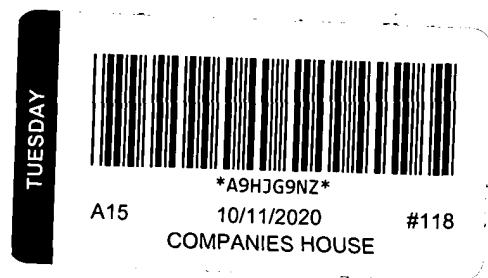


PEGASUS THEATRE TRUST
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2020

Company No: 03038190

Charity No: 1055305



Report of the Trustees

The Trustees present their report and the audited financial statements of the charity for the year ended 31st March 2020. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

The directors of the charitable company are its trustees for the purposes of charity law. The trustees who have served during the year and since the year end were as follows:

J Boulton	(Resigned 24 September 2019)
G L Geary	
W R Jestico	
B J Joshua	(Appointed 3 December 2019)
L Lewis	
N Lloyd	(Appointed 3 December 2019)
E MacDonald	((Appointed 3 December 2019)
N Moran	(Appointed 3 December 2019)
K Patel	(Resigned 3 December 2019)
R Price	
L H O'Rourke	(Resigned 24 September 2019)
J Retallack	
S Sansom	(Appointed 3 December 2019)
A Vickers	(Resigned 24 September 2019)

Reference and Administrative Details

Chief Executive Officer

AH Cole

Company Number

03038190

Charity Number

1055305

Registered Office & Business address

Pegasus Theatre Trust
Magdalen Road
Oxford
OX4 1RE

Principal bankers

Co-operative Bank plc
P O Box 250
Skelmersdale
WN8 6WT

Auditors

Burton Sweet
Chartered Accountants
The Clock Tower, 5 Farleigh Court
Old Weston Road
Flax Bourton
Bristol BS48 1UR

Report of the Trustees

Objectives and activities

The objects of the company, as stated in its Memorandum of Association, are to advance the education of the public in the practice and appreciation of the arts, in particular, but not exclusively, for the benefit of children and young people.

Mission

Young people are the life force of Pegasus.

We provide the inspiration for journeys filled with creative opportunity, aspiration and imagination. Through listening and responding to the needs, ideas and energy of all those who find a home within it, Pegasus is a pioneering force creating the present, challenging and shaping the future and making an enduring impact on the vitality of the performing arts locally, regionally and nationally.

Vision

We will be recognised as a pioneering force in the performing arts with our work for, by and with young people providing outstanding opportunities for them to experience and create in the present, challenge and shape the future and make an enduring impact on the vitality of the performing arts locally, regionally and nationally.

The continual development of our artistic and organisational ambition will be shaped by listening and responding to the needs, ideas and energy of all those who find a home with us and informed by the creativity, skills and talents we will nurture in young people and staff alike.

Whilst recognising the needs and expectations of each young person who engages with us will vary, we will provide the space and support to enable young people to embark on individual journeys of personal growth filled with creative opportunity, aspiration and imagination.

We will be bold in our approach to securing a sustainable future for the organisation, reach out to partners who can support us, be nimble and adaptable to the ever-changing environment that surrounds us and ensure the choices we make enable us to work in innovative, viable and inspiring ways.

We will be at the heart of the communities we serve and foster a sense of belonging that encourages people of all ages, backgrounds and cultures to experience together outstanding creative experiences that are vibrant, urgent and exciting.

Public Benefit Statement

The Trustees consider that, having paid due regard to the public benefit guidance published by the Charity Commission, they have complied with the duty placed upon them in section 17(5) of the Charities Act 2011.

Achievements and performance

Over 2019/20 we have continued to develop as a home for a new generation of creativity where young people from all backgrounds are able to see and experience great performance, create their own productions and extend their skills. Over the year we have engaged with 16,065 (18/19 17,350) people across our programme of activity as audiences and participants. Whilst Pegasus has thrived during the past year, all activity came to an abrupt halt in mid-March when we closed our doors due to COVID-19. As a National Portfolio Organisation, we are fortunate that our Arts Council funding is continuing uninterrupted and together, with the support of our existing funders, a healthy level of reserves and careful financial management, we are confident that we will be able to weather the storm over the coming year.

Our activity has been programmed to ensure there is something for anyone age 0-25 years including a regular performance programme alongside sessional 'drop in' classes, weekly courses across drama and street dance and two young companies who produce their own work for performance. The breadth of our programme for children and young people provides a wide range of pathways into experiencing the arts for all.

