

National Centre for Circus Arts

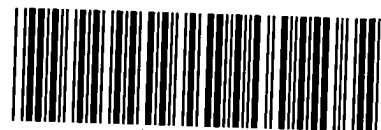
Annual Report and Financial Statements

31 July 2022

Company Limited by Guarantee
Registration Number
2553293 (England and Wales)

Charity registration number 1001839 (England and
Wales)

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Reference and administrative information

Board Members	Alison King, Chair Tuikku Alaviitala (until 5 August 2021) Cameron Brookhouse Brett Carron (from 11 May 2022) Kate Cavelle David Chinn (until 16 October 2021) Mark Friend (from 11 May 2022) Sue James Elizabeth (Betsy) Lynch Sean Lynskey (from 11 May 2022) Bill Morris (until 31 December 2021) Tarun Nagpal Thomas Nowacki Diana Salazar (from 11 May 2022) Darshak Shah Stuart Smith (from 11 May 2022) Paul Steggall Lesley Strachan (until 30 September 2021) William Underhill Robert West (until 14 April 2022) Esther Wallington (from 11 May 2022) Rachel Williams
Company Secretary	Froniga Lambert
Senior Management Team	Kate White – Chief Executive Dan Cowdrill – Commercial Director Froniga Lambert – Chief Operating Officer Glen Stewart – Director of Professional Development
Registered address	Coronet Street London N1 6HD
Company registration number	2553293 (registered in England & Wales)
Charity registration number	1006927
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL

Reference and administrative information

Key Business Advisors	The Conservatoire for Dance and Drama WeWork 14-16 Great Chapel Street London W1F 8FL
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Bankers	Co-operative Bank 80 Cornhill London EC1V 3NJ
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Solicitors	Slaughter and May One Bunhill Row London EC1Y 8YY
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Welcome from the Chair

As another year has passed so quickly, we are delighted to be fully reopened with our home in Hoxton buzzing with student activity. It has been amazing to see classes and courses for adults and young people once again in full swing with hundreds of people participating in circus arts activity each week. Of course, none of this could happen without the dedication, expertise and commitment of our extraordinary administration, management and teaching staff team. Once again, they have excelled and have enabled the organisation, and participants on every programme, to flourish in an increasingly challenging world. I am sure I can speak on behalf of all trustees when I thank them all.

This new academic year is a significant milestone in the development of the National Centre with students being admitted for the very first time directly to the higher education courses following the successful outcome of the application for independent registration with the Office for Students. The rigorous process took a huge amount of effort from all the staff, particularly the senior management team and those in the higher education team, who worked collaboratively and diligently to achieve independent registration. This really is the dawn of an exciting future for the National Centre for Circus Arts as they lead the way in developing circus arts training.

I was thrilled to be back in the building to see the results of a year's creative endeavours in the student productions. While the COVID-driven creativity had shown such remarkable resilience and adaptability as the students worked remotely and made films, nothing really beats the feeling of being at a live event and watching the students we know so well perform in their chosen disciplines demonstrating on-stage the culmination of their studies. And opening the doors for a summer school where young people may be taking their first steps in circus is another annual high spot. This year also saw the return of the National Youth Circus event, so crucial in bringing together young people and youth circus practitioners from across the UK to share information, knowledge and best practice, and so missed when it could only be delivered virtually.

Our biennial Gala event was a terrific night made even more special by being the first time we had opened the doors to welcome back guests since our closure in March 2020. The evening was supported by our wonderful special guests and Gala ambassadors Helena Bonham Carter and Stephen Daldry, who stepped up to our challenge and gave a brief view back into his past by juggling live on stage. Proceeds from the event went to support the creation of an embryonic graduate company in partnership with Ockham's Razor, and the resulting outdoor production, PUBLIC, toured to great acclaim throughout the summer of 2022 and will be rebooted for the 2023 summer season too giving employment to another group of recent graduates.

The Equality, Diversity and Inclusion committee has gone from strength to strength this year and the valuable work the group has undertaken is making the building welcoming and accessible for all and continues to remove barriers to entry. Work on ensuring the website is reflective of our community continues and the inclusion of staff, students, professional circus artists and trustees on the committee means that debate and discussion is robust and wide-ranging.

Welcome from the Chair

This year we have recently welcomed six new trustees and bid a fond farewell to others who have served their time. The board has been overwhelmingly supportive and has given me the opportunity to settle into my role as chair. I extend my thanks and appreciation for the time, care and consideration each trustee gives to their role. We will once again be seeking new trustees during 2023 and hope to continue to diversify our board to ensure we are able to reflect our community and give the strongest possible support to the National Centre.

It seems an understatement to say we continue to live in challenging times. The cost of living crisis, war in the Ukraine and the climate crisis causing deep and dark uncertainty around the world – each means that activity that allows people an escape from what can be a harsh reality is more important than ever. Circus can do exactly that. Not bound by the conventions of language, circus can tell stories with its amazing physicality. It inspires and entertains and can provide a welcome escape for audiences and participants alike. I hope 2023 is a year where even more people experience the physical challenges and creative delights of this very special art form.



Alison King
Chair of the Board

23rd November 2022

Trustees' report Year to 31 July 2022

The Trustees, who are also the directors of the company for the purposes of the Companies Act, submit their annual report and audited financial statements for the year ended 31 July 2022 which have been prepared in compliance with the current statutory requirements, The Charities SORP (FRS 102) and with the charity's governing document, its Articles of Association.

Objectives of the charity

The charity is a company limited by guarantee governed by articles of association and was established on 30 October 1990. In October 2013 revised Articles of Association were approved by the Charity Commission and the Board of Trustees.

Our objective, as set out in the Articles of Association, is to advance the education of the public in the Arts and to advance the Arts in each case with particular but not exclusive reference to the Circus Arts.

This is summarised in the organisation's vision statement that allows us to look into the future for the organisation and the sector:

"Great Circus Everywhere"

We support circus as it matures and is ever more widely recognised as a dynamic, relevant and important part of the arts and cultural life of the UK. We deliver excellent circus arts training to support the development of the next generation of world-class circus artists. We support and collaborate with circus artists and companies throughout their careers to embed professional standards in teaching, facilities and the creation and presentation of circus to reach new audiences and participants with relevant, challenging and engaging work. We continue to grow our reach and relevance through the development of revenue-generating activities that can support our core education and artists' support activity.

This enables us to build on our role as sector leader and continue to push the boundaries of the Circus Arts, while maintaining core 'business as usual' activities at our home in Hoxton.

We are:

Ambitious and willing to take risks

We are ambitious for ourselves and our art form even in challenging times. With high professional standards and an expert community, we are adept at mitigating risk and safeguarding participants while allowing them to challenge themselves and explore the myriad physical and creative possibilities of circus. This, along with robust reflection and evaluation and a constant push to 'be better', allows us to provide a safe space for artists, students and participants of all ages and stages in their own circus journeys, to take bigger physical and creative risks. Our new independence as a Higher Education Provider demonstrates our ambition to be able to drive forward the development of formal education in circus arts, coupled with a strategic Access and Participation Plan to offer even more opportunities for a wide range of participants from previously underrepresented groups. Students and participants on all programmes bring with them their own ambitions and creative visions and we support, guide, advise and challenge them to ensure we are always at the forefront of development in circus.

Objectives of the charity (continued)

Inclusive and accessible

We are not fearful of the unknown and have a solid track record of innovation. The anarchic nature of circus means it appeals to a broad range of people and we are committed to ensuring we meet the needs of our sector by being inclusive, open and accessible to everyone. We work hard to make sure all our staff, students, partners and stakeholders feel comfortable and able to work and create in the very best way possible. We make sure there are spaces available for discussion and debate around issues of current concern, not least how we can support the management of mental health within our community. Where we lack specialist expertise we engage with others to help us to ask the right questions. We continually seek to take action to disrupt and change so we can achieve our objective of being a truly diverse and open organisation.

Environmentally aware and sustainable

From our impact on individual participants and our own community of artists to our wider responsibility that comes from our leadership role in the sector, we are committed for the long term and strive to ensure our organisation is resilient and sustainable. We operate a mixed economy model and demonstrate a truly entrepreneurial spirit to ensure our business can survive and thrive in our ever-changing world. In our home building in Hoxton we have adopted an environmental plan to ensure we use our building efficiently, monitoring our energy usage, making use of schemes that are available to us to support our ambitions around the reduction of our carbon footprint year on year.

Public benefit statement

The National Centre for Circus Arts has been providing public benefit by enabling the creation of excellent and innovative circus for almost thirty years. Every year we involve thousands of people in the physical challenges and artistic pleasures of Circus Arts. In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission guidance on public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

Our diverse range of work includes our BA degree-level education in Circus Arts (the UK's first), which is supported by a structured training programme for under-18s and professional development opportunities for aspiring and established performers. Adults and young people can enjoy recreational classes and people of all ages can attend performances. We also run highly regarded workshops, away-days and team building events for the corporate community. Over the last decade we have been developing our creation and production capabilities and have been working in partnership to make work that can tour regionally, nationally and internationally. Our emphasis is always on collaborative and partnership working.

We are engaged in activity that significantly contributes to the cultural life of the UK by:

- ♦ producing exceptional artists who shape the future of the Circus Arts;

Public benefit statement (continued)

- ♦ developing potential and creativity through world-class higher education vocational training;
- ♦ finding and nurturing young artists;
- ♦ supporting the cultural infrastructure;
- ♦ fuelling development in the creative industries; and
- ♦ providing national and international leadership in Circus Arts.

We take our responsibility to provide public benefit very seriously and we welcome the scrutiny that statutory funding relationships expect. This has encouraged us to raise standards and to continue to challenge ourselves. It ensures we gather evidence to back up our claims to excellence. We continue to report against various criteria to our major statutory stakeholders, Arts Council England and the Office for Students, and consistently exceed our agreed targets.

