Manchester City Council, Coutts Foundation and University of Manchester were our principal funders

The building has been fully operational for seventeen months for artistic, participatory and commercial use, with public free wifi permanently available from June 2022. The main building project is now closed and all snags resolved. Some ongoing capital works continue as funds become available. Projectors were replaced in both Spaces 1 and 2, ensuring our technical capabilities are robust. In collaboration with young people, we reviewed our environmental action plan ahead of the next financial year. Whilst the building does not require mask-wearing, visitors are welcome to protect themselves with both masks and use of the hand sanitisers available.

The financial impact of covid-recovery, inflation and cost-of-living crisis continues to challenge Contact's activity. The funding landscape has, in this financial year, been similarly challenging and our applications for both restricted and unrestricted funds face more competition than ever. Navigating this, whilst transitioning into a newly opened building has proved complex, however both the Board of Trustees and senior management team have acted swiftly and proactively, often having to make difficult decisions to ensure the financial stability of the organisation.

In light of these ongoing challenges, the organisation has actively searched for new ways to operate in a lean and cost-efficient manner. We recently introduced Xero, along with a number of automation-driven finance software packages, which has streamlined the finance team. Additionally, the resignation of the Head of Commercial & Visitor Experience role offered the opportunity to reimagine the shape of Contact's senior management team. This re-thinking formed part of an organisational restructure in which a new artistic department was created to replace the Creative Development team. The Cultural Engagement team will encompass a wider spectrum of activity from participation and artistic development to commercial programming and consultancy work. The team will be more informed by data and trends as it strives to give our young people and artists more pragmatic and commercial access points to the arts sector and beyond.

Over the years, Contact has secured non-arts partnerships that have driven our work into a variety of sectors and made the case for culture as a tool for social change and research. Thus, the creation of a new department will give space for us to be more pronounced and cohesive as we continue to move in this direction. The most recent recruitment of the Engagement Manager has been crucial to kick-starting this process. The next year will be used for consultation and foundational work before launching a definitive new artistic season and participatory offer in Autumn 2024.

In October 2022 Contact received news on the NPO application to secure ACE funding for 2023-2026, in which £2,799,891 was granted (£933,297 per annum). Despite strong feedback, amongst the challenging funding landscape, ACE were not able to award an uplift in this NPO round. The 2023-2026 NPO period will focus on delivering an innovative response to ACE's Let's Create strategy in the three key areas: Creative People, Cultural Communities and Creative & Cultural Country. This work builds on roots which are well embedded within Contact: youth voice, supporting artists and creative work to empower people from underserved communities.

Manchester Young People's Theatre Ltd

known as Contact Theatre

Trustees' Report

We were successful in attracting unrestricted funds of £1,521,634, including:

- Arts Council England - £933,297
- Greater Manchester Combined Authority - £97,000
- Manchester City Council - £30,000
- Coutts Foundation - £55,000
- University of Manchester - £41,080
- Studio School - £600
- Donations - £3,320

Restricted Funds - Group

We brought forward non-capital restricted project funds of £229,404 (2021-22: £494,384). During the year, we were successful in attracting restricted project funds of £141,841 (2021-22: £522,644), including:

- BBC (reverse mentoring) - balance of £3,750 to deliver reciprocal mentoring scheme, partnering twenty-five young people with senior BBC staff.
- The Agency - balance of £108,635 to continue with The Agency project in partnership with Battersea Arts Centre and People's Palace Projects. The project has received funding for a five-year period between 2022-2027.
- Curiosity Fund - a balance of £7,985 to deliver activity in partnership with BBC Children In Need focussing on improving the lives of children and young people experiencing disadvantage, through participation in and out of school science activities.
- GMCDP - balance of £3,934 to deliver artistic project with local disabled people in partnership with People's History Museum.
- GMCVO (Trauma responsive communities) - balance of £5,000 to develop Arts and Trauma network with local partners.
- RTYDS - balance of £13,437 for Assistant Artistic Director residency in collaboration with Regional Theatre Young Director's Scheme and Ramps on the Moon.
- Youth & Play (Creative Connections) - balance of £10,000 to deliver a week full of free developmental sessions for youth sector and arts sector workers.
- MCR Active (Holiday Action Fund) - balance of £4,800 to deliver holiday club activity.
- More Than Skin Deep (People's Palace) - balance of £1,200 to deliver a collaborative participatory arts project that has developed verbatim theatre techniques to share the voices of care-experienced young people, care leavers, and adults responsible for their care and education.
- Time Stamp - a balance of £3,100 to deliver a video and podcast project in partnership with Manchester City Council capturing the experiences of young people during the pandemic.

We carry forward restricted non-capital project funds of £48,778.

Investment policy and objectives

The Trustees, having regard to the liquidity requirements of running Contact, have kept available funds in an interest-bearing deposit account and seek to achieve a rate on deposit which matches or exceeds inflation as measured by the retail prices index.

Manchester Young People's Theatre Ltd

known as Contact Theatre

Trustees' Report

Policy on reserves

The capital project has now been completed, with all snagging complete. There are some small one-off projects to be addressed, but these will be paid for out of availability of ongoing funds. The commercial and box office targets that were anticipated in the capital project business plan have been challenging to achieve.

Last year, we highlighted the importance across the medium-term of building and maintaining a healthy general reserve, post capital project, however inflationary pressures on the cost side, and commercial and fundraising setbacks have resulted in a greater deficit than anticipated. Our goal is to maintain three months' operating costs, however we end the financial year with free reserves of £26,420, which equates to below one months of operating costs. Post year end reserves continued to be depleted, expenditure reductions were initiated including a recruitment freeze for non critical posts and staffing restructure. Activities have been reduced for the remainder of 2023/24 with a change in leadership and revised smaller staff structure to take Contact forward into 24/25. A reviewed focus on ways of working to enable activities to continue focussing on income generation over the coming financial year is underway in order to build resilience and reflate reserves gradually.

The successful Arts Council England NPO application secures our next funding cycle, along with confirmed ongoing funding from MCC, GMCA, and UoM, however the board are supporting the senior management team to recalibrate the business model, in order to achieve the medium to long-term goal of building reserves back up. Despite the ongoing challenges, the trustees are confident in the strong governance processes, healthy board structure, and the decisive leadership under Jack Dale-Dowd, such that the organisation will continue to adapt to the changing landscape.

Contact remained at 'minor' risk according to Arts Council England's risk assessment, in response to the pragmatic action taken to build resilience, and the recruitment of further expertise and experience to the Board of trustees. This risk rating has now increased to 'moderate' in 23-24 with actions being taken to reduce this rating.

In the effort to create a more commercial programme, this coming year we will see the introduction of events that focus on:

- Fashion
- Music
- Gaming
- Sport
- Comedy
- Teacher Training and Career Development
- Family and school-focused shows for holiday periods including an annual pantomime

Additionally, we will create more consultancy packages following the model of our successful Anti-Racism Package. These will focus on the following areas:

- Youth Governance
- Safeguarding and Social Media
- Climate Confidence

Public benefit

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Manchester Young People's Theatre Ltd

known as Contact Theatre

Trustees' Report

Plans for future periods

Aims and key objectives for future periods

A change in leadership for Contact toward the end of 2023 with Keisha Thompson resigning from her post and pivoting to focus on her role as Director of Contact Events Limited. Jack Dale-Dowd has been installed as Interim Executive Director to oversee the coming 12-18 months for the organisation.

Migrating the on-premises server provision to a cloud-based storage system has improved access and security, ensuring working processes are robust in an ever-digital world. Contact's phone system will soon also update to a cloud-based model to improve current provision. Usage of cloud-based technology has positive environmental impact and demonstrates ongoing commitment to reducing carbon footprint and protecting the planet. With funding from Wolfson Contact will complete additional electrical works to replace legacy lighting fixtures with more sustainable LED fittings and sensors, which offer a five-year return on investment.