Report of the Trustees (continued)

Ensuring diverse work reflective of the community in which we work is fully integrated in our programme is of key importance. Our in-depth inclusion programme has allowed access to the arts for the most vulnerable and excluded in our society, including those in social care, looked after children and unaccompanied minors and we continued to commit a significant proportion of our resources to ensure young people facing turbulent and complex situations have opportunities to engage in the arts. Over 190 (18/19 230) young people have taken part in our inclusion programme this year including: *Remix*, for those newly arrived in the country, *Catalyst* for over 18s with learning and physical disabilities, *Acting Out* for young people experiencing challenging circumstances at home or school, *True Colours*, a participatory course for young LGBTQ+ and *Looking Forward* for vulnerable young women.

The young companies continued as year-long commitments working towards full productions giving participants an in-depth view of the theatre-making process. This year the 11-15 company performed David Harrower's adaptation of John Wyndham's *The Chrysalids* in July and the 16-25 company presented Caryl Churchill's *Love and Information* in December. In an exciting development we were delighted to welcome Complicité back to Pegasus for a new collaboration with our Young Company 16-25. From January the company's new director Emma Webb and Complicité Associate Clive Mendus have been working with the ensemble to create and devise a new performance for December 20.

We extended our schools touring programme this year with a two-week tour of Karim Khan's *Corrosive*, which addressed the issues of race, nationalism and radicalisation facing young people today. The play was seen by 1,465 year 11 students. Funded by Oxfordshire County Council's Public Health Team the fifth iteration of *Under My Skin* by Ali Taylor, was produced and although the March tour was curtailed slightly due to the Covid-19 lockdown, reached 23 schools across Oxfordshire for 25 performances enabling nearly 4,370 (18/19 5,460) years eight and nine students to experience this play exploring the issues around self-harm. The planned extended tour to Kingston Surrey of 12 performances was completely lost to lockdown.

In September 2019 the second intake of 24 students joined our Professional Acting Diploma delivered in partnership with Bristol-based boomsatsuma. This exciting strand of talent development offers the unique opportunity for young people aged 16-18 to receive free, full-time actor training over two years. Covid-19 lockdown unfortunately put paid to the celebration of our first graduating year and their final production scheduled for July 20. 60% of the graduating class of 2020 achieved Distinction* or Distinction. Several students have either been accepted on to drama school courses in September or are continuing to apply and audition for places. Amongst the remaining students, many have secured offers to take up a university place in September.

A vital part of Pegasus' far-reaching impact is the support of artists and companies at early stages of their development and careers. We have continued to nurture companies and artists to make new work and further their practice, in particular local and regional artists and companies with a desire to create work for new, young audiences. Joining the SPARK programme last summer were choreographer Thomas Page, musical theatre duo Leo&Hyde, puppeteer Robyn Olivia and writer Hannah Greenstreet. All of our current SPARK artists and several of our past ones have contributed online content during lockdown. In addition, through our *Moving with the Times* partnership with Dancin' Oxford, we provided residencies for three companies developing new work leading up to a showcase performance: SPARK artist Thomas Page, Amy Foskett Dance and Drishti Dance.

Our programming over the period demonstrates our commitment to reflecting the needs, interests and aspirations of young people and the wider community. 100% of our activity (both performance and participation) has been focused to engage children and young people and their families. This year the performance programme has included Rhum & Clay's *Mistero Buffo*, *Mimi* and *the Mountain Dragon* from Skewbald Theatre, Half Moon Theatre's *Crowded*, *You've Got Dragons* from Taking Flight Theatre. For our Christmas show we welcomed Filskit Theatre with *Breaking The Ice*, a non-verbal show for 2-7 year olds, which was seen by 1,330 people.

Over the past year we have recruited five new trustees with diverse skills and experience to enhance the governance of the charity over the coming years.

This year saw a decrease in membership of the youth board as several of the long-term members had moved on from Pegasus. This seemed like a good point at which to re-evaluate the structure and focus of the youth board and re-launch it with a fresh focus and new engaged membership drawn from all areas of Pegasus' activity. Unfortunately, the re-launch will be postponed but plans have been drawn up

Report of the Trustees (continued)

and will be revisited when the building is open and courses are running again.

Financial review

The (£241,669) deficit for the year is reported after charging £170,505 depreciation to the building fund which is a non-cash movement. It also includes the planned work to the heating system of (£17,603), movement in restricted funds of (£18,632) and the operating deficit for the year of (£34,929).

Fundraising has proved challenging over the year resulting in a reduction of trust and foundation and donations income against the prior year of £27,474 which contributed to the operating deficit for the year. Closure from mid March due to Covid-19 had a minor impact on overall ticket sales and cafe bar income.