ACHIEVEMENT AND PERFORMANCE

Organisational focus

We were delighted that the 2021-22 financial year saw in large part a return to 'business as usual', in that we were able to run all activities face-to-face throughout the year. We welcomed and welcomed back students on our Higher Education, London Youth Circus and CAT programmes, as well as participants in the full range of recreational and outreach classes, and professional circus artists via both Open Training and other development opportunities. And of course, we were at last able to stage the Gala that had been postponed since 2020.

There were two over-arching areas of focus this year: submitting our application for independent registration as a Higher Education Provider with the Office for Students, and applying for Arts Council England's 2023-26 National Portfolio funding.

We were also invited to apply for funding as a World-Leading Specialist Higher Education Provider, which is the funding stream that replaces Institute Specified Targeted Allocation (ISTA) funding.

All three processes involved an in-depth examination of our current programmes and processes to ensure they are fit for purpose and fulfil our educational and charitable objectives. As part of the process around independent registration we undertook a Quality Standards Review conducted by QAA (The Quality Assurance Agency for Higher Education) which included a 3-day in-person visit from three assessors, who met a variety of staff and students in the course of their assessment. We were delighted to receive feedback that the assessors have high confidence that we meet all of the core practices of the UK Quality Code for Higher Education (the Quality Code).

We finally received confirmation that we had been accepted by the Office for Students as an independently registered Higher Education Provider in June.

ACHIEVEMENT AND PERFORMANCE (continued)

Organisational focus (continued)

We expect to hear the outcome of our World Leading Specialist status application by the end of November 2022. We are disappointed to report that our Arts Council National Portfolio Organisation application was not successful (See Funding and economic risks Page 20).

Following the implementation of our new organisational structure in 20/21 which saw the creation of three distinct directorates (Professional Development, Commercial, Operations), a key focus for 21/22 was to recruit into new and vacant positions within the newly created Commercial Directorate. The recruitment market was challenging, but by April 2022 with the arrival of the Trusts and Foundations Manager, all positions within the Directorate were filled and the team has worked hard to rebuild our commercial income streams to close-to pre-COVID levels.

Key focus for 2022/23

We will continue to deliver world-class circus education and training while ensuring financial resilience, by both increasing revenue wherever possible and operating more efficiently to cut costs. This will be particularly challenging against a backdrop of general economic uncertainty.

- ◆ We will participate in the Teaching Excellence Framework (TEF). Holding a TEF award will allow us to charge a higher rate of fees for UK Higher Education Students.
- ◆ We will continue to seek out opportunities to grow our commercial income capabilities, particularly where these can take place off-site and therefore not impact on our core business.
- ◆ We will continue to take full advantage of additional funding streams available via the Office for Students, Research England and other funding bodies where possible.

Equality, diversity and inclusion

The Equality, Diversity & Inclusion Committee is made up of non-teaching and teaching staff, trustees, circus artists and students, and is co-chaired by Ali King, the Chair of the Board of trustees and Kaveh Rahnama, a circus performer/teacher. It met four times in the 21/22 academic year with very enthusiastic participation from all concerned. Some of the Committee's actions this year include:

- ◆ Conducting a survey of our users to gauge their experiences of participating in activities with us.
- ◆ As a result of the survey, improving the information on our website about how any of our users can (and should) report any incidences of bullying or harassment.
- ◆ Creating a Marketing sub-group of the committee to look at our outward 'face' and all of our comms, to ensure they reflect the diversity of our community.
- ◆ Extending our contacts within the local Hackney community.

ACHIEVEMENT AND PERFORMANCE (continued)

Equality, diversity and inclusion (continued)

- ◆ Starting to explore how our Higher Education curriculum can be 'de-centralised' to include reference to the rich diversity of circus that can be found around the world.

The key event for the Committee was staging an open-day at our Coronet Street building in July, to welcome in local families, individuals and groups who may not have encountered us before. The day was very successful and we saw over 60 people coming to watch and participate in circus activities. Most crucially, the event enabled us to forge stronger contacts with the local community.

The Senior Management Team undertook the Arts Marketing Association's Breakthrough Programme, a year-long programme which aims to enable senior leaders to make their organisations truly inclusive for the long-term.

Key focus for 2022/23

- ◆ Ensure we are collecting good data on our users, so we know where we need to make improvements.
- ◆ Look at how we can become less 'building-centric' and take our work out into local communities, as well as ensuring people from those communities can enjoy our amazing facilities at Coronet Street.
- ◆ Ensure we are supporting transgender students and other users as effectively as possible.
- ◆ Continue to celebrate key events such as Black History Month, Pride etc in a way that is meaningful, drawing on experiences of our community.

Environmental sustainability

We have a long commitment to environmental sustainability, and we have been working with Julie's Bicycle since 2012. Our building has 24 solar panels installed on the roof which generate almost 6000 kwh per year of electricity. This is equivalent to 2 months electricity usage in an average UK household. 100% of our electricity and gas supply is from renewable sources and our Environmental Policy commits us to reducing our carbon emissions by 5% year-on-year. We recycle plastic, glass, paper, food waste, cardboard, electrical waste and avoid landfill as much as possible. Our environmental commitment forms part of our induction for all new staff and students, and our staff Environmental Sustainability Action Group ensures measures are both practical and realistic in reducing on-site carbon emissions.

In April 2022 we obtained new Energy Performance Certificates (EPC) for both our main buildings and the Energy Centre, and were pleased to be awarded C and B rating respectively. Considering the age of the buildings, this was considerably better than anticipated, and the results will be used to inform our strategy going forwards.

ACHIEVEMENT AND PERFORMANCE (continued)

Environmental sustainability (continued)

Other key achievements in 2021/22 were the replacement of a number of boilers and systems to allow more efficient controls of heating within spaces, and installing upgraded LED lighting, which is 80% more efficient, into the larger studio spaces.

Key focus for 2022/23

- ◆ Respond to a new Energy Performance Certificate (EPC) to see where savings can be made on site and expand on this plan.
- ◆ Implement the Green Book, which is an initiative around sustainability in events, with a view to this being a recommendation of sustainable behaviour to those hiring our space for events.
- ◆ 50% of site to have energy efficient LED lighting and PIR sensors where appropriate.
- ◆ Increase our recycling to waste programme from a ratio of 60:40 to 70:30 and not directly purchase single-use plastic in any form.
- ◆ Implement a programme of planting on site that works to support biodiversity and use the roof more effectively.
- ◆ Continue to use Julie's Bicycle and Pilio to monitor water and energy use; carbon emissions.

Higher education achievements and challenges

The 2021-22 academic year started with welcoming all students back into the building without significant scheduling restrictions due to COVID. Although in the first term we restricted cross-programme area mixing, which meant Degree students and Open Training members were not sharing spaces, the Degree schedule itself was largely uninterrupted. Despite the scheduling becoming easier and less restricted, students catching COVID and needing to isolate still meant the timetable for individual students or student groups was frequently changing and the Degree team were responsive to these challenges on a daily basis.

As we entered the second term, students and Open Training members could again benefit from training together within the spaces. This was of course the norm for students in the past but a novel and greatly appreciated opportunity for the new first year students and a return to 'normal' after more than a year for the second-year intake. The graduating students missed this opportunity in their last year and its absence showed how important and beneficial this interaction is for students as they transition from being students to becoming professionals.

Underpinning and demonstrating the core of what our circus degree is all about, are of course the student performances. While there were many valuable lessons gained through the necessity to go digital the previous year, bringing back live shows for all year groups, with full audiences, was so powerfully positive and each live performance was a celebration of the return to 'normality'. The staff, students and audiences were all reminded of why we do what we do and what we witnessed on the stage gave all the hard work complete validation.

ACHIEVEMENT AND PERFORMANCE (continued)

Higher education achievements and challenges (continued)

Our 2022 ensemble productions were presented to live audiences much to the delight of our students. The Foundation Degree first year ensemble, *Safety in Numbers*, opened for the BA Devised performance and received an excellent reception in a sold-out run. Directed by Michaela O'Connor, the first years displayed incredible teamwork and dissected the very title of the show with dynamic and strong physical movement. Michaela was supported throughout the process by her colleague Martha Harrison. The success of the production was a credit to the in-house expertise and creativity of the Degree team. The first-year show was performed alongside the BA Devised showcase. Our BA students created a spectacular cabaret-style show over four nights. The creativity and artistry of the individual acts were of an exceptional standard this year. Our Foundation Degree 2nd years performed, *me me me me me me me me me me* directed by National Centre graduate Jason Dupree. This production was staged as an experimental piece of circus, unseated and in an exhibition style, mixing comedy, farce and the definition of creating a 'circus spectacle'. The audience wandered and experienced their own circus journey, with focus being drawn to short interventions throughout the event. The 2nd year students also staged a devised piece show in which they create their own individual pieces for the first time on the course. The calibre of the work has left everyone eagerly anticipating their shows in the 3rd and final year. Our BA students performed as an ensemble offsite this year at Jackson's Lane in *Shards of Light*. Directed by Jacky Crosher, the work combined circus, physical theatre, movement and music: the performance commenting on image and personas and what lies beneath. We have been fortunate enough for this production to not only reach a physical audience of around 640 over 3 days but also an online audience on YouTube of over 1.2k.

All students on the first year of the course were selected via an online audition process for the first time. The cohort was an excellent group, notwithstanding the lack of opportunity for face-to-face interaction during auditions. In April, we held auditions for the 2022/23 intake and learning from our previous experience ran a hybrid online and in-person process. For the third year in a row, we saw high levels of interest from international students.