HR company Peninsula have been onboarded as an outsourced provider, offering extensive HR support for the team. Contact will soon onboard their Health & Safety package, to make further robust H&S provision and provide additional insurance for both the HR & HS package.

Contact's education strategy will launch after twelve months of planning, which will see a return to working closer with schools and building programming strategies that specifically respond to the national curriculum, specifically GCSE drama. After consultation with teachers, Shakespeare returns to Contact in 2024.

This next year will see a music therapist join Contact for two days per week, supporting the delivery and experience of Contact's music based programmes and responding to the mental health challenges faced by young people. A new era of Studio School will begin with delivery in two PRU centres, as well as drama and spoken word also being delivered in PRU provision settings. The development team will continue to pursue funding for health and science activity.

Contact's relationship with University of Manchester will continue to develop through a partnership + further funding for activity in this next year. Discussions with MIF are ongoing regarding a new Young Commissioners Opportunity. Plans for Contact's artistic programme across the next year have reduced and pivoted to allow further focus on income generating activities.

Manchester Young People's Theatre Ltd

known as Contact Theatre

Trustees' Report

Going concern

The Trustees have carefully considered The Charity's going concern position with regard to its Arts Council England's National Portfolio Organisation (NPO) funding. Contact has recently been awarded funding for the next cycle of NPO funding which covers the three years from April 2023 to March 2026. Manchester City Council and the Greater Manchester Combined Authority (GMCA) have confirmed funding for the year to March 2024 and we are in active discussions with them about future funding, seeking uplift in both cases. Although the NPO funding continues at the same level, we continue to seek new funding partners and have been successful at increasing funds to support our core work.

The Charity via its Trading subsidiary is unlikely to meet its commercial profit targets for 2023-24 though we plan to develop these income streams further in 2024-25. This will have a potential impact on the Charity bottom line.

Contact's reserve policy requirement of free reserves covering three months' operating costs are not met at the end of the period. Contact has budgets in place to build free reserves toward three months operating costs over the current NPO funding period.

Contact has prepared mitigation steps including new financial and commercial strategies over the next two years to build free reserve and continue to focus on its mission by:

- Prioritising value for money programme.
- Continue to drive cost cutting exercises to reduce expenditure.
- New business model to generate voluntary and trading income.
- Robust financial monitoring and assessment using monthly management accounts.
- Financial health check through stringent monthly cash flow forecast and quarterly budget review.
- Maximise the efficiency of its trading subsidiary business model to generate commercial income.

The Trustees recognised the current financial position of Contact and having assessed the new financial and commercial strategies including the cash position and the mitigation steps - including the renewal of the current overdraft facility as a buffer are therefore satisfied that it is appropriate to prepare the financial statements on a going concern basis.

Structure, governance and management

Nature of governing document

Manchester Young People's Theatre Limited, also known as Contact, is a registered charity (No 501953) and a company (No 1066757) limited by guarantee. The governing documents of Manchester Young People's Theatre Limited are its Memorandum and Articles of Association. The company was incorporated on 18 August 1972 and registered as a charity on 31 October 1972. The Trustees of the Charitable Company guarantee to contribute an amount not exceeding £1 to the assets of the Charity in the event of winding up.

Recruitment and appointment of trustees

Trustees retire after three years by rotation. These Trustees may offer themselves for re-appointment for a second term. All new trustees are recruited via a thorough process led by the Resources Board. Candidates are interviewed by a panel of trustees and a separate panel of young people and if appropriate recommended to the Board for appointment.

Manchester Young People's Theatre Ltd

known as Contact Theatre

Trustees' Report

Induction and training of trustees

New Board members undertake a series of induction meetings with the Board Chair, Senior Management Team and staff and a comprehensive induction pack is provided. Board wide training is arranged as required. The Board includes one representative from the University of Manchester and one representative from the Greater Manchester Combined Authority, though this post is currently vacant.

Organisational structure

The Trustee Board has the following sub committees: Resources, Artistic Evaluation and Trading Board. These committees each meet at least four times a year with meetings scheduled to allow reporting back to the Board each quarter.

The Trustees ensure the accuracy and timeliness of all financial reporting information through the work of its Resources Board, which reviews all financial information, the development of business systems and procedures and progress on income generation and fundraising strategies. The Resources Board, which meets on a quarterly basis develops and monitors Contact's Financial Regulations and Risk Register. In addition, it reviews operational risks in relation to employment issues as well as keeping abreast of changes in employment law and developing relevant policies. The Resources Board also reviews Health & Safety Policy and procedures as well as Child Protection and Safeguarding Policy and procedures. Members of the Resources Board bring expertise on business planning, equality, diversity and inclusion, HR and finance.

In terms of service quality, all individual projects undertaken by the organisation are subject to risk assessment, monitoring and evaluation procedures. Reports are made quarterly to the Trustees. The Trustees also monitor the quality of services through its Artistic Evaluation Board, which also meets quarterly.

Manchester Young People's Theatre Ltd

known as Contact Theatre

Trustees' Report

Relationships with related parties

None of our Trustees receive remuneration or other benefit from their work as Trustees with the Charity. Five Trustees, Mr Joshua Wilkinson, Ms Ali Wilson, Mr Junior Akinola, Mr Christie Cremin and Ms Faidat Ope were engaged on a freelance basis for various projects throughout the year.

Any connection between a Trustee or Senior Manager of Contact with a production company, contracted actor, performer, or exhibitor must be disclosed to the full Board of Trustees in the same way as any other contractual relationship with a related party. Contact has a Conflict of Interest Policy and Register of Interests.

Contact and the University of Manchester have an Agreement, which allows for Contact to lease the building from the University, to access some facilities and services, and to collaborate with the University on programming events for and by students.

Major risks and management of those risks

The Trustees review the objectives, services, management and regular funding of the organisation as part of an ongoing planning and review process, which includes the development of a Four Year Business Plan. The plan assesses Contact's development and sets targets in relation to a number of risk factors, including financial, operational, governance and external factors. There is an addendum to the business plan currently being created to plot out the organisational strategy for the next 12 months in light of the recent leadership changes and financial situation.

In addition, the Resources Board reviews the risk process. These are also the routes for any additional areas of concern highlighted by the review of the plan or arising through changes in external circumstances, new activities or changes in the law. The risk is assessed and any further action is identified and parameters are agreed. The risk register, with any additional supporting information, is then reported to the Board quarterly through the Resources Board Report.

The Senior Management Team assesses day to day risks within the remit agreed by the Board, identifying areas of concern, undertaking risk analysis and agreeing decisions within agreed parameters.

The Trustees have reviewed the major risks that could impact on Contact. These are:-

Increasing costs due to energy and cost of living crisis

Steps have been taken to mitigate the impact of increased energy costs. The Contact building is now closed on Mondays with not access to the building negating heating and lighting requirements. The building opening hours are also being more flexible around closing times when no scheduled activity is due to take place. Other increasing costs are being mitigated through a combination of longer term contracts that lock in prices for 2-4 years and reducing spending budgets and efficiency drives.

Inability to meet increased income targets

Income targets have been reduced in consultation with budget holders and budgets are being based on a confirmed funding with additional activity only going ahead when funding is secured.

Manchester Young People's Theatre Ltd

known as Contact Theatre

Trustees' Report

Cuts in existing public sector funding

Regular dialogue with our funders, reporting our social impact and reach and business planning around new commercial models of income

Inability to retain existing staff and recruit new staff due to low salaries

Resources Board focus, review of salaries and cost base pending

Cash flow and management of cash flow

A careful management of cash flows is being undertaken by the Director of Finance with a phasing of payments where required along with the planned postponement of other payments. Budgets have been reforecast to the end of the financial year to mitigate this along with an additional process for expenditure requiring sign off from the senior team. An overdraft facility is currently in place which we are seeking to increase to deal with any unforeseen expenditures.

Resources Board focus, implementing cost saving measures and developing additional fundraising capacity.