Our pricing policy remains focused on removing the financial barriers experienced by young people and their families in attending. Over the past year the value of free supported places offered across all of our classes and courses totalled £24,695 (18/19 £18,690). 55% of our tickets for shows were taken at concessionary rates (18/19 51%). The per head ticket yield against Pay What You Can events was £2.12 (18/19 £3.48).

Reserves Policy

Pegasus Theatre Trust holds reserves in order to provide business stability and to invest in its charitable and artistic activities. The Trustees review the reserve levels of the charity annually. This review encompasses the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees also take into consideration the future of the charity, the uncertainty over future income streams and other key risks identified during the risk review.

Total current funds are £2,810,905 of which £ 2,587,200 is the designated Building fund and represents the residual value of grants from Arts Council England, South East, The Big Lottery Fund and other donations which contributed to the capital project (2010). The fund is reduced annually by the charge for depreciation of the building.

The Trustees have established that in addition to the general free reserves, there would be three additional designated reserve funds - the Strategic fund, the Asset Replacement fund and the Young Companies' Production fund.

The designated strategic reserve total at March 2020 is £154,184. This is equivalent to 12 weeks of current gross expenditure which is sufficient to meet contractual liabilities should the organisation have to close or cease trading for any period. This includes redundancy pay, amounts due to creditors and commitments under leases. It is the trustees' intention to maintain this designated strategic fund level at 12 weeks of current gross expenditure.

The designated asset replacement fund total at March 2020 is £7,397. It is the trustees' intention to maintain this reserve at £25,000 and will plan to rebuild this reserve over the coming years.

The Young Companies' Production fund currently stands at £27,000. This fund can be used over the period of the current five-year business plan, to underwrite Young Company productions at times when other sources of funding may be difficult to secure.

The current level of free reserves is £29,744 and the trustees believe that this is sufficient to maintain working capital for the foreseeable future. It is the trustees' intention to maintain this reserve between £25,000 and £50,000.

Investment powers and policy

Under the memorandum and articles of association, the trustees of the charity have the power to invest as they see fit in the furtherance of the charity's objectives. The trustees' investment policy is to obtain as high an income as possible with low risk. Such funds should be easily accessible given the requirement to hold liquid funds to meet cash flow demands and unexpected liabilities. The funds are therefore invested

Report of the Trustees (continued)

with Barclays and Clydesdale Banks. The investments provided a return of 0.5% in the year ended 31st March 2020.

Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

Future plans

The coming year presents new challenges as we assess and adapt to the impact of the Covid-19 pandemic during 2020 and we will focus on:

- Adapting to delivery of our core activities in digital platforms over the closure period.
- Maintaining our staff team, freelance and artistic relationships throughout closure period.
- Launching the new website
- Re-launching our youth board after the closure period.
- Developing the next four year business plan and financial model

Structure, governance and management

Pegasus Theatre Trust is a company limited by guarantee governed by its memorandum and articles of association dated 27 March 1995. It is registered as a charity with the Charity Commission. The liability of members in the event of a winding up is limited by guarantee to an amount not exceeding £1 per member. At the balance sheet date there were 10 members.

In October 2014 the company formed a subsidiary, Pegasus Theatre Productions Ltd.

Appointment of Trustees

Pegasus Theatre Trust as a registered charity is governed by a board of trustees who are also directors of the company. Details of the trustees and directors are given on page 1. Each trustee is expected to remain in office for five years and may be re-elected for one further three-year term but may not be re-elected for a further term in office unless exceptional circumstances apply. Recruitment takes place as required and is also informed by a regular skills audit to ensure the changing needs of the organisation can be supported.

All trustees have a discussion with the chair, other members of the board and joint chief executive officers prior to appointment which provides a summary of the trust's development to date and its current position. The new trustees have an opportunity to discuss the issues that arise and ask any questions. New trustees also receive a written role description, details of principle responsibilities and duties, recent minutes, some historical information and the current business plan, as well as the memorandum and articles of association and most recent accounts. All trustees receive an induction, which includes meeting the wider staff team, visits to a variety of Pegasus activities, in-house mentoring and training where necessary. Any trustee who will be in unsupervised contact with young people is required to be checked through the Disclosure and Barring Service.

Organisation

The Board of Trustees administer the charity. The board meets four times a year. In November 2018 the chairs' committee was disbanded and there are now three sub-committees which allow for more detailed discussion and scrutiny at separate meetings: the finance and resources committee meet four times a year prior to board meetings. The artistic advisory and development committees meet four a year.

The Executive Director as Chief Executive Officer directs the strategic development and day-to-day operations of the charity with the support of the Creative Learning Director and Development Director.