Throughout this year the Degree team have been working together on major modifications to the programme. The intention is for the refreshed course to be launched in time for the new students joining in 2023/24. It has been many years since the last comprehensive review of the course content and all staff feel there are changes that need to be made to modernise the course and to ensure the programme is suitable for current and future students, as well as aligning the course with the changing needs of the sector. Changes focus on creating clearer connections across the different modules in each year as well as from year to year. We will be reducing the number of assessment points in each year and revisiting the weighting and credit values of each module with four defined strands that run from the first to the third year. The roles of the Year Managers have been retitled to Strand Managers. Ultimately there will be four Strand Managers taking responsibility for a strand each but will of course collaborate and work together across the strands to create a cohesive journey for the students. The recruitment of a fourth strand manager will take place closer to the start of the 2023/24 academic year.

Sixteen students have moved from the foundation degree into the BA year for 2022/23 and of the 2021/22 BA cohort three of the sixteen students have graduated with First Class Honours.

ACHIEVEMENT AND PERFORMANCE (continued)

Higher education achievements and challenges (continued)

We have again chosen to offer graduating students a full year of free Open Training membership. This is in part to recognise the limited access to training space for students during COVID and to ensure they can begin their professional lives as fit, strong and well prepared as possible, but is also supporting our ongoing commitment to graduates and artists.

We continue to have representation on the board for FEDEC and have been heavily involved in both the COSMIC and RIGGERS projects. COSMIC, integrating digital technology with the creative process and development of circus performances, has been running for two years and will be completed in October 2022 when it will be a tool that is running and being used in circus schools across the world. The RIGGERS project, sharing rigging expertise, good practice and innovation, started towards the end of 2022 and will carry on throughout 2022/23 with many opportunities for skills sharing and the creation of a library of specialist resources.

Key focus for 2022/23

- ◆ Ensure our staffing structure and administrative systems are appropriate for the additional HE compliance responsibilities since becoming independent.
- ◆ Ensure we are reporting and fulfilling the expectations of Office for Students.
- ◆ Developing the new curriculum and gaining approval from our validating partner, University of Kent.

Artist development

Due to changes in staff, we had the opportunity to rethink how we staffed the support of our professional members. Our Artist Development Manager now has full responsibility for the Artist Development provision. This has been a very positive move with the current post holder being an artist who is very well connected within the industry and to individual artists. His circus and performance skills mean he is able to curate the offer to meet the needs of the members and the sector using his expertise and broad knowledge. He is also working closely with our Business Development Manager on consultancy projects that have a circus performance element, helping place artists into performing roles and/or advising on aesthetics and logistics of the circus content.

We have noticed a steady increase in the number of artists coming back into the building post COVID to take advantage of our facilities, with a good number of new memberships as well as the return of existing members.

On the back of the success of the masterclass programme that we offered to professionals last year, we offered a number of workshops and seminars throughout the year. While in 2020/21 we were able to use the Cultural Recovery Fund to offer the workshops free to participants, charging even a nominal fee this year meant the number of participants dropped considerably. It was a valuable lesson for the future and we must ensure the cost of the workshop are set appropriately or better still, participants can be supported by grant funding.

ACHIEVEMENT AND PERFORMANCE (continued)

Artist development (continued)

We have seen another successful round of Jerwood Arts Circus Residencies. We started the year with residencies from the previous year's funding that were unable to take place in that period due to COVID and which the funder generously allowed us to roll forward so the projects could still be completed. This was a real gift in light of the work that had been curtailed during 2020/21 causing hardship for so many freelancers. We had over 40 new applications for 2022 from a wide variety of artists. The process was managed exceptionally well, with the successful candidates being chosen by a panel of industry experts. There was a focus on projects presented from previously underrepresented artists. We kept the funders well informed and close to the project at all stages. We believe we have strengthened our relationship with them through the success of this round and are in discussions with them about what future projects might look like.

Key focus for 2022/23

- ◆ To develop a series of seminars and masterclasses for delivery throughout the year, that responds to sector needs.
- ◆ To seek further funding for a residency programme to support new work in development.

Youth development, outreach and support for teachers

In line with strategic decisions and ambitions for the organisation as a whole, a Head of Learning and Access role was created to oversee our progressive youth training programmes, the development of teachers and our continued outreach work.

We successfully recruited an internal staff member into the role. This position was established to ensure the success and evolution of both the London Youth Circus programme and the Centre of Advanced Training as well as oversee and deliver the organisation's Access and Participation Plan as approved by the Office for Students.

Our Teacher Education Manager continued to create learning resources designed to support teachers working in circus as well as delivering circus activity into other sectors such as primary schools or community groups.

We have formalised a teaching assistant programme to develop new teachers within the organisation. The programme will run across a full year and will give the assistant teachers experience in a range of teaching scenarios, across age groups and various circus disciplines.

The London Youth Circus and Centre of Advanced Training programmes have remained busy and we were able to run in-year auditions to enable a few more members to benefit from the training.

Our CAT programme started the year with 25 participants. 11 of these were internal, London based students and trained with us at Coronet Street. There were another 14 that were based across our partner organisations throughout the UK, undertaking some of their training supported by us but in their local area, and visiting the National Centre for intensive courses and masterclasses during term breaks.

Three young people from the LYC and CAT programmes auditioned for our Degree programme and all three were accepted and have now started their full-time training.

ACHIEVEMENT AND PERFORMANCE (continued)

Youth development, outreach and support for teachers (continued)

One of the most significant challenges that seemed to persist across the year was the noticeable lack of teaching staff. There were many last-minute changes to class structures and even some unavoidable class cancellations due to limited availability of teachers. The pandemic forced many of our teachers to move away from London or to find alternative employment. Not all artists and teachers returned as the programmes restarted and this has presented many problems in terms of class delivery. We are now working hard to develop a package of support around teacher training and development to encourage a new generation of circus arts graduates to add teaching into their portfolio careers.

Key focus for 2022/23

- ◆ Embed the widening participation strategy and evaluate and refine the APP.
- ◆ Formalise and develop teacher training and support teacher recruitment.
- ◆ Prepare CAT and LYC students for further study.

Corporate and commercial work

Our relationship with the corporate and commercial sectors remains crucial to supporting the delivery of our charitable objectives and, having completely ceased between March 2020 and August 2021, we have seen a healthy resurgence this year as COVID restrictions gradually lifted. Although promising, this resurgence has not yet matched activity and income levels seen pre-pandemic and some aspects of the commercial relationships, such as lead times and client expectations, have changed dramatically. However, at time of writing the picture for 2022/23 is looking healthier and starting to revert to a more usual, pre-pandemic operation.

The development of a new corporate workshop offer continued and in the second half of the year, three large-scale test events were undertaken with excellent responses from the clients involved. The test sessions have helped to develop the offer as we enter 2022/23. This has resulted in a standard team building session alongside a more enhanced executive corporate training programme for smaller groups.

Loosely termed as consultancy, another area of success has seen us provide circus workshops and performances to client events taking place in external venues across London and the UK. Although a fairly cost intensive activity, this venture is still generating a healthy profit and positioning the organisation as a specialist in this field.

Having spent most of its existence within the Participation and Outreach team, the large recreational programme for youth and adults moved to the new Commercial Directorate in September 2021. This move has proved prudent as it has allowed a more forensic study of the offer to ensure that it remains profitable and can continue to grow in a robust way. Challenges have been experienced as on its return after restrictions lifted, participant places were cut by 25% due to uncertainty around COVID social distancing restrictions. That, coupled with a shortage of casual teachers as mentioned above, has meant that regaining the lost places has been difficult but gradual improvements have been seen across the last year.

ACHIEVEMENT AND PERFORMANCE (continued)

Corporate and commercial work (continued)

Key focus for 2022/23

- ◆ Ensure that the venue hire operation has the tools to grow and add roughly 30% to the previous year's income.
- ◆ Increase the uptake of corporate workshops across both types of offer.
- ◆ Continue to grow the consultancy side of the activity as it has benefits for both the income that it generates and the positive impact on the name and awareness of the National Centre.
- ◆ Develop the recreational programme to ensure that participant places can continue to increase. Average places in 2021/22 grew from 525 to 585. In the year ahead, it is hoped that this will grow to 640.

Fundraising

Fundraising efforts broadly fell into two areas during the period of this report.

The first saw the delivery of the biennial fundraising Gala taking place in February 2022. Although developed and delivered within the changing landscape of the COVID pandemic - which saw new variants and large spikes in cases at several points - the event itself was delivered as planned. This saw an evening of circus staged in front of an audience of around 180. Across a silent auction and live pledge moment, a healthy contribution to our ongoing work was generated and again we welcomed new potential supporters for circus. With lower guest numbers caused by nervousness around COVID, the event was deemed a huge success as it enabled us to not only generate vital income but also present our work to an enthusiastic new audience.

Our other area of fundraising work involves securing funds for projects and other activity through individual support and support from trusts and foundations. The implementation of our strategy in this area was delayed as recruiting a new member of fundraising staff proved challenging and the post was not filled until April. However, we have started to implement the strategy, mainly focusing on seeking financial support for our work around access and participation and in our support for the professional sector.

In the year ahead, we will continue to seek to identify specific projects within our work which will be appealing to funders. There will also be a focus on improving our approach to evaluation, vital for reporting to existing funders and for showing impact to new funders.

Raising voluntary funds from trusts, foundations and individuals is a vital source of income for us, enabling us to fulfil our charitable objectives as effectively as possible. We are grateful for the support given by all our donors. We believe that fundraising should be an open, honest and respectful process and we aim to build and maintain solid partnerships with our supporters and donors, based on mutual understanding and shared values and goals. In developing our approach to fundraising we have considered the Code of Fundraising Practice issued by the Fundraising Regulator. We operate with a very small internal fundraising team and do not engage external professional fundraisers or commercial partners to carry out fundraising activity.