The Board of Trustees and staff undergo regular training and professional development to ensure they remain abreast of current developments, changes in statutes and best practice.

Statement of trustees' responsibilities

The trustees (who are also the directors of Manchester Young People's Theatre Ltd for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the parent charitable company and the group and of the incoming resources and application of resources, including its income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the parent charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that can disclose with reasonable accuracy at any time the financial position of the parent charitable company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the parent charitable company and the group 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 corporate and financial information included on the charitable company's website. Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Manchester Young People's Theatre Ltd

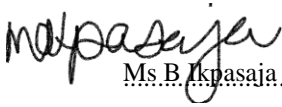
known as Contact Theatre

Trustees' Report

Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

The annual report was approved by the trustees of the charity on 6.3.2024 and signed on its behalf by:



Ms B Ikpasaja

Chair of Trustees

Manchester Young People's Theatre Ltd

known as Contact Theatre

Independent Auditor's Report to the Members of Manchester Young People's Theatre Ltd

Opinion

We have audited the financial statements of Manchester Young People's Theatre Ltd (the 'charitable parent company') and its subsidiaries (the 'group') for the year ended 31 March 2023, which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 March 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 group's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were 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 trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

Manchester Young People's Theatre Ltd

known as Contact Theatre

Independent Auditor's Report to the Members of Manchester Young People's Theatre Ltd

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinion on other matter 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 Chair's Report and Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Chair's Report and Trustees' Report have 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 group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Chair's Report and the Trustees' Report.

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

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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.

Responsibilities of trustees

As explained more fully in the Statement of trustees' responsibilities (set out on page 16), the trustees 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 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.

Manchester Young People's Theatre Ltd

known as Contact Theatre

Independent Auditor's Report to the Members of Manchester Young People's Theatre Ltd

Auditor 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 ISA's (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:

We obtained an understanding of laws and regulations that affect the charity, focusing on those that has a direct effect on the financial statements or that has a fundamental effect on its operations. Key laws and regulations that were identified included the UK Companies Act and Charity Commission requirements.

We reviewed the Trustee's meeting minutes for evidence of non-compliance with relevant laws and regulations.

We gained an understanding of the controls that the Trustees have in place to prevent and detect fraud. We enquired of the Trustees about any incidences of fraud that had taken place during the accounting period.

The risk of fraud and non-compliance with laws and regulations and fraud was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: misappropriation of cash and other assets.

We reviewed the financial statements disclosures and tested to supporting documentation to assess the compliance with relevant laws and regulations discussed above.

We enquired of the Trustees about actual and potential litigation and claims.

We performed analytical procedures to identify and unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.

In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

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

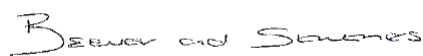
Manchester Young People's Theatre Ltd

known as Contact Theatre

Independent Auditor's Report to the Members of Manchester Young People's Theatre Ltd

Use of our report

This report is made solely to the charitable parent company's trustees, 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 group'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 charitable parent company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



.....
S Lomax FCA (Senior Statutory Auditor)
For and on behalf of Beever and Struthers, Statutory Auditor

Suite 9b, The Beehive
Shadsworth Business Park
Lions Drive
Blackburn
BB1 2QS

Date: 6.3.2024

Manchester Young People's Theatre Ltd

known as Contact Theatre

Consolidated Statement of Financial Activities for the Year Ended 31 March 2023 (Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Income and Endowments from:					
Donations and legacies	3	3,320	-	3,320	2,622
Charitable activities	4	1,264,667	141,841	1,406,508	1,656,875
Other trading activities	5	186,612	-	186,612	97,538
Investment income	6	2,417	-	2,417	98
Other income	7	<u>64,618</u>	<u>-</u>	<u>64,618</u>	<u>225,633</u>
Total income		<u>1,521,634</u>	<u>141,841</u>	<u>1,663,475</u>	<u>1,982,766</u>
Expenditure on:					
Raising funds	8	(86,967)	-	(86,967)	(85,900)
Charitable activities	9	(1,809,553)	(622,235)	(2,431,788)	(2,320,811)
Trading activities	10	<u>(117,938)</u>	<u>-</u>	<u>(117,938)</u>	<u>(80,960)</u>
Total expenditure		<u>(2,014,458)</u>	<u>(622,235)</u>	<u>(2,636,693)</u>	<u>(2,487,671)</u>
Net expenditure		(492,824)	(480,394)	(973,218)	(504,905)
Transfers between funds		(53,129)	53,129	-	-
Taxation					
Theatre Tax relief		<u>23,089</u>	<u>-</u>	<u>23,089</u>	<u>-</u>
Net movement in funds		(522,864)	(427,265)	(950,129)	(504,905)
Reconciliation of funds					
Total funds brought forward		<u>695,215</u>	<u>7,508,062</u>	<u>8,203,277</u>	<u>8,708,182</u>
Total funds carried forward	25	<u>172,351</u>	<u>7,080,797</u>	<u>7,253,148</u>	<u>8,203,277</u>

All of the group's activities derive from continuing operations during the above two periods.

The funds breakdown for 2022 is shown in note 25.

The notes on pages 26 to 52 form an integral part of these financial statements.

Manchester Young People's Theatre Ltd

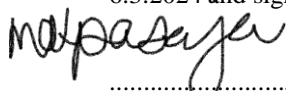
known as Contact Theatre

(Registration number: 01066757)

Consolidated Balance Sheet as at 31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	16	7,262,339	7,577,110
Current assets			
Debtors	18	184,221	317,620
Cash at bank and in hand	19	<u>202,096</u>	<u>712,296</u>
		386,317	1,029,916
Creditors: Amounts falling due within one year	20	<u>(260,414)</u>	<u>(244,173)</u>
Net current assets		<u>125,903</u>	<u>785,743</u>
Total assets less current liabilities		7,388,242	8,362,853
Creditors: Amounts falling due after more than one year	21	<u>(135,094)</u>	<u>(159,576)</u>
Net assets		<u>7,253,148</u>	<u>8,203,277</u>
Funds of the group:			
Restricted income funds			
Restricted funds		7,080,797	7,508,062
Unrestricted income funds			
Unrestricted funds		<u>172,351</u>	<u>695,215</u>
Total funds	25	<u>7,253,148</u>	<u>8,203,277</u>

The financial statements on pages 22 to 52 were approved by the trustees, and authorised for issue on 6.3.2024 and signed on their behalf by:



.....
Ms B Ikpasaja

Chair of Trustees

The notes on pages 26 to 52 form an integral part of these financial statements.

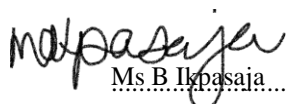
Manchester Young People's Theatre Ltd

known as Contact Theatre

(Registration number: 01066757)
Balance Sheet as at 31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	16	7,262,339	7,577,110
Investments	17	<u>1</u>	<u>-</u>
		<u>7,262,340</u>	<u>7,577,110</u>
Current assets			
Debtors	18	179,240	317,620
Cash at bank and in hand	19	<u>202,096</u>	<u>712,296</u>
		381,336	1,029,916
Creditors: Amounts falling due within one year	20	<u>(255,434)</u>	<u>(244,173)</u>
Net current assets		<u>125,902</u>	<u>785,743</u>
Total assets less current liabilities		7,388,242	8,362,853
Creditors: Amounts falling due after more than one year	21	<u>(135,094)</u>	<u>(159,576)</u>
Net assets		<u><u>7,253,148</u></u>	<u><u>8,203,277</u></u>
Funds of the charity:			
Restricted income funds			
Restricted funds		7,080,797	7,508,062
Unrestricted income funds			
Unrestricted funds		<u>172,351</u>	<u>695,215</u>
Total funds	25	<u><u>7,253,148</u></u>	<u><u>8,203,277</u></u>

The financial statements on pages 22 to 52 were approved by the trustees, and authorised for issue on 6.3.2024 and signed on their behalf by:



Ms B Ikpasaja

Chair of Trustees

The notes on pages 26 to 52 form an integral part of these financial statements.