Report of the Trustees (continued)

Key Management Personnel Remuneration

The trustees consider the Board of Trustees, Chief Executive Officer, Development Director and Creative Learning Director as comprising the key management personnel of the charity in charge of directing and

controlling the charity and running and operating the charity on a day to day basis. All trustees give of their time freely and no trustee remuneration was paid in the year. Details of trustee expenses and related party transactions are disclosed in note 19 to the accounts.

Trustees are required to disclose all relevant interests and in accordance with the Trust's policy withdraw from decisions where a conflict of interest arises. The pay of the key management personnel is reviewed annually by the trustees to ensure that it is fair and not out of line with similar roles.

Related Parties

Arts Council England, South East and Oxford City Council provide essential core funding and have nominated representation on the board as non-voting observers.

The chair of Pegasus Youth Board is co-opted as trustee to the board with full voting rights or as non-voting observer depending on age.

Details of transactions with these organisations are provided in note 19 to the accounts. The charity has one wholly owned subsidiary which currently does not trade.

Fundraising Practice

The charity employs a Development Director with the remit to organise and undertake planned fundraising activity. The organisation has signed up to the Fundraising Regulator's Code of Fundraising Practice and the Development Director is a member of The Institute of Fundraising. Any direct fundraising marketing is undertaken by the Development Director to ensure it is not unreasonably intrusive or persistent. All fundraising material includes details of how to unsubscribe from all future mailings or contact. There have been no complaints made regarding fundraising activity during the year.

Risk Management

The trustees are responsible for the management of risks faced by the organisation. The board carries out a formal review of the charity's risk management processes on an annual basis and the charity maintains a risk register which is regularly monitored and reviewed by the board.

The key areas of risk where management failure would carry a potential threat to the organisation have been identified as follows: failures in statutory and regulatory compliance regarding the safeguarding of young people, reductions in income generated and failing to respond to changing funding environments, exceeding organisational capacity. The management of risk and the effectiveness of all material internal controls, including operational, financial and compliance controls is ongoing and reviewed and assessed by the senior management team, and is regularly reviewed by the board.

Statement of Trustees responsibilities

The trustees (who are also directors of Pegasus Theatre Trust for the purposes of company law) are responsible for preparing the Trustees' Report (incorporating the directors' report) and the financial statements in accordance with 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 Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;

Report of the Trustees (continued)

- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate 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 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 auditors are unaware; and
- the trustees have taken all steps that they ought to make themselves aware of that information.

This report was approved by the Board of Directors and Trustees on **29 September 2020** and signed on its behalf by:



Bob Price
Director/Trustee (Chair)

Independent auditor's report to the members of Pegasus Theatre Trust

Opinion

We have audited the financial statements of Pegasus Theatre Trust (the "Charity") for the year ended 31 March 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is 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).

This report is made solely to the Charity'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 Charity's members those matters we are required to state in them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 March 2020 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with international Standards in 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 Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charity's ability to continue to adopt the going concern basis of accounting for a period of a least twelve months from the date when the financial statements are authorised for issue.

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

Independent auditor's report to the members of Pegasus Theatre Trust (continued)

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 the 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 (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report (incorporating the strategic report and the directors' report) have been prepared in accordance with applicable law requirements.

Matters on which we are required to report by exception

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

- sufficient accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of trustees

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

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

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.

Independent auditor's report to the members of Pegasus Theatre Trust (continued)

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/apb/scope/private.cfm This description forms part of our auditor's report.

Neil Kingston FCA (Senior Statutory Auditor)

For and on behalf of Burton Sweet Chartered Accountants and Statutory Auditor
The Clock Tower
5 Farleigh Court
Old Weston Road
Flax Bourton
Bristol BS48 1UR

Date: 29 September 2020

Statement of Financial Activities

(Incorporating an Income and Expenditure Account)

		Unrestricted £	Restricted £	2020 Total £	2019 Total £
Income from:	Note				
Grants and donations	2	382,176	70,684	452,860	480,334
Charitable activities	3	170,175	-	170,175	185,195
Investments		236		236	100
Total income		<u>552,587</u>	<u>70,684</u>	<u>623,271</u>	<u>665,629</u>
Expenditure on:					
Raising funds	4	44,563	-	44,563	41,546
Charitable activities	5	753,986	66,392	820,378	780,980
Total expenditure		<u>798,549</u>	<u>66,392</u>	<u>864,941</u>	<u>822,526</u>
Net expenditure	6	(245,962)	4,292	(241,670)	(156,897)
Transfers		22,925	(22,925)	-	-
Net movement in funds		(223,037)	(18,633)	(241,670)	(156,897)
Total funds at 1 April 2019		3,028,564	24,011	3,052,575	3,209,472
Total funds at 31 March 2020	17	<u><u>2,805,527</u></u>	<u><u>5,378</u></u>	<u><u>2,810,905</u></u>	<u><u>3,052,575</u></u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above.