ACHIEVEMENT AND PERFORMANCE (continued)

Fundraising (continued)

In May 2018 we reviewed and updated our Privacy Policy to ensure compliance with the new General Data Protection Regulations. This policy, published on our website, clearly states what personal data we will hold in relation to supporters and how this data will be used. It sets out how individuals can raise concerns or complaints. We have received no complaints about our fundraising activities either during the financial year or subsequently.

Key focus for 2022/23

- ◆ Focus on engaging the relevant contacts at some of the larger trusts and foundations identified as possible sources of funding. This will be achieved by peer to peer introductions and networking.
- ◆ Prioritise funding for the APP as a whole, or constituent elements of it.
- ◆ Prioritise an extension to the Jerwood project, either through that fund or an alternative.

STRATEGIC REPORT

Financial review

Income

As the country pulled out of the restrictive impact of COVID, our income mix moved back towards historical "norms". The COVID-related Grant Income recorded in the year was £77k (2020-21: £1.10m) almost wholly representing the last of the hugely valuable Culture Recovery Funding from the Arts Council, deferred from 2020-21 and then applied this year to delayed recovery projects.

Income from our core Higher Education activity, which had remained resilient during the COVID period, improved further mainly as a result of an increase in the number of international students. In contrast, our Commercial and Recreational income swung from a low base in 2020-21 (£158k) to £858k and has continued to grow.

The following table clearly illustrates these patterns and the decline of COVID Grants, the combined effect left overall income less than 5% below last year:

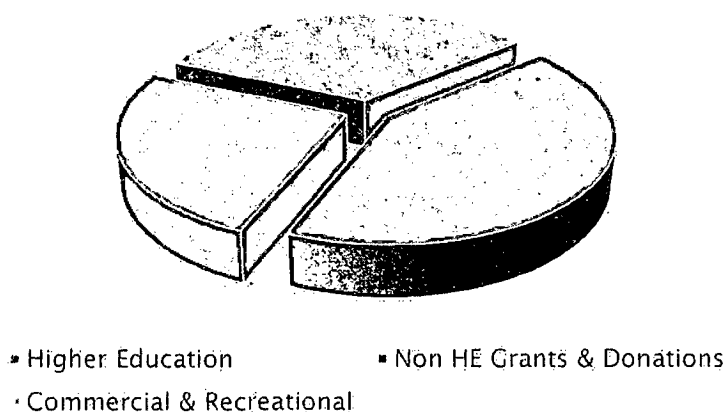
	2021-22	2020-21	2019-20
Higher Education	46%	37%	34%
Non-HE Grants & Donations	26%	57%	35%
Commercial & Recreational	32%	6%	31%
	100%	100%	100%
Total Income	£2.67m	£2.78m	£2.70m

STRATEGIC REPORT (continued)

Financial review (continued)

Income (continued)

2021-22 Income

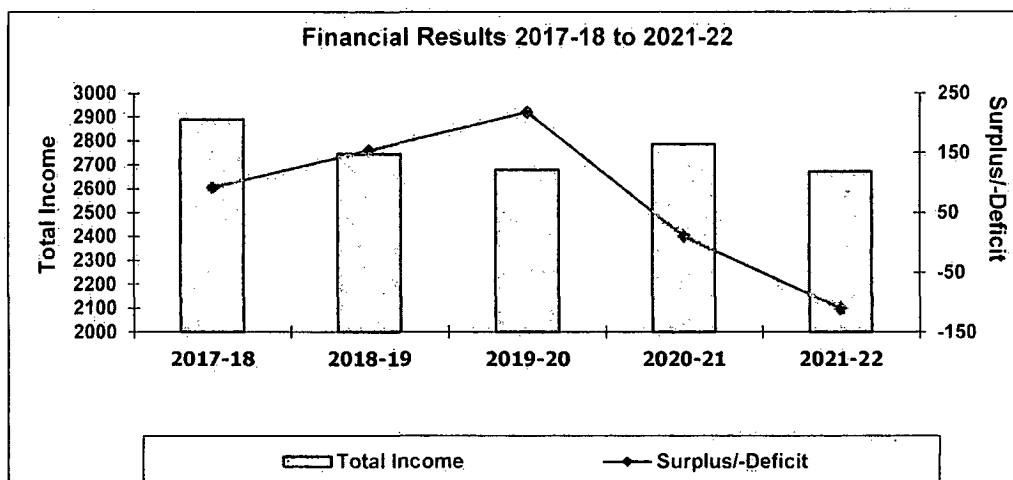


Total Unrestricted income remained high at 92% (2020: 88%).

Results for the year

Along with the rest of the world 2021-22 was foremost a year of rebuilding for us as anticipated in our original Budget which predicted a £152k Deficit; in fact, the actual Deficit of £110k represented a £40k improvement in that expectation.

The following graph illustrates our financial history over the past five years:



STRATEGIC REPORT (continued)

Financial review (continued)

Balance sheet and liquidity

At the year-end, the charity together with its two trading subsidiaries had net current assets of £230k (2021: £181k) and remained very liquid.

Early in the year, we drew down a £200k Loan negotiated in 2020-21 with our mainstream bankers, the Cooperative Bank; this was a cautious move in view of the continuing uncertainties at that time of the ongoing impact of the pandemic. We did not expect to, and indeed have not needed to, utilise this loan; we plan to replace it with an overdraft facility during 2022-23.

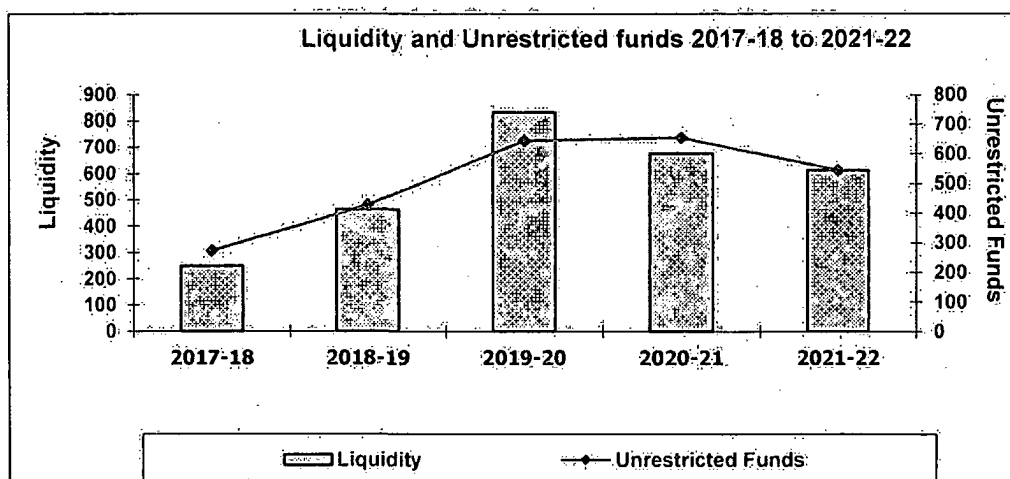
Net of the remaining balance of this Loan, our Cash Balances at 31st July 2022 totalled £613k (2021: £676k) which predominantly represented the Unrestricted Funds on 31st July 2022 (see below).

Unrestricted funds

As a matter of policy, each year the Trustees review the value of reserves held in cash and cash equivalents that are not restricted or designated to any particular purpose. We also consider our exposure to the risk of any significant loss of income or unforeseen cost. A decline in income is the major risk that these reserves mitigate against and we recognise that current threats from the economic climate, market conditions and, particularly for us at this time, changes in public sector funding. We also account for expected expenditure on upcoming capital projects.

The Unrestricted funds are intended to ensure we could maintain core operations for a period of at least three months in very difficult circumstances. The Board target for this General Reserve at 31st July 2022 was £532k.

As a result of the £110k Deficit in the year, Unrestricted reserves reduced to £545k at 31st July 2022 (2021: £655k), and, whilst this is above the Board's target, our Budget for 2022-23 predicts that the Unrestricted funds will be further reduced by a Deficit that year as we adjust to the withdrawal of key public sector teaching grants and the loss of the ACE NPO grant.



STRATEGIC REPORT (continued)

Going concern

In light of the above and having considered in detail the Budget for 2022-23 and the Projection for 2023-24, and particularly their cash flows, the Trustees consider it appropriate to prepare the financial statements on a going-concern basis.

Subsidiary Companies: Review of activities

The two companies are wholly owned subsidiaries of the charity; trading profits are distributed to the charity to support our charitable objectives.

Circus Space Property Company Limited

The Property Company holds the 150-year lease of the three phases of the Hoxton site.

It is through the Property Company that we manage the letting of space for Small to Medium Enterprises (SMEs) in our small office units and to companies using the Creation Studio to make and rehearse work. This revenue stream has seen a return to normal operation post-pandemic.

In 2021/2022:

- ◆ 11 artists/companies have spent time free of charge in the Creation Studio, equating to 19 days given as support in kind at a commercial value of approximately £10,500.
- ◆ 26 circus artists or companies have collectively spent 74 days in the Creation Studio at a supported rate, equating to a subsidy of approximately £22,000.
- ◆ 91% occupancy has been achieved across the year of the 11 units that make up the Energy Centre.

Circus Space Events Limited

It is through the Events Company that we manage corporate and private training workshops, consultancy and the hires of our large training spaces and courtyard for major events. Although not at the levels seen pre-pandemic, there has been a healthy resurgence in business. Over the year there were eleven large scale hires resulting in an income of £320,000.

In addition to this, corporate workshops also returned and this saw 12 workshops or private sessions taking place generating just under £25,000.

Our consultancy efforts saw us work with five separate clients generating just under £30,000.

Principal risks and uncertainties

We have a rigorous approach to risk management and risk is identified and discussed throughout the organisation with the Trustees, via the Audit subcommittee which receives quarterly information for scrutiny and reports to the Board of Trustees.