Manchester Young People's Theatre Ltd

known as Contact Theatre

Consolidated Statement of Cash Flows for the Year Ended 31 March 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash expenditure		(950,129)	(504,905)
Adjustments to cash flows from non-cash items			
Depreciation	16	361,117	353,587
Investment income	6	(2,417)	(98)
Theatre tax relief		(23,089)	-
		<u>(614,518)</u>	<u>(151,416)</u>
Working capital adjustments			
Decrease in debtors	18	133,399	516,965
Increase/(decrease) in creditors	20	58,863	(156,580)
(Decrease)/increase in deferred income	20	<u>(48,434)</u>	<u>60,841</u>
Net cash flows from operating activities		<u>(470,690)</u>	<u>269,810</u>
Cash flows from investing activities			
Interest receivable and similar income	6	2,417	98
Purchase of tangible fixed assets	16	<u>(46,346)</u>	<u>(404,293)</u>
Net cash flows from investing activities		<u>(43,929)</u>	<u>(404,195)</u>
Cash flows from financing activities			
Repayment of loans and borrowings	20	(18,670)	(25,454)
Theatre tax relief	22	<u>23,089</u>	<u>-</u>
Net cash flows from financing activities		<u>4,419</u>	<u>(25,454)</u>
Net decrease in cash and cash equivalents		(510,200)	(159,839)
Cash and cash equivalents at 1 April		<u>712,296</u>	<u>872,135</u>
Cash and cash equivalents at 31 March		<u><u>202,096</u></u>	<u><u>712,296</u></u>

All of the cash flows are derived from continuing operations during the above two periods.

The notes on pages 26 to 52 form an integral part of these financial statements.

Manchester Young People's Theatre Ltd

known as Contact Theatre

Notes to the Financial Statements for the Year Ended 31 March 2023

1 Legal status of the Charity

The charity is limited by guarantee, incorporated in England and Wales, and has no share capital. Consequently does not have share capital. In the event of Contact being wound up, the liability in respect of the guarantee is limited to £1 per member of Contact.

The address of its registered office is:

Contact Theatre
Devas Street
Oxford Road
Manchester
M15 6JA

Contact is the leading UK arts organisation to place young people's leadership and decision making at the heart of everything. Our main areas of activity are:

- Providing transformative opportunities for young people
- Producing high quality new work with a focus on pressing social realities and presenting the future mainstream with a diverse and pioneering programme
- Operating a unique, ethical and welcoming building.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)) (issued in October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of preparation

Contact 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 notes.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the charity and its subsidiary undertakings drawn up to 31 March 2023.

No statement of financial activities is presented for the charity as permitted by section 408 of the Companies Act 2006. The charity made a loss after tax for the financial year of £950,129 (2022 - loss of £504,905).

Manchester Young People's Theatre Ltd

known as Contact Theatre

Notes to the Financial Statements for the Year Ended 31 March 2023

A subsidiary is an entity controlled by the charity. Control is achieved where the Charity has the power to govern the financial and operating policies of an entity so as to obtain the benefits from its activities.

During the year Contact Events Limited was incorporated and Contact Theatre subscribed for the share capital of £1.

Inter-company transactions, balances and unrealised gains on transactions between the charity and its subsidiaries, which are related parties, are eliminated in full.

Going concern

The Trustees have carefully considered The Charity's going concern position with regard to its Arts Council England's National Portfolio Organisation (NPO) funding. Contact has recently been awarded funding for the next cycle of NPO funding which covers the three years from April 2023 to March 2026. Manchester City Council and the Greater Manchester Combined Authority (GMCA) have confirmed funding for the year to March 2024 and we are in active discussions with them about future funding, seeking uplift in both cases. Although the NPO funding continues at the same level, we continue to seek new funding partners and have been successful at increasing funds to support our core work.

The Charity via its Trading subsidiary is unlikely to meet its commercial profit targets for 2023-24 though we plan to develop these income streams further in 2024-25. This will have a potential impact on the Charity bottom line.

Contact's reserve policy requirement of free reserves covering three months' operating costs are not met at the end of the period. Contact has budgets in place to build free reserves toward three months operating costs over the current NPO funding period.

Contact has prepared mitigation steps including new financial and commercial strategies over the next two years to build free reserve and continue to focus on its mission by:

- Prioritising value for money programme.
- Continue to drive cost cutting exercises to reduce expenditure.
- New business model to generate voluntary and trading income.
- Robust financial monitoring and assessment using monthly management accounts.
- Financial health check through stringent monthly cash flow forecast and quarterly budget review.
- Maximise the efficiency of its trading subsidiary business model to generate commercial income.

The Trustees recognised the current financial position of Contact and having assessed the new financial and commercial strategies including the cash position and the mitigation steps - including the renewal of the current overdraft facility as a buffer are therefore satisfied that it is appropriate to prepare the financial statements on a going concern basis.

Judgements and key accounting estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Manchester Young People's Theatre Ltd

known as Contact Theatre

Notes to the Financial Statements for the Year Ended 31 March 2023

Significant Judgements

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

- Determination of whether there are indicators of impairment of Contact's tangible fixed assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance or charitable use of the asset.
- Determination of whether leases entered into by Contact as lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

- Determination of recoverability of trade debtors. A specific provision is made against certain debts where in the opinion of the trustees the debt is not fully recoverable.
- Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Income recognition policies

Items of income are recognised and included in the accounts when all of the following criteria are met:

- the Charity has entitlement to the funds;
- any performance conditions attached to the item(s) of income have been met or are fully within the control of the Charity;
- there is sufficient certainty that receipt of the income is considered probable; and
- the amount can be measured reliably.

Income received in advance of a theatrical performance or provision of other specified service is deferred until the criteria for income recognition are met.

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Manchester Young People's Theatre Ltd

known as Contact Theatre

Notes to the Financial Statements for the Year Ended 31 March 2023

Deferred income

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Investment income

Interest on funds held on deposit is included when 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 and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the costs of trading including commercial hires and their associated support costs and fundraising support costs.
- Expenditure on charitable activities includes the costs of performances, touring, participatory work and other activities undertaken to further the purposes of the Charity and their associated support costs. Expenditure on the capital redevelopment project is also included in this heading
- Other expenditure represents those items not falling into any other heading.
- Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Allocation of support costs

Support costs are those functions that assist Contact's work but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support Contact's artistic programme and participatory activities. The bases on which support costs have been allocated are set out in note 10.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees meetings and reimbursed expenses.

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Manchester Young People's Theatre Ltd

known as Contact Theatre

Notes to the Financial Statements for the Year Ended 31 March 2023

Tangible fixed assets

Individual fixed assets costing £500 or more are initially recorded at cost and are depreciated over their estimated useful economic lives.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Long term leasehold buildings	2 - 10%
Fixtures and fittings	20 - 50%
Computer equipment	25 - 33%
Motor vehicles	20%

Land is not depreciated.

Building redevelopment construction costs are capitalised in the year they occur and depreciated over the remaining length of the lease. Fixtures and fittings purchased as part of the capital redevelopment project are not depreciated until the date of use. Professional fees relating to the capital redevelopment project have been expensed in the year they occurred.

Donated fixed assets are recognised at fair value which is the amount Contact would have been willing to pay for the items on the open market.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash and cash equivalents

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

Creditors and provisions are recognised where Contact has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Manchester Young People's Theatre Ltd

known as Contact Theatre

Notes to the Financial Statements for the Year Ended 31 March 2023

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Fund accounting

Unrestricted income funds are available to spend on activities that further any of the purposes of the charity.

Restricted funds are donations which the donor has specified are to be solely used for particular areas of the Charity's work or for specific artistic projects being undertaken by the Charity.