STRATEGIC REPORT (continued)

Principal risks and uncertainties (continued)

We have identified the following as significant risks:

Funding and economic risks

As detailed in the Financial Review above, we rely considerably on grant funding, in large part via the Office for Students and Arts Council England, both of which funding streams are subject to regular review. We also receive significant income via Higher Education student fees and a small change in student numbers has a substantial financial impact. In addition, we raise funds via our biennial Gala, from trusts & foundation and individuals, and from our commercial activities.

At the time of writing, we are still awaiting an outcome on our application to be considered a 'world-leading' specialist Higher Education provider and therefore whether we are eligible for associated funding (the successor to ISTA funding). With the break-up of the Conservatoire for Dance & Drama we also no longer meet the threshold for Higher Education Innovation Funding (HEIF).

On 4th November we were surprised and disappointed to learn that our application to continue as an Arts Council National Portfolio Organisation ("NPO") from 1st April 2023 had not been successful. We have been an NPO for over 20 years c) and the associated financial support of approximately £350k annually is an important element of our funding, enabling us to promote and develop circus arts for the benefit of all members of both the circus community and the wider community in which we operate.

The loss of the Arts Council NPO funding represents a significant challenge for us. We will apply for the limited transitional funding offered by the Arts Council and will implement cost reductions whilst seeking income from other funding sources in order to ensure that we remain financially viable.

However, for 22/23 we have received funding via Research England's Knowledge Exchange Framework, which supports activities which engage with external partners, from businesses to community groups, for the benefit of the economy and society. We expect to be able to apply for further funding for 23/24.

Raising funds from trusts, foundations and individuals has been affected by COVID, and the current cost of living crisis may also see certain funders change priorities which may limit certain approaches. However, we are re-building relationships and have continued to receive much-needed funding from organisations such as the Jerwood Trust allowing us to continue to support artists. We are building a case-for-support that will highlight the societal and health and wellbeing impacts of circus, alongside the creative ones, to ensure the widest appeal to potential funders and donors.

The Commercial Directorate has become ever more crucial in bringing in additional income that mitigates the risks from precarious statutory funding. Hiring out our Coronet Street building for corporate events continues to be an important source of revenue. There is further scope for recreational courses & classes, and our new Business Development Manager is building additional income streams such as casting & consultancy, and our corporate offer.

STRATEGIC REPORT (continued)

Principal risks and uncertainties (continued)

Student numbers

We aim to grow Higher Education student numbers steadily over the next 5 years. However, there are a number of risks:

- ◆ Not attracting a suitable pool of applicants: the Marketing team is creating a new Higher Education prospectus and will be undertaking more active promotion of our Higher Education course.

Principal risks and uncertainties (continued)

Student numbers (continued)

- ◆ Students do not take up offered places: we found this year that European students in particular did not feel able to take up places offered once they realised they would now be subject to international fees. We are ensuring the funding situation for EU students is made very clear in the new prospectus and other literature relating to student recruitment.
- ◆ Students drop out in-year: 21/22 was the first full academic year since COVID, and the knock-on effects of the pandemic on some students physical and mental health caused a larger number of in-year withdrawals than normal. We continue to offer as much support as we can to students to assist them in successfully completing the course and moving into the professional world.

Compliance with higher education regulation

As an independent Higher Education Provider, we are also a designated public body. As such, we are now subject to regulation from a variety of organisations, not only the Office for Students but also bodies such as the Office of the Independent Adjudicator, Higher Education Statistical Agency and the Competition & Markets Authority, as well as having new obligations under the Freedom of Information Act.

The Chief Operating Officer has taken on a lead role in ensuring we are fully compliant in all areas, and we have engaged a Data Manager on a shared basis with two of the other former CDD schools to assist us in submitting the various data returns we are now obliged to make at points throughout the year.

Our ability to recruit and retain people with the right skills and experience is a key risk for us. During COVID many in the performing arts and associated creative industries struggled considerably, to the extent that many left the industry altogether, or moved out of London. We have seen the impacts of this in a lack of availability of circus arts teachers, and also technical production staff whom we engage on a freelance basis around student shows. We also recognise that COVID has not gone away, and that therefore sickness absence is likely to continue at a relatively high rate, especially during the winter.

Our financial situation highlighted above also makes it hard for our staff salaries to keep pace with the cost of living and inflation. We are grateful to all of our staff for their hard work and dedication, especially during the very uncertain pandemic years.

STRATEGIC REPORT (continued)

Principal risks and uncertainties (continued)

Ensuring robust governance

Our objective is to have a Trustee board that reflects the diversity of our community. We have made some progress towards this, with six new members taking up office in 21/22. In the autumn of 2022 we will once again embark on a process of open trustee recruitment. We will be encouraging applications from under-represented groups, particularly people from the Global Majority, but also from a broad age-range and people living with disabilities.

Our Trustee Board is mainly London based, so we hope also to recruit new members from across the UK to help us to understand and amplify the challenges faced by circus artists and companies wherever they are based.

Governance and internal control

The Trustees have identified and incorporated best practice in accordance with the Charities SORP and Charity Commission guidance.

The charity endeavours to conduct its business in accordance with the seven principles identified by the Committee on Standards in Public Life – selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

Our Governing Body and Academic Board each have clearly defined functions and responsibilities to oversee and manage our activities.

- a) The Governing Body is the Trustee Board, responsible for matters including finance, property and staffing of the institution. It is specifically required to determine the educational character and mission of the institution and to set its general strategic direction.

The Trustee Board has several independent advisors. The Chair is elected from among the trustees; Trustee Board meetings are attended by all members of the Senior Management Team. No members of the Trustee Board may receive remuneration for the work that they do for that body. New trustees are recruited via an open recruitment process of advertisement and interview which is overseen by the Remunerations and Nominations Committee. All trustees are given an induction into the organisation by the Chief Executive, regular performance review by the Chair of Trustees and are offered relevant training when it arises. In addition to regular subcommittee and full board meetings, the trustees meet annually for an away day to review performance and set strategy for the coming years.

- b) Subject to the overall responsibility of the Trustee Board, the Academic Board has oversight of academic affairs and draws its membership entirely from the staff and students of the charity. A nominated trustee attends Academic Board as an observer and reports back to the board of trustees. It is particularly concerned with general issues relating to the learning, teaching and research work of the charity.

STRATEGIC REPORT (continued)

Governance and internal control (continued)

The Chief Executive is the head of the charity and has a general responsibility to the Trustee Board for the organisation, direction and management of the charity. The Chief Executive is the accounting officer and, in that capacity, can be summoned to appear before the Public Accounts Committee of the House of Commons.

Although the Trustees meet at least four times each year, much of the Board's detailed work is delegated to committees for Finance, Remuneration & Nominations, and Audit. These committees operate under specific terms of reference with all minutes being reported to the Trustee Board, and all decisions being ratified by the Trustee Board.

The Trustees delegate responsibility for setting remuneration of senior staff to the Remuneration and Nominations Committee. The committee follows a process of external benchmarking within our sector to set suitable levels of pay within our own pay structure.

A significant proportion of the membership of these committees consists of members of the Trustee Board. Co-opted staff and student members may also be eligible to serve on some of these committees, subject to the provisions of the articles. The Chair of each committee is selected from the Trustees.

The Chief Executive and senior management team exercises considerable influence over the development of the institutional strategy, the identification and planning of new developments, and shaping of the institutional ethos. The Senior Management Team all contribute in various ways to these aspects of this work but the ultimate responsibility for what is done rests with the Trustees.

The charity maintains a register of interests of the Trustees and Senior Management Team which may be consulted by arrangement with the Company Secretary.

Statement of Trustees responsibilities

The Trustees (who are also directors of the National Centre for Circus Arts for the purposes of company law) are responsible for preparing the Trustees' Report (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice.)

Company law requires Trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company and the group and of the income and expenditure, including the 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 then apply them consistently;
- ♦ observe the methods and principles in the Charities SORP;
- ♦ make judgments and estimates that are reasonable and prudent;
- ♦ state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;

Statement of Trustees responsibilities (continued)

- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the Trustees are aware:

- ◆ there is no relevant audit information of which the charitable company's auditor is unaware; and
- ◆ the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. These include:

- ◆ A strategic plan and an annual budget approved by the Trustees.
- ◆ Regular consideration by the Trustees of financial results including variance from the approved budget.
- ◆ Delegation of authority and segregation of duties.
- ◆ An annual formal internal audit, with the resulting report and actions reviewed and approved by the Trustees. One such audit has taken place during the year.
- ◆ Identification and management of risks.

The Trustees have formalised the management of risk. The risk register is developed and monitored by the Chief Executive and Senior Management. It identifies risks to the charity in terms of their severity and probability and identifies actions to be taken to mitigate the risks, identifying timescale and responsibility. The Trustees review the register annually.

This report has been prepared in accordance with the special provisions of Section 381 of the Companies Act 2006 relating to small companies.

By order of the Board



Chair of the Board Alison King
23rd November 2022

Independent auditor's report on the financial statements 31 July 2022

Independent auditor's report to the Members of the National Centre for Circus Arts

Opinion

We have audited the financial statements of the National Centre for Circus Arts (the charitable parent company) and its subsidiaries (the 'group') for the year ended 31 July 2022 which comprise the group statement of financial activities, the group and charitable parent company balance sheets, the group statement of cash flows the principal accounting policies and notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- ♦ give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 July 2022 and the group's income and expenditure for the year then ended;
- ♦ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ♦ the financial statements have been prepared in accordance with the requirements of the Companies Act 2006;
- ♦ in all material aspects, funds received for specific purposes administered by the National Centre for Circus Arts have been applied only for the purposes for which they were received and managed in accordance with relevant legislation; and
- ♦ in all material aspects, funds from the Office for Students have been applied in accordance with the Financial Memorandum with the Conservatoire for Dance and Drama and any other terms attached to them have been applied only for the purposes for which they were received.

We have nothing to report in respect of the following matters in relation to which the Office for Students requires us to report to you, if in our opinion:

- ♦ Grant and fee income, as disclosed in the note to the accounts, has not been materially misstated.

Basis for opinion

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

Independent auditor's report on the financial statements 31 July 2022

Conclusions relating to going concern

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

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

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

Other information

The 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.

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.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

Independent auditor's report on the financial statements 31 July 2022

Matters on which we are required to report by exception (continued)

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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.

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

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;

Independent auditor's report on the financial statements 31 July 2022

Auditor's responsibilities for the audit of the financial statements (continued)

- ◆ we identified the laws and regulations applicable to the charitable company through discussions with management, and from our knowledge and experience of the sector;
- ◆ we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Further and Higher Education Act 1992, Companies Act 2006, funding agreements with the OfS (via the CDD) and associated funding rules, data protection legislation, anti-bribery, safeguarding, employment, health and safety legislation;
- ◆ we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- ◆ identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

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

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

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- ◆ used data analytics to investigate the rationale behind any significant or unusual transactions.

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

- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ reading the minutes of Trustee meetings;
- ◆ enquiring of management as to actual and potential litigation and claims; and
- ◆ reviewing any available correspondence with HMRC and the company's legal advisors.

Independent auditor's report on the financial statements 31 July 2022

Auditor's responsibilities for the audit of the financial statements (continued)

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

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

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the School's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the School and the School's members as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in dark ink, appearing to read 'Bizzacott LLP', is positioned above the printed name of the auditor.

Catherine Biscoe (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London EC2V 6DL

Date: 30 November 2022

Consolidated statement of financial activities (including the income and expenditure account)
Year to 31 July 2022

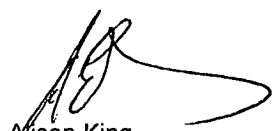
	Notes	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
Income from:					
Donations and capital grants	1	833,622	208,512	1,042,134	1,987,740
Investments		277	—	277	70
Charitable activities	2	1,000,965	—	1,000,965	692,711
Other trading activities					
Income from trading activities and other receipts	4	627,508	—	627,508	106,687
Total income		2,462,372	208,512	2,670,884	2,787,208
Expenditure on:					
Charitable activities	5	2,275,682	213,385	2,489,067	2,592,468
Raising funds					
Fundraising and publicity		85,962	—	85,962	76,000
Commercial trading costs		228,119	—	228,119	111,933
Total expenditure		2,589,763	213,385	2,803,148	2,780,401
Net (expenditure) income		(127,391)	(4,873)	(132,264)	6,807
Transfers		(4,873)	4,873	—	—
Other recognised gains					
Tax credit	18	22,000	—	22,000	3,508
Net movement in funds		(110,264)	—	(110,264)	10,315
Reconciliation of funds					
Total funds brought forward		655,275	2,852,427	3,507,702	3,497,387
Total funds carried forward		545,011	2,852,427	3,397,438	3,507,702

All of the charity's activities derived from continuing operations during the above two financial periods.

Balance sheets 31 July 2022

	Notes	Group		Charity	
		2022 £	2021 £	2022 £	2021 £
Fixed assets					
Tangible assets	11	3,320,054	3,325,879	202,261	208,086
Investments	12	—	—	200	200
		<u>3,320,054</u>	<u>3,325,879</u>	<u>202,461</u>	<u>208,286</u>
Debtors					
Amounts falling due after more than one year	14	—	—	3,140,092	3,140,092
Current assets					
Stock		2,000	4,376	2,000	4,351
Debtors	13	223,804	211,796	165,198	324,440
Cash at bank and in hand		799,325	676,434	631,767	611,055
		<u>1,025,129</u>	<u>892,606</u>	<u>798,965</u>	<u>939,846</u>
Liabilities					
Creditors: amounts falling due within one year	15	(795,416)	(710,783)	(824,355)	(801,373)
Net current assets/(liabilities)		<u>229,713</u>	<u>181,823</u>	<u>(25,389)</u>	<u>138,473</u>
Creditors: amounts falling due after one year	16	(152,329)	—	(152,329)	—
Total assets less current liabilities		<u>3,397,438</u>	<u>3,507,702</u>	<u>3,164,835</u>	<u>3,486,851</u>
Funds of					
Restricted funds	17	2,852,427	2,852,427	2,852,427	2,852,427
Unrestricted funds		545,011	655,275	312,408	634,424
Total funds		<u>3,397,438</u>	<u>3,507,702</u>	<u>3,164,835</u>	<u>3,486,851</u>

The financial statements on page 30 to 47 were approved by Board on 23rd November 2022 and signed on its behalf by:


Alison King
Chair of the Board


Kate White
Chief Executive Officer

Company Limited by Guarantee
Registration Number: 02553293 (England and Wales)

Consolidated statement of cash flows Year to 31 July 2022

	Note	2022 £	2021 £
Net cash provided by operating activities			
Net cash used in operating activities	A	(52,107)	(136,188)
Cash flows from investing activities	B		
Interest received		277	70
Purchase of tangible assets		(11,496)	(19,546)
Net cash used in investing activities		(11,219)	(19,476)
Cash flows from financing activities			
Loan		186,218	—
Change in cash and cash equivalents in the year		122,891	(155,664)
Cash and cash equivalents at the start of the year		676,434	832,098
Cash and cash equivalents at the end of the year	D	799,325	676,434

A Reconciliation of net income to net cash flow from operating activities

	2022 £	2021 £
Net (expenditure) income for the year (as per the statement of financial activities)	(110,264)	10,315
Adjusted for:		
Depreciation charges	17,322	17,322
Interest receivable	(277)	(70)
Decrease in stock	2,376	525
Increase) decrease in debtors	(12,008)	28,323
Increase (decrease) in creditors	50,744	(192,603)
Net cash provided by (used in) operating activities	(52,107)	(136,188)

B Analysis of cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	799,325	676,434
Total cash and cash equivalents	799,325	676,434

C Analysis of changes in net debt

	At 1 August 2021 £	Cash flows £	At 31 July 2022 £
Cash	676,434	122,891	799,325
Loans falling due within one year	—	(33,889)	(33,889)
Loans falling due after more than one year	—	(152,329)	(152,329)
Total	676,434	(63,327)	613,107

Principal accounting policies 31 July 2022

Charitable company status

The charity is a company limited by guarantee. The members of the company are the Trustees as set out on page 1. In the event of the charity being wound up the liability on repaying the guarantee is £10 per member.

Basis of preparation

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Charity is a public benefit entity for the purposes of FRS 102 and therefore the consolidated financial statements have been prepared in accordance with the 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 (The FRS 102 Charity SORP) issued on 1 January 2019, the Companies Act 2006 and the Charities Act 2011.

The financial statements are presented in sterling; amounts are rounded to the nearest pound.

The results of the subsidiary entities are consolidated on a line by line basis. A summary of the results of the subsidiary entities is shown in note 12.

Consolidation

The group accounts consolidate the accounts of National Centre for Circus Arts and its subsidiary undertakings, Circus Space Property Company Limited and Circus Space Events Limited, made up to 31 July 2022. The acquisition method of accounting has been adopted. National Centre for Circus Arts has taken advantage of the exemption in section 408 of the Companies Act 2006 from disclosing its individual statement of financial activities. The Charity only deficit (net movement in funds) was £322,016 (2021: surplus of £94,560)

Going concern

The Trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charitable company and group to continue as a going concern. The Trustees have made this assessment for a period of one year from the date of approval of the financial statements. In particular the Trustees have considered the charitable group's forecasts and projections. The charitable company accepted an offer of a £200,000 loan facility which was drawn down during the year. After making enquiries the Trustees believe that there is no material uncertainty that the charitable group will not continue to be a going concern and have concluded that there is reasonable expectation that the charitable group has adequate resources to continue in operational existence for the foreseeable future.

Principal accounting policies 31 July 2022

Income

Total income as shown in the statement of financial activities is the total income of the group. All income is included in the statement of financial activities when the Charity is entitled to the income, the receipt is probable, and the amount can be measured reliably. The following specific policies are applied to particular categories of income:

- ◆ Charitable activities are accounted for in the period to which they relate.
- ◆ Investment income is included on a receivable basis.
- ◆ Donations, grants and legacies are included in full in the statement of financial activities when receivable. Grants received in advance for specified future periods or where conditions are attached to their use which remain outside the control of the Charity are carried forward as deferred income and released when conditions for entitlement are fulfilled.
- ◆ Fees and other funding received towards the provision of training courses is recognised when the training is delivered. Income received in advance is deferred in the balance sheet and then released at the point of delivery of the related training/educational provision.

Expenditure

Expenditure is accounted for on an accruals basis. Direct charitable expenditure includes all costs related to the main purpose of National Centre for Circus Arts and include: costs of delivering the higher education course; youth and adult courses; and support to professional artists.

Fundraising and publicity includes all direct expenditure on publicising the work of National Centre for Circus Arts. Governance costs, which are included in the support costs, include those costs incurred in the governance of the charity and are primarily associated with regulatory requirements.

Staff costs and support costs

Staff costs and overhead expenses are allocated to activities on the basis of staff time spent on those activities.

Direct costs

Direct costs are allocated to the activities for which they have been incurred.

Pension costs

The Charity operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the statement of financial activities in the year they are payable.

Principal accounting policies 31 July 2022

Employee costs

The costs of short-term employee benefits are recognised as a liability and an expense. The cost of any unused holiday entitlement is recognised in the period in which the associated employee's services are received. Termination benefits are recognised immediately as an expense when the Charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Tangible fixed assets and depreciation

All fixed assets are stated at cost.