Operating leases

Contact classifies the lease of printing equipment as an operating lease; the title to the equipment remains with the lessor and the equipment is replaced every 5 years whilst the economic life of such equipment is normally 10 years. Rental charges are charged on a straight line basis over the term of the lease.

Pensions and other post retirement obligations

Contact contributes to a group money purchase defined contribution pension scheme operated by The People's Pension. New and existing employees are automatically enrolled into the money purchase scheme unless they have exercised their right to opt out of scheme membership.

Employees joining the money purchase pension scheme operated by The People's Pension, contract directly with the insurance company. Contact makes a matching contribution of 3% of salary to this pension scheme and acts as agent in collecting and paying over employee pension contributions. The contributions made for the accounting period are treated as an expense and were £21,997 (2022: £16,455). There were no contributions outstanding at the balance sheet date

Financial instruments

Classification

Contact 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. The financing charge to expenditure is at a constant rate calculated using the effective interest method.

Manchester Young People's Theatre Ltd

known as Contact Theatre

Notes to the Financial Statements for the Year Ended 31 March 2023

3 Income from donations and legacies

	Unrestricted funds General £	Total 2023 £	Total 2022 £
Donations and legacies;			
Individual donations and regular giving	3,320	3,320	2,622
	<u>3,320</u>	<u>3,320</u>	<u>2,622</u>

Income from donations includes Gift Aid from individual giving. From time to time Contact benefits from the involvement and support of volunteers. In accordance with accounting standards, the economic contribution of general volunteers is not recognised in the accounts.

4 Income from charitable activities

	Unrestricted funds General £	Restricted funds £	Total 2023 £	Total 2022 £
Grant income from Core Funders	1,101,377	-	1,101,377	1,101,377
Operation of building and related artistic programme	156,053	16,537	172,590	136,572
Provision of participatory activities	7,237	107,185	114,422	291,927
Health and science	-	18,119	18,119	126,999
	<u>1,264,667</u>	<u>141,841</u>	<u>1,406,508</u>	<u>1,656,875</u>

See detailed breakdown in the following tables.

Manchester Young People's Theatre Ltd

known as Contact Theatre

Notes to the Financial Statements for the Year Ended 31 March 2023

Grant Income from Core Funders

	Unrestricted	Restricted	Total	Total
	Funds	Funds	Funds	Funds
	2023	2023	2023	2022
	£	£	£	£
Arts Council	933,297	-	933,297	933,297
GMCA	97,000	-	97,000	97,000
Manchester City Council	30,000	-	30,000	30,000
University of Manchester	41,080	-	41,080	41,080
	<u>1,101,377</u>	<u>-</u>	<u>1,101,377</u>	<u>1,101,377</u>

Income from artistic programme

	Unrestricted	Restricted	Total	Total
	Funds	Funds	Funds	Funds
	2023	2023	2023	2022
	£	£	£	£
Income from theatre performances	156,053	-	156,053	101,362
Income from touring productions	-	-	-	9,567
Manchester City Council - Time Stamp	-	3,100	3,100	2,900
RYTDS	-	13,437	13,437	22,743
	<u>156,053</u>	<u>16,537</u>	<u>172,590</u>	<u>136,572</u>

Manchester Young People's Theatre Ltd

known as Contact Theatre

Notes to the Financial Statements for the Year Ended 31 March 2023

Income for Provision of Participatory Activities

	Unrestricted	Restricted	Total	Total
	Funds	Funds	Funds	Funds
	2023	2023	2023	2022
	£	£	£	£
BBC reverse mentoring	-	3,750	3,750	-
C Change	-	-	-	6,000
Creative Protagonist	-	-	-	3,440
Far Apart UK	-	-	-	18,600
Ironmongers	-	-	-	4,304
Holiday Activity Fund	-	4,800	4,800	-
Other Income	6,637	-	6,637	2,980
Steel Foundation	-	-	-	15,000
Studio School	600	-	600	800
The Agency 21-26	-	108,634	108,634	140,848
Agency Alumni	-	(20,000)	(20,000)	-
The Agency Film	-	-	-	5,000
Young Manchester Holiday Club	-	-	-	10,000
Youth & Play Creative Connections Young Manchester	-	10,000	10,000	44,957
Youth Music	-	-	-	39,998
	7,237	107,184	114,421	291,927

Manchester Young People's Theatre Ltd

known as Contact Theatre

Notes to the Financial Statements for the Year Ended 31 March 2023

Income for Health & Science Activities

	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	Total Funds 2022 £
Curiosity Fund	-	7,985	7,985	10,430
GMCDP	-	3,934	3,934	6,970
GMCVO - Trauma responsive communities	-	5,000	5,000	10,000
MCC - Covid Impact Fund	-	-	-	24,885
MCC - First 1000 Days	-	-	-	50,000
More Than Skin Deep - People's Palace	-	1,200	1,200	-
U o M - Devices	-	-	-	5,000
Wellcome Trust	-	-	-	19,714
	-	18,119	18,119	126,999

5 Income from other trading activities

	Unrestricted funds General £	Total 2023 £	Total 2022 £
Trading income;			
Accountancy services	37,517	37,517	11,083
Bar & Catering	19,461	19,461	5,425
Hire of spaces	115,584	115,584	43,382
Office hires	7,875	7,875	13,500
Consultancy services	-	-	21,875
Retail	6,175	6,175	2,273
	186,612	186,612	97,538

6 Investment income

	Unrestricted funds General £	Total 2023 £	Total 2022 £
Other investment income	2,417	2,417	98

Manchester Young People's Theatre Ltd

known as Contact Theatre

Notes to the Financial Statements for the Year Ended 31 March 2023

7 Other income

	Unrestricted funds General £	Total 2023 £	Total 2022 £
Coutts Foundation revenue grant	50,000	50,000	50,000
HMRC CJRS	-	-	1,119
Insurance claim	9,618	9,618	25,426
Kickstart jobs scheme	-	-	6,032
MCC - Discretionary Grants	-	-	41,671
ACE Culture Recovery Fund	-	-	96,555
TfGM - cycling infrastructure	-	-	4,830
Coutts Foundation cost of living payment	5,000	5,000	-
	<u>64,618</u>	<u>64,618</u>	<u>225,633</u>

8 Expenditure on raising funds

	Unrestricted funds General £	Total 2023 £	Total 2022 £
Fundraising support costs	86,967	86,967	85,900
	<u>86,967</u>	<u>86,967</u>	<u>85,900</u>

Manchester Young People's Theatre Ltd

known as Contact Theatre

Notes to the Financial Statements for the Year Ended 31 March 2023

9 Expenditure on charitable activities

				Total	Total
	Operation of building and related artistic programme £	Provision of participatory activities £	Health and science £	2023 £	2022 £
Salaries	766,287	130,894	22,839	920,020	723,194
Facilitator fees, project costs & expenses	-	159,537	48,348	207,885	372,730
Travel, accommodation & subsistence	12,614	8,018	59	20,691	19,211
Production & touring costs	8,199	-	-	8,199	54,316
Artists fees and box office splits	138,407	-	-	138,407	117,674
Commissioning and artist development	27,850	-	-	27,850	12,486
Box office and marketing costs	131,293	-	-	131,293	82,833
Premises and technical costs	267,010	-	-	267,010	283,084
Finance charges	19,613	-	-	19,613	10,712
Recruitment & training	13,669	-	-	13,669	53,893
Bad debts and write offs	9,561	-	-	9,561	-
Depreciation	361,117	-	-	361,117	353,587
Governance costs	29,708	-	-	29,708	21,866
Support costs	276,765	-	-	276,765	215,225
	<u>2,062,093</u>	<u>298,449</u>	<u>71,246</u>	<u>2,431,788</u>	<u>2,320,811</u>

Of the £2,431,788 expenditure in 2022-23 (2022: £2,320,811) £1,809,533 was charged to unrestricted funds (2022: £1,406,029) and £622,235 to restricted funds (2022: £914,782).