Depreciation is provided at the following annual rates in order to write off each asset over.

Plant and equipment	10% on cost
Improvements to leasehold premises	2% on cost (see useful economic lives)

Assets with a value of less than £1,000 are not capitalised and written off in the financial statements in the period of purchase.

Stock

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

Restricted funds

Restricted funds are to be used to specified purposes as laid down by the donor.

Unrestricted funds

Unrestricted funds are income received or generated for the charities general purposes.

Taxation

The company is a registered charity and is not liable to United Kingdom income or corporation tax on its charitable activities. Tax credits claimed under the theatre tax relief scheme are shown as a credit in the year to which it relates.

Grants

Government and local authority grants for the purchase of fixed assets are credited to restricted income when receivable. Provided there are no remaining restrictions on the use of the capital asset, the grant is released to unrestricted income when the asset is acquired as this fulfils the restriction placed by the donor on the use of the grant. Grants of a revenue nature are credited to income in the period in which they are receivable.

Operating lease commitment

Rentals payable under operating leases are charged against income on a straight-line basis over the lease term.

Financial instruments

Cash and cash equivalents

Cash and cash equivalents include cash at banks and in hand and short-term deposits with a maturity date of three months or less.

Debtors and creditors

Debtors and creditors receivable or payable within one year of the reporting date are carried at their transaction price. Debtors and creditors that are receivable or payable in more than one year and not subject to a market rate of interest are measured at the present value of the expected future receipts or payment discounted at a market rate of interest.

Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in the statement of financial activities.

The Charity has provided a long term loan to its subsidiary company Circus Space Property Company Limited. The loan meets the definition of a public benefit entity concessionary loan and is such accounted for at amortised cost and reviewed annually for impairment.

Critical accounting estimates and judgements

In the application of the company's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Useful economic lives

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 11 for the carrying amount of the property, plant and equipment and the accounting policy for fixed assets for the useful economic lives for each class of asset.

Principal accounting policies 31 July 2022

Useful economic lives (continued)

Leasehold property has been capitalised and included in fixed assets at cost. On 19 March 2021, a professional valuation was undertaken by Pinders Professional & Consultancy Services Limited, giving a current market value of £8,350,000. This supports the view that the residual value of the leasehold building is not considered to be lower than its current carrying value in the accounts which is £3,256,667. On that basis, no further depreciation has been provided since that date. The property is reviewed annually for any potential impairment.

Notes to the Financial Statements Year to 31 July 2022

1 Grants

	Unrestricted £	Restricted £	2022 Total £
Arts Council England	426,173	—	426,173
Coronavirus Job Retention Scheme	639	—	639
Conservatoire for Dance & Drama (note 3)	387,387	5,000	392,387
Jack Petchey Foundation	—	5,850	5,850
Jerwood Arts	—	19,915	19,915
Leverhulme Trust	—	48,013	48,013
Contemporary Dance School (London)	—	69,579	69,579
Sensory Circus	—	8,100	8,100
Sundry donations	19,423	52,055	71,478
	833,622	208,512	1,042,134

	Unrestricted £	Restricted £	2021 Total £
Arts Council England	1,181,157	—	1,181,157
Coronavirus Job Retention Scheme	270,326	—	270,326
Conservatoire for Dance and Drama	338,439	21,015	359,454
Jack Petchey Foundation	250	500	750
Jerwood Arts	—	15,855	15,855
Leverhulme Trust	—	50,987	50,987
Contemporary Dance School (London)	—	78,865	78,865
Sensory Circus	—	9,000	9,000
Sundry donations	21,346	—	21,346
	1,811,518	176,222	1,987,740

2 Income from charitable activities

	2022 £	2021 £
Fees from UK and international higher education students	623,750	640,671
Audition and other fees	7,059	3,541
Artists Development income	31,647	5,972
Short Course income	338,509	42,527
	1,000,965	692,711

3 Higher education funding

The higher education income figure excludes funding receivable in the form of teaching grants from OfS through the Conservatoire for Dance and Drama:

	2022 £	2021 £
Contributions from CDD (see note 1)	387,387	338,439

Notes to the Financial Statements Year to 31 July 2022

4 Other trading activities

	2022 £	2021 £
Workspace and room hire	442,250	100,039
Classes, courses, and workshops	33,884	4,530
Fundraising income	124,492	—
Other income	26,882	2,118
	627,508	106,687

5 Direct charitable expenditure

	Direct Costs £	Support Costs £	Total funds 2022 £
Artists Development	60,909	228,513	289,482
Higher Education	666,652	490,025	1,156,677
Commercial, learning and recreational	473,007	485,857	958,864
Training	38,371	45,673	84,044
	1,238,999	1,250,068	2,489,067

	Direct Costs £	Support Costs £	Total funds 2021 £
Artists Development	44,424	269,846	314,270
Higher Education	674,316	677,439	1,351,755
Commercial, learning and recreational	515,227	383,029	898,256
Training	59,802	156,318	216,120
	1,293,769	1,486,632	2,780,401

6 Support costs and administration

	Governance £	Administration £	IT £	Operations £	Total 2022 £
Artists Development	778	26,126	1,506	200,103	228,513
Higher Education	8,725	293,075	16,896	171,329	490,025
Access, outreach and educational	11,956	266,327	15,354	192,220	485,857
Training	1,195	40,151	2,315	2,012	45,673
	22,654	626,679	36,071	565,664	1,250,068

	Governance £	Administration £	IT £	Operations £	Total 2021 £
Artists Development	2,525	20,313	2,565	244,443	269,846
Higher Education	28,278	227,519	28,734	392,908	677,439
Access, outreach and educational	24,852	187,224	22,252	145,701	383,029
Corporate activity	6,749	54,299	6,857	16,477	83,382
Training	7,027	56,534	7,140	1,235	71,936
	69,431	545,889	70,548	800,764	1,486,632

Notes to the Financial Statements Year to 31 July 2022

7 Fundraising and publicity

	2022 £	2021 £
Fundraising and publicity	85,962	76,000

8 Governance costs

	2022 £	2021 £
Bank and other finance charges	1,923	4,873
Audit fees	20,731	20,025
Staff costs	—	44,533
	22,654	69,431

9 Net income

Net income is stated after charging:

	2022 £	2021 £
Depreciation of tangible fixed assets	17,322	17,322
Operating lease rentals	61,786	67,500
Auditor's remuneration	20,731	20,025

10 Staff costs

	2022 £	2021 £
Wages and salaries	1,649,180	1,563,888
Social security costs	139,967	120,041
Pension	29,038	29,038
	1,818,185	1,712,967

The average monthly number of employees during the period was as follows:

	2022 No.	2021 No.
Tutors	56	67
Administration	43	41
	99	108

The average monthly number of employees includes a high number of part time staff, particularly among the highly specialised teaching disciplines. The full-time equivalents are:

	2022 No.	2021 No.
Tutors	7	10
Administration	38	39
	45	49

Notes to the Financial Statements Year to 31 July 2022

10 Staff costs (continued)

The following number of employees received salaries in excess of £60,000:

	2022 No.	2021 No.
£60,000 - £70,000	1	—
£70,000 - £80,000	1	1

Pension contributions for the above employee was £2,641 (2021: £1,316).

The National Centre for Circus Arts considers the Board of Trustees, the CEO, the COO, the Commercial Director, the Director of Professional Development and the Director of Finance as comprising the key management personnel of the charity. The total employment benefits for the five (2021: four) key management personnel was £350,274 (2021: £280,444).

11 Tangible assets

Group	Leasehold premises £	Improve- ments to leasehold premises £	Plant & equipment £	Total £
Cost				
At 1 August 2021	3,999,186	155,601	142,103	4,296,890
Additions	—	—	11,497	11,497
31 July 2022	3,999,186	155,601	153,600	4,308,387
Depreciation				
At 1 August 2021	881,393	16,717	72,901	971,011
Charge for the period	—	3,112	14,210	17,322
At 31 July 2022	881,393	19,829	87,111	988,333
Net book value				
At 31 July 2022	3,117,793	135,772	66,489	3,320,054
At 1 August 2021	3,117,793	138,884	69,202	3,325,879

The Arts Council England and The London Borough of Hackney hold various charges over the property and assets of one of the Charity's subsidiaries, Circus Space Property Limited.

The Arts Council England holds a debenture for any monies due to them secured over the investments and securities of the Charity.

On 19 March 2021, a professional valuation was undertaken by Pinders Professional & Consultancy Services Limited, giving a current market value of £8,350,000. This supports the view that the residual value of the leasehold building is not considered to be lower than its current carrying value in the accounts which is £3,256,667. On that basis, no further depreciation has been provided since that date. The property is reviewed annually for any potential impairment.

Notes to the Financial Statements Year to 31 July 2022

11 Tangible assets (continued)

Charity	Improvements to leasehold premises £	Plant & equipment £	Total £
Cost			
At 1 August 2021	155,601	142,103	297,704
Additions	—	11,497	11,497
At 1 August 2021 and 31 July 2022	<u>155,601</u>	<u>153,600</u>	<u>309,201</u>
Depreciation			
At 1 August 2021	16,717	72,901	89,618
Charge for the period	3,112	14,210	17,322
At 31 July 2022	<u>19,829</u>	<u>87,111</u>	<u>106,940</u>
Net book value			
At 31 July 2022	135,772	66,489	202,261
At 1 August 2021	<u>138,884</u>	<u>69,202</u>	<u>208,086</u>

12 Fixed asset investments

Charity	2022 £	2021 £
Investment in subsidiaries		
Cost		
At 1 August 2021 and 31 July 2022	<u>200</u>	<u>200</u>
Net book value		
At 31 July 2022	<u>200</u>	<u>200</u>
At 1 August 2021	<u>200</u>	<u>200</u>

The National Centre for Circus Arts has two wholly owned trading subsidiaries: Circus Space Events Company Limited, which runs commercial events, and Circus Space Property Limited which owns the leasehold of the Coronet Street site and rents the majority of the space to National Centre for Circus Arts with smaller areas to third parties. These companies donate their distributable profits to National Centre for Circus Arts. The registered offices of both subsidiaries is Coronet Street, London. A summary of their trading results is shown below. Audited financial statements for these subsidiaries are filed annually with the Registrar of Companies.