10 Expenditure on trading activities

	Note	Unrestricted funds General £	Total 2023 £	Total 2022 £
Commercial trading operation costs		<u>117,938</u>	<u>117,938</u>	<u>80,960</u>
		<u>117,938</u>	<u>117,938</u>	<u>80,960</u>

Manchester Young People's Theatre Ltd

known as Contact Theatre

Notes to the Financial Statements for the Year Ended 31 March 2023

11 Analysis of governance and support costs

Charitable activities expenditure

		Governance	General	Total	Total
	Basis of allocation	Function £	support £	2023 £	2022 £
Catering for Board & Trustee Meetings	Direct	110	-	110	170
Salaries, wages and related costs	Staff time	7,197	177,416	184,613	190,674
General office costs	Direct	-	99,349	99,349	31,802
Audit and tax fees	Direct	22,401	-	22,401	14,445
		<u>29,708</u>	<u>276,765</u>	<u>306,473</u>	<u>237,091</u>

12 Net incoming/outgoing resources

Net outgoing resources for the year include:

	2023 £	2022 £
Operating leases - plant and machinery	802	1,488
Audit fees	19,951	9,960
Tax fees	2,451	4,485
Depreciation of fixed assets	<u>361,117</u>	<u>353,587</u>

13 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the group during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

Manchester Young People's Theatre Ltd

known as Contact Theatre

Notes to the Financial Statements for the Year Ended 31 March 2023

14 Staff costs

The aggregate payroll costs were as follows:

	2023 £	2022 £
Staff costs during the year were:		
Wages and salaries	1,143,524	971,985
Social security costs	101,258	81,551
Pension costs	21,997	16,455
Redundancy costs	12,002	-
	<u>1,278,781</u>	<u>1,069,991</u>

The average monthly head count was 34 staff (2022: 38 staff) and the average monthly number of full-time equivalent employees (including casual and part-time staff) during the year was as follows:

	2023 No	2022 No
Permanent staff including part time staff on permanent basis	<u>34</u>	<u>38</u>

No employee received emoluments of more than £60,000 (2022: nil) during the year. Pension costs are allocated to activities in proportion to the related staffing costs incurred.

The key management personnel of Contact comprise the Trustees, the Artistic Director/Chief Executive, Head of Creative Development, Head of Finance, Head of Commercial & Visitor Experience, Head of Marketing & Communications and Head of Production. The total employee benefits of the key management personnel of the group were £264,625 (2022 - £240,300).

15 Corporation Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gain are applied exclusively to charitable purposes.

Where the Charity's trading turnover is higher than the small trading exemption, UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date on trading profits.

Its subsidiary Contact Events Limited is subject to corporation tax provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Manchester Young People's Theatre Ltd

known as Contact Theatre

Notes to the Financial Statements for the Year Ended 31 March 2023

16 Tangible fixed assets

Group and Charity

	Leasehold Land and buildings £	Furniture and equipment £	Motor vehicles £	Computer equipment £	Total £
Cost					
At 1 April 2022	10,448,349	<u>259,967</u>	<u>15,469</u>	<u>164,711</u>	10,888,496
Additions	<u>17,159</u>	-	-	29,187	<u>46,346</u>
At 31 March 2023	<u>10,465,508</u>	<u>259,967</u>	<u>15,469</u>	<u>193,898</u>	<u>10,934,842</u>
Depreciation					
At 1 April 2022	3,085,235	115,750	<u>15,469</u>	94,932	3,311,386
Charge for the year	<u>307,059</u>	<u>14,614</u>	-	<u>39,444</u>	<u>361,117</u>
At 31 March 2023	<u>3,392,294</u>	<u>130,364</u>	<u>15,469</u>	<u>134,376</u>	<u>3,672,503</u>
Net book value					
At 31 March 2023	<u>7,073,214</u>	<u>129,603</u>	-	<u>59,522</u>	<u>7,262,339</u>
At 31 March 2022	<u>7,363,114</u>	<u>144,217</u>	-	<u>69,779</u>	<u>7,577,110</u>

17 Fixed asset investments

Charity

Shares in group undertakings and participating interests

	Subsidiary undertakings £	2023 Total £
Cost		
Additions	<u>1</u>	<u>1</u>
At 31 March 2023	<u>1</u>	<u>1</u>
Net book value		
At 31 March 2023	<u>1</u>	<u>1</u>

Subsidiaries, associates and other investments

Details of the investments in which the parent company has an interest of 20% or more as follows:

Manchester Young People's Theatre Ltd

known as Contact Theatre

Notes to the Financial Statements for the Year Ended 31 March 2023

Subsidiary undertakings	Class of share	Percentage of shares held
Contact Events Limited	Ordinary £1	100%

The registered office of the subsidiary is Devas Street, Oxford Road, Manchester, M15 6JA.

18 Debtors

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Trade debtors	20,067	113,740	15,086	113,740
Prepayments	85,171	55,572	85,171	55,572
Accrued income	60,519	146,917	60,519	146,917
VAT recoverable	18,464	1,391	18,464	1,391
	<u>184,221</u>	<u>317,620</u>	<u>179,240</u>	<u>317,620</u>

19 Cash and cash equivalents

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Cash at bank	<u>202,096</u>	<u>712,296</u>	<u>202,096</u>	<u>712,296</u>

20 Creditors: amounts falling due within one year

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Trade creditors	102,801	90,878	102,801	90,878
Manchester City Council Loan	20,782	14,970	20,782	14,970
Due to group undertakings	-	-	3,209	-
Other taxation and social security	25,917	27,129	25,917	27,129
Other creditors	25,639	12,703	25,638	12,703
Accruals	72,868	37,652	72,868	37,652
Deferred income	12,407	60,841	4,219	60,841
	<u>260,414</u>	<u>244,173</u>	<u>255,434</u>	<u>244,173</u>

Manchester City Council has provided a £200,000 loan at a rate of 2.7% + the EC Reference Rate which is the variable rate. Manchester City Council holds Quasi-security over The Manchester Young People's Theatre building, whereby a negative pledge is in place.

Deferred income

Deferred income comprises advance ticket sales for performances of shows and income for projects due to take place after 31 March 2023 and is analysed as follows:

Manchester Young People's Theatre Ltd

known as Contact Theatre

Notes to the Financial Statements for the Year Ended 31 March 2023

	2023 £	2022 £
Deferred income at 1 April 2022	60,841	13,256
Resources deferred in the period	12,407	57,766
Amounts released from previous periods	(60,841)	(10,181)
Deferred income at year end	<u>12,407</u>	<u>60,841</u>

21 Creditors: amounts falling due after one year

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Other loans	<u>135,094</u>	<u>159,576</u>	<u>135,094</u>	<u>159,576</u>

See note 19 for details of loan security.

Loans repayable by instalments

	2023 £	2022 £
Due within one year	20,782	14,970
Due in one to two years	21,541	20,597
Due in two to five years	69,453	66,411
Due in over five years	44,100	72,569
	<u>155,876</u>	<u>174,547</u>

Manchester City Council has provided a £200,000 loan at a rate of 2.7% + the EC Reference Rate which is the variable rate. Manchester City Council holds Quasi-security over The Manchester Young People's Theatre building, whereby a negative pledge is in place.

Manchester Young People's Theatre Ltd

known as Contact Theatre

Notes to the Financial Statements for the Year Ended 31 March 2023

22 Obligations under leases and hire purchase contracts

Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Other				
Within one year	186	802	186	802
Between one and five years	-	186	-	186
	<u>186</u>	<u>988</u>	<u>186</u>	<u>988</u>

23 Commitments

There were no future capital commitments in place at 31 March 2023 (2022: £nil).

24 Custodian Funds

	Balances Held at 1 April 2022	Funds Received	Funds Paid	Balances Held at 31 March 2023
	£	£	£	£
Hate Crime Awareness	40	-	-	40
Uniquely Us	626	-	-	626
Miray Sidhom commission	3,773	2,332	(6,105)	-
Resourcing Racial Justice	2,550	-	(2,550)	-
Dawn to the Light	-	20,000	(3,000)	17,000
Rory Aaron: This Town	-	15,052	(12,755)	2,297
	<u>6,989</u>	<u>37,384</u>	<u>(24,410)</u>	<u>19,963</u>

Contact acted as a custodian trustee during the year for 6 independent projects run by participants of various Contact programmes.

All the funds are held as cash and are segregated from the charity's cash holdings.

Manchester Young People's Theatre Ltd

known as Contact Theatre

Notes to the Financial Statements for the Year Ended 31 March 2023

25 Funds

Group and Company

	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Transfers £	Taxation £	Balance at 31 March 2023 £
Unrestricted funds						
General						
General fund	535,215	1,521,634	(2,014,458)	50,947	23,089	116,427
Designated						
Capital Redevelopment Project	160,000	-	-	(104,076)	-	55,924
Total unrestricted funds	695,215	1,521,634	(2,014,458)	(53,129)	23,089	172,351
Restricted funds						
Building Fund	7,245,113	-	(332,692)	119,598	-	7,032,019
BBC reverse mentoring	-	3,750	(2,160)	-	-	1,590
The Agency 2021-2026	19,236	108,635	(90,974)	(32,924)	-	3,973
The Agency Alumni	24,425	(20,000)	(1,896)	-	-	2,529
Media Drop 2.0 (Youth Music)	4,059	-	(4,059)	-	-	-
Capital Refurbishment Project	33,545	-	-	(33,545)	-	-
Diverse Actions (Live Art UK)	1,206	-	-	-	-	1,206
Capsule 2119	880	-	-	-	-	880
Wellcome Trust (Health & Science Producer)	10,973	-	(10,973)	-	-	-
Curiosity Fund	4,706	7,985	(12,191)	-	-	500
Steel Foundation	4,202	-	(4,202)	-	-	-
GMCDP	5,090	3,934	(9,024)	-	-	-
GMCVO - Trauma responsive communities	10,000	5,000	(9,540)	-	-	5,460
RTYDS Regional Theatre Young Directors Scheme	3,962	13,437	(17,399)	-	-	-
Ironmongers	2,654	-	(2,654)	-	-	-
Manchester City Council Health & Care Commissioning	16,863	-	-	-	-	16,863
Youth & Play (YM) Creative Connections	12,844	10,000	(11,562)	-	-	11,282

Manchester Young People's Theatre Ltd

known as Contact Theatre

Notes to the Financial Statements for the Year Ended 31 March 2023

	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Transfers £	Taxation £	Balance at 31 March 2023 £
MCR Active - Holiday Action Fund	-	4,800	(2,343)	-	-	2,457
	-	1,200	(1,200)	-	-	-
	592	-	(592)	-	-	-
	9,306	-	(9,306)	-	-	-
	2,900	3,100	(6,000)	-	-	-
	14,711	-	(14,711)	-	-	-
	14,592	-	(14,592)	-	-	-
	66,203	-	(64,165)	-	-	2,038
	<u>7,508,062</u>	<u>141,841</u>	<u>(622,235)</u>	<u>53,129</u>	<u>-</u>	<u>7,080,797</u>
	<u>8,203,277</u>	<u>1,663,475</u>	<u>(2,636,693)</u>	<u>-</u>	<u>23,089</u>	<u>7,253,148</u>

There were a number of transfers between funds in the year.

Significant transfers included the de-designation of £104,076 of the designated capital fund, which was no longer necessary having secured additional capital funding in prior periods. There was also a £86,053 transfer to restricted funds to reflect the nature of infrastructure assets.

	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2022 £
Unrestricted funds					
General					
General fund	429,192	1,460,122	(1,550,591)	196,492	535,215
Designated					
Capital Redevelopment Project	<u>160,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>160,000</u>
Total unrestricted funds	<u>589,192</u>	<u>1,460,122</u>	<u>(1,550,591)</u>	<u>196,492</u>	<u>695,215</u>
Restricted funds					
Building Fund	7,240,810	-	(323,411)	327,714	7,245,113
TFGM active travel	-	4,830	(1,681)	(3,149)	-
The Agency Phase 3	69,236	-	(3,608)	(65,628)	-
The Agency extension 1	5,015	-	(1,597)	(3,418)	-
The Agency extension 2	31,934	-	(31,934)	-	-
The Agency 2021-2026	-	110,518	(63,358)	(27,924)	19,236
The Agency Alumni	-	20,000	-	4,425	24,425
Media Drop 2.0 (Youth Music)	14,576	39,998	(50,515)	-	4,059

Manchester Young People's Theatre Ltd

known as Contact Theatre

Notes to the Financial Statements for the Year Ended 31 March 2023

	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2022 £
Capital Refurbishment Project	383,796	-	(22,537)	(327,714)	33,545
Diverse Actions (Live Art UK)	1,206	-	-	-	1,206
Capsule 2119	880	-	-	-	880
Wellcome Trust (Health & Science Producer)	53,005	19,714	(61,746)	-	10,973
Curiosity Fund	3,438	10,430	(9,162)	-	4,706
Steel Foundation	-	15,000	(10,798)	-	4,202
GMCDP	-	6,970	(1,880)	-	5,090
GMCVO - Trauma responsive communities	-	10,000	-	-	10,000
RTYDS Regional Theatre Young Directors Scheme	-	22,743	(18,781)	-	3,962
Ironmongers	-	4,304	(1,650)	-	2,654
NW Youth People's Development Trust	9,324	-	(9,324)	-	-
The House is on Fire (Young Manchester)	8,484	-	(8,484)	-	-
Here & Now (Arts Council England / Future Arts Centre)	2,000	-	(2,000)	-	-
Manchester City Council Health & Care Commissioning	16,863	-	-	-	16,863
Young Manchester Holiday Club	-	10,000	(10,000)	-	-
Youth & Play (YM)					
Creative Connections	14,040	44,957	(46,153)	-	12,844
Creative Protagonists (Reclaim)	4,959	3,440	(8,399)	-	-
MCEP Youth Voice Pilot	1,750	-	(1,750)	-	-
Future Fires	7,186	-	(7,186)	-	-
Studio School	4,428	800	(5,228)	-	-
C Change project	2,850	6,000	(8,258)	-	592
People's Palace far Apart	7,464	18,600	(16,758)	-	9,306
Time Stamp	-	2,900	-	-	2,900
Covid Impact Fund	-	24,885	(10,174)	-	14,711
First 1000 days	-	50,000	(35,408)	-	14,592
ACE Culture Recovery Fund	57,656	96,555	(96,555)	(57,656)	-
Weston Culture Fund	178,090	-	(68,745)	(43,142)	66,203

Manchester Young People's Theatre Ltd

known as Contact Theatre

Notes to the Financial Statements for the Year Ended 31 March 2023

	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2022 £
Total restricted funds	<u>8,118,990</u>	<u>522,644</u>	<u>(937,080)</u>	<u>(196,492)</u>	<u>7,508,062</u>
Total funds	<u>8,708,182</u>	<u>1,982,766</u>	<u>(2,487,671)</u>	<u>-</u>	<u>8,203,277</u>
Name of unrestricted fund	Description, nature and purposes of the fund				
General fund	The 'unrestricted reserves' after allowing for all designated funds and including unrestricted fixed assets				
Designated fund	Designated fund for Capital Redevelopment Project				

Manchester Young People's Theatre Ltd

known as Contact Theatre

Notes to the Financial Statements for the Year Ended 31 March 2023

Name of restricted fund Description, nature and purposes of the fund

Building Fund - The building fund was established to rebuild and extend the existing theatre and was funded by the Arts Council of England. Expenditure represents the annual depreciation charge. Capital Redevelopment costs are transferred to Building Fund.

BBC reverse mentoring - The BBC is funding a reverse mentoring scheme where young people provide mentoring for employees of the BBC.