Circus Space Events Company Limited results	2022 £	2021 £
Profit and loss		
Turnover	362,093	354
Administrative expenses	(103,731)	(31,215)
Operating profit (loss)	<u>258,362</u>	<u>(2,861)</u>
Profit and loss reserve		
Brought forward at 1 August 2021	(2,861)	26,668
Operating profit (loss)	258,362	(2,861)
Distribution to National Centre for Circus Arts	—	(26,668)
Carried forward at 31 July 2022	<u>255,501</u>	<u>(2,861)</u>

Notes to the Financial Statements Year to 31 July 2022

12 Fixed asset investments (continued)

Balance sheet	2022 £	2021 £
Debtors	204,907	40,477
Cash at bank and in hand	125,510	48,715
	<u>330,417</u>	<u>89,192</u>
Creditors: amounts falling due within one year	(74,816)	(91,953)
Net current assets	<u>255,601</u>	<u>(2,761)</u>
Capital and reserves	255,501	(2,861)
Called up share capital	100	100
Total equity	<u>255,601</u>	<u>(2,761)</u>
Circus Space Property Limited results	2022 £	2021 £
Profit and loss		
Turnover	136,194	99,685
Administrative expenses	(107,036)	(89,740)
Operating profit	29,158	9,945
Tax credit	—	—
Profit for the financial year	<u>29,158</u>	<u>9,945</u>
Profit and loss reserve		
Brought forward at 1 August 2021	48,660	78,502
Operating profit	29,158	9,945
Distribution to National Centre for Circus Arts	(9,228)	(39,787)
Carried forward at 31 July 2022	<u>68,590</u>	<u>48,660</u>
Balance sheet	2022 £	2021 £
Tangible fixed assets	3,117,790	3,117,790
	<u>3,117,790</u>	<u>3,117,790</u>
Debtors	200,149	258,064
Cash at bank and in hand	42,049	16,664
	<u>242,198</u>	<u>274,728</u>
Creditors: amounts falling due within one year	(151,206)	(203,666)
Net current assets	<u>90,992</u>	<u>71,062</u>
Creditors: amounts falling due after more than one year	(3,140,092)	(3,140,092)
Net assets	<u>68,690</u>	<u>48,760</u>
Capital and reserves	68,590	48,660
Called up share capital	100	100
Total equity	<u>68,690</u>	<u>48,760</u>

Notes to the Financial Statements Year to 31 July 2022

13 Debtors

	2022		2021	
	Group £	Charity £	Group £	Charity £
Trade debtors	79,445	37,553	7,918	5,369
Amounts owed by subsidiaries	—	—	—	108,910
Other debtors	11,859	11,859	33,561	33,561
Prepayments and accrued income	132,500	115,786	170,317	176,600
	223,804	165,198	211,796	324,440

14 Debtors: Amounts due after more than one year

	2022		2021	
	Group £	Charity £	Group £	Charity £
Amounts owed by subsidiary undertakings	—	3,140,092	—	3,140,092

The long-term loan has been provided to the subsidiary company Circus Space Property Company Limited and meets the definition of a public benefit entity concessionary loan as it was made to further the charitable objects of the charity. The loan is interest free. At present a repayment schedule has not been decided.

15 Creditors: Amounts falling due within one year

	2022		2021	
	Group £	Charity £	Group £	Charity £
Trade creditors	198,478	113,006	101,691	48,696
Social security and taxes	57,306	47,351	60,661	31,819
Other creditors	28,518	6,390	22,028	471,229
Accruals and deferred income*	477,225	220,287	526,403	471,229
Amounts owed to subsidiaries	—	403,432	—	243,625
Business Interruption loan	33,889	33,889	—	—
	795,416	824,355	710,783	801,373

Deferred income reconciliation*

Deferred income in 2022 includes fees for courses and grant income relating to the next.

	Brought forward £	Added amount £	Amount released £	Carried forward £
Deferred income 2022	196,358	187,132	(196,358)	187,132
Deferred income 2021	422,307	196,358	(422,307)	196,358

Notes to the Financial Statements Year to 31 July 2022

16 Creditors: Amounts falling due after one year

	2022		2021	
	Group	Charity	Group	Charity
	£	£	£	£
Business Interruption loan	152,329	152,329	—	—

The Business Interruption loan is provided by Co-Operative Bank. The loan is secured by charges over the assets of the group. Interest is charged at 3.625% above Bank of England base rate.

17 Restricted funds

Group

The funds of the Charity include restricted funds comprising the following unexpended balances of donations and grants held on trust to be applied for specific purposes:

	Balance at 1 August 2021	Income	Expenditure	Transfers	Balance at 31 July 2022
	£	£	£	£	£
Capital fund					
Building Development	2,850,427	—	—	—	2,850,427
Hackney sustainable grant	2,000	—	—	—	2,000
Generation fund					
Department for Education	—	7,100	(7,195)	95	—
BBC Children in Need	—	11,053	(12,580)	1,527	—
Conservatoire for Dance & Drama	—	57,055	(58,164)	1,109	—
Contemporary Dance School (London)	—	62,479	(63,315)	836	—
Jack Petchey Foundation	—	2,897	(3,180)	283	—
Jerwood	—	19,915	(19,915)	—	—
Leverhulme Trust	—	48,013	(49,036)	1,023	—
	2,852,427	208,512	(213,385)	4,873	2,852,427

	Balance at 1 August 2020	Income	Expenditure	Transfers	Balance at 31 July 2021
	£	£	£	£	£
Capital fund					
Building Development	2,850,427	21,015	—	(21,015)	2,850,427
Hackney sustainable grant	2,000	—	—	—	2,000
Generation fund					
Centre for Advanced Training	—	78,865	(78,865)	—	—
Sensory Circus	—	9,000	(9,000)	—	—
Conservatoire for Dance & Drama	—	79,024	(79,024)	—	—
Jack Petchey Foundation	—	500	(500)	—	—
Jerwood	—	15,855	(15,855)	—	—
Leverhulme Trust	—	50,987	(50,987)	—	—
	2,852,427	255,246	(234,231)	(21,015)	2,852,427

Notes to the Financial Statements Year to 31 July 2022

17 Restricted funds (continued)

Generation Fund

The Generation Fund represents monies received from various donors for discreet projects within Circus Development, Participation and Outreach and to support student learning.

Transfers

Transfers from the capital fund to general funds in 2021 represent the re-allocation of amounts received under restricted donations to cover small scale capital spending in 2020 and 2021. By utilising the funds for this purpose, the restrictions on the donations have been met and the funds have therefore been released. The depreciation relating to these assets will be charged to the general fund over the life of the asset in line with depreciation rates set out in the accounting policies.

18 Related party transactions

During the year the Charity's trading subsidiary distributed their profits to the National Centre for Circus Arts, see note 11 for further details.

National Centre for Circus Arts was reimbursed for salary and other expenses of £98,660 (2021: £nil) by its subsidiary, Circus Space Events Limited during the year. At the year end, £118,006 was owed by National Centre for Circus Arts to Circus Space Events (2021: £68,138 due from Circus Space Events to National Centre for Circus Arts).

National Centre for Circus Arts was reimbursed for salary and other expenses of £43,751 (2021: £100,522) by Circus Space Property Limited during the year. Circus Space Property Limited charged rent to National Centre for Circus Arts during the year of £48,684 (2021: £nil). At year end, £190,699 was owed by National Centre for Circus Arts to Circus Space Property Limited (2021: £243,625).

No trustees were reimbursed for travel expenses during the year (2021: four trustees were reimbursed £23).

During the year trustees made donations of £686 (2021: £1,925). Trustees also supported events by purchasing prizes and tickets, these totalled £42,807 (2021: £nil).

During the year £1,466 (2021: £nil) was paid to Turtle Key Arts, a charity in which Alison King is the CEO.

19 Theatre tax relief claim

	2022 £	2021 £
Tax credit in respect of theatre tax relief claim	22,000	3,508

Notes to the Financial Statements Year to 31 July 2022

20 Analysis of net assets by fund

Group	Unrestricted funds £	Restricted funds £	Total funds 2022 £
Tangible assets	469,627	2,850,427	3,320,054
Net current assets	227,713	2,000	229,713
Long term creditors	(152,329)	—	(152,329)
	545,011	2,852,427	3,397,489

Group	Unrestricted funds £	Restricted funds £	Total funds 2021 £
Tangible assets	475,452	2,850,427	3,325,879
Net current assets	179,823	2,000	181,823
	655,275	2,852,427	3,507,702

Charity	Unrestricted funds £	Restricted funds £	Total funds 2022 £
Tangible assets	202,461	—	202,461
Debtors greater than one year	289,665	2,850,427	3,140,092
Net current assets (liabilities)	(27,389)	2,000	(25,389)
Long term creditors	(152,329)	—	(152,329)
	312,408	2,852,427	3,507,702

Charity	Unrestricted funds £	Restricted funds £	Total funds 2021 £
Tangible assets	208,286	—	208,286
Debtors greater than one year	289,665	2,850,427	3,140,092
Net current assets (liabilities)	136,473	2,000	138,473
	634,424	2,852,427	3,486,851

21 Financial commitments

At 31st July 2022 the group held three 150-year leases on its Coronet Street site and was committed to making quarterly payments under this non-cancellable operating lease. These payments totalled £61,786 in the year to 31st July 2022.