The Agency (The National Lottery Community Fund - Reaching Communities) - Reaching Communities funded the continuation of The Agency Project.

Media Drop 2.0 - Youth Music funded the Media Drop 2.0 music project and the continuation and expansion of the music programme.

Capital Redevelopment Project - This fund consists of grants and donations to support the capital redevelopment project.

Diverse Actions (Live Art UK) - Contact is a partner in the Live Art UK Diverse Actions project which commissions BAME live art artists to make new work.

Capsule 2119 (PRS Foundation) - The PRS Foundation is supporting the creation and performance of 16 new songs that would subsequently become a time capsule for the year 2119 placed within Contact's refurbished building.

Wellcome Trust (Health & Science Producer) - The Wellcome Trust funded the post of Health & Science Producer.

Curiosity Fund - Curiosity, a partnership between BBC Children in Need and Wellcome, is funding a new arts project for children aged 15-16 within an area of high deprivation who may be disabled or experience mental health.

Steel Foundation - Steel Foundation are funding music workshops for young people.

GMCDP - GMCDP funded a creative development programme for neurodivergent, Deaf and disabled young people. The outcome was a performance focussed on disability history called DIS:Play.

GMCVO - Trauma responsive communities - GMCVO funded The Arts and Trauma network. A monthly meeting exploring best practice for trauma informed work. The network includes 16 network members from across Greater Manchester.

RTYDS Regional Theatre Young Directors Scheme - The Regional Theatre Young Directors Scheme is funding a residency for an assistant director at Contact for 18 months.

Ironmongers - The Ironmongers Foundation has awarded funding to encourage young people to get more involved in the arts and theatre.

Manchester City Council Health & Care Commissioning - The MCC Health & Care Commissioning body was disbanded before the project could take place. We have received permission from MCC to use the funds to support our existing projects work.

Young Manchester-Youth & Play Creative Connections - Young Manchester is funding a programme for youth workers and arts professionals to share best practice and build new partnerships.

MCR Active - Holiday Action Fund - MCR Active is funding a programme to provide arts workshops for young people during school term breaks.

More Than Skin Deep- People's Palace Projects - People's Palace Projects funded a performance of care-experienced young people talking about change they'd like to see in the care system.

C Change Project - Manchester City Council is funding a production of a show on climate change.

People's Palace Far Apart - People's Palace Projects is funding a research project to look beyond lockdown to understand how UK Arts organisations can continue to support young people's wellbeing during Covid-19.

Time stamp - Manchester City Council is funding a production of a show on young people's experiences of lockdown during the Covid-19 pandemic.

Covid impact fund - One Manchester is funding a report into the impact of the Covid-19 pandemic on the mental health of staff and participants at Contact.

First 1000 days - One Manchester is funding a creative development project for parents in Harpurhey and Moston. The outcome was a week long of activities called Kids Fun Zone at Harpurhey Neighbourhood Project

Manchester Young People's Theatre Ltd

known as Contact Theatre

Notes to the Financial Statements for the Year Ended 31 March 2023

Weston Culture Fund - Garfield Weston Foundation funded cultural organisations to restart their work after Covid and to re-engage audiences it supported and outdoor programme of activities and events.

Manchester Young People's Theatre Ltd

known as Contact Theatre

Notes to the Financial Statements for the Year Ended 31 March 2023

26 Analysis of net assets between funds

Group

	Unrestricted funds		Restricted	Total funds at 31 March
	General £	Designated £	funds £	2023 £
Tangible fixed assets	90,007	-	7,172,332	7,262,339
Cash at bank and in hand	98,015	55,924	48,157	202,096
Other current assets/(liabilities)	<u>(71,595)</u>	<u>-</u>	<u>(139,692)</u>	<u>(211,287)</u>
Total net assets	<u>116,427</u>	<u>55,924</u>	<u>7,080,797</u>	<u>7,253,148</u>

	Unrestricted funds		Restricted	Total funds at 31 March
	General £	Designated £	funds £	2022 £
Tangible fixed assets	78,464	-	7,498,646	7,577,110
Cash at bank and in hand	513,289	160,000	39,007	712,296
Other current assets/(liabilities)	<u>(56,538)</u>	<u>-</u>	<u>(29,591)</u>	<u>(86,129)</u>
Total net assets	<u>535,215</u>	<u>160,000</u>	<u>7,508,062</u>	<u>8,203,277</u>

27 Net debt reconciliation

Group

	At 1 April 2022 £	Financing cash flows £	At 31 March 2023 £
Cash at bank and in hand	712,296	(510,200)	202,096
Loan from Manchester City Council	<u>(174,547)</u>	<u>18,671</u>	<u>(155,876)</u>
Net debt	<u>537,749</u>	<u>(491,529)</u>	<u>46,220</u>

Manchester Young People's Theatre Ltd

known as Contact Theatre

Notes to the Financial Statements for the Year Ended 31 March 2023

28 Related party transactions

Contact and the University of Manchester have an agreement which allows for Contact to lease the building from the University, to access some facilities and services, and to collaborate with the University on programming some events for and by students. On this basis Contact feels it is appropriate to disclose transactions with the University as related party transactions.

The University of Manchester awarded grants to Contact of £41,080 (2022: £41,080). The Arts Council of England which provides core funding to Contact has a charge over the land and buildings of Contact.

Contact provided Creative Experts services, artistic services and hire of spaces of £13,140 (2022: £6,650) to the University of Manchester. There was an outstanding balance due from the University of £2,370 as at 31 March 2023 (2022: £49,296). Contact purchased goods and services from the University of Manchester of £6,202 (2022: £0). There was an outstanding balance due to the University as at 31 March 2023 of £0 (2022: £0).

Mr Joshua Wilkinson, Ms Ali Wilson, Mr Junior Akinola, Mr Christie Cremin and Ms Faidat Ope, all trustees of Contact, were engaged on a freelance basis for various projects throughout the year, although not in their role as trustees. Mr Wilkinson and his joint enterprises received £12,833 (2022: £20,612), Ms Wilson received £809 (2022: £2,517), Mr Akinola received £5,540 (2022: £2,980), Mr Cremin received £375 (2022: £0), Ms Ope received £550 (2022: £572), and Ms Flynn received £0 (2022: £100). There were no outstanding balances due to any trustees as at 31 March 2023 (2022: £nil).

Donations from trustees amounted to nil in the year (2022: £nil).

Manchester Young People's Theatre Ltd

known as Contact Theatre

Notes to the Financial Statements for the Year Ended 31 March 2023

29 Comparative Statement of Financial Activities

	Note	Unrestricted funds £	Restricted funds £	Total 2022 £
Income and Endowments from:				
Donations and legacies	3	2,622	-	2,622
Charitable activities	4	1,235,616	421,259	1,656,875
Other trading activities	5	97,538	-	97,538
Investment income	6	98	-	98
Other income	7	<u>124,248</u>	<u>101,385</u>	<u>225,633</u>
Total income		<u>1,460,122</u>	<u>522,644</u>	<u>1,982,766</u>
Expenditure on:				
Raising funds	8	(85,900)	-	(85,900)
Charitable activities	9	(1,406,029)	(914,782)	(2,320,811)
Trading activities	10	<u>(58,662)</u>	<u>(22,298)</u>	<u>(80,960)</u>
Total expenditure		<u>(1,550,591)</u>	<u>(937,080)</u>	<u>(2,487,671)</u>
Net expenditure		(90,469)	(414,436)	(504,905)
Transfers between funds		<u>196,492</u>	<u>(196,492)</u>	<u>-</u>
Net movement in funds		106,023	(610,928)	(504,905)
Reconciliation of funds				
Total funds brought forward		<u>589,192</u>	<u>8,118,990</u>	<u>8,708,182</u>
Total funds carried forward	25	<u>695,215</u>	<u>7,508,062</u>	<u>8,203,277</u>