The notes on pages 14 to 25 form part of these financial statements.

Prior year fund comparatives are contained in note 8.

Balance Sheet at 31 March 2020

Company No: 03038190

		£	2020 £	2019 £
	Note			
Fixed Assets				
Tangible Fixed Assets	10	2,594,369		2,763,505
Investments	11	<u>1</u>		<u>1</u>
			2,594,370	2,763,506
Current Assets				
Debtors	12	56,509		60,287
Stock	13	2,058		1,792
Cash at Bank and in Hand		<u>232,328</u>		<u>307,078</u>
			290,895	369,157
Creditors: Amounts Due Within 1 Year	14		<u>(74,361)</u>	<u>(80,087)</u>
Net Current Assets			216,534	289,069
Net Assets			<u>2,810,905</u>	<u>3,052,575</u>
Funds				
Restricted Funds	17		5,379	24,011
Unrestricted Funds	17		2,800,782	3,028,564
Total Funds			<u>2,810,905</u>	<u>3,052,575</u>

These accounts have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

The notes on pages 14 to 25 form part of these financial statements.

Approved and authorised for issue by the Board of Directors on **29 September 2020** and signed on its behalf by



Bob Price
Director/Trustee

Statement of Cash Flows

			2020	2019
			£	£
Net cash inflow from operating activities	Notes	A	(70,521)	6,532
Non - operational cashflows:				
Cash flows from investing activities				
Interest received			(236)	(100)
Acquisition of tangible fixed assets			(3,993)	(7,733)
Net cash outflow for the year	Notes	B	<u>(74,750)</u>	<u>(1,301)</u>

Notes to the Cashflow Statement

A. Reconciliation of net movement in funds to net cash inflow from operating activities

			2020	2019
			£	£
Net movement in funds	Notes	C	(241,670)	(156,897)
Interest received			236	100
Decrease/(increase) in debtors			3,778	(34,500)
(Increase)/decrease in stock			(266)	555
Increase/(decrease) in creditors			(5,726)	24,183
Depreciation			173,127	173,091
Net cash inflow from operating activities			<u>(70,521)</u>	<u>6,532</u>

B. Analysis of changes in cash during the year

	2020	2019	Change
	£	£	£
Cash at bank and in hand	<u>232,328</u>	<u>307,078</u>	<u>(74,750)</u>
	2019	2018	Change
	£	£	£
	307,078	308,379	(1,301)

C. Cashflow restrictions

Charity law prohibits the use of net cash inflows on any endowed or other restricted fund to offset net cash outflows on any fund outside its own objects, except on special authority. In practice, this restriction has not had any effect on cashflows for the year.

Notes to the financial statements

1. Summary of accounting policies

1.1 General information and basis for preparation

The financial statements have been prepared in accordance with the Companies Act 2006, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard application in the UK and the Republic of Ireland (FRS 102). Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes. Whilst it remains the Trustees' responsibility to prepare the financial statements, in common with many other charities of our size and nature we use our auditors to assist with the preparation of the financial statements.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value.

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

The charity is a public benefit entity as defined under FRS 102.

1.2 Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

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

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

1.3 Income recognition

All income is included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably, and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained, then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102).

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity where it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

The charity receives government grants via Arts Council England and Oxford City Council. Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received, and the amount

Notes to the financial statements (continued)

can be measured reliably. If entitlement is not met, then these amounts are deferred. Investment income is all earned from cash holdings in bank deposit accounts. Other income includes gains on disposals of tangible fixed assets.

1.4 Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required, and the amount of the obligation can be measured reliably. It is categorised under the following headings:

Costs of raising grants and donations include salaries, the cost of fundraising events and promotional material.

Expenditure on charitable activity includes production costs, fees paid for received programme, costs in relation to delivery of the participation programme and all other costs directly connected with activity the charity undertakes.

1.5 Support cost allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative and payroll costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources. Overheads have been allocated on a per capita basis. The analysis of these costs is included in note 5

1.6 Tangible fixed assets

These are included at cost less accumulated depreciation. All fixed assets over £1,000 are capitalised. The company has built a new theatre which was commissioned in May 2010. Costs directly connected with the construction of the new theatre including architects' fees, structural engineers' costs and direct project management costs have been capitalised. Depreciation is calculated to write off their cost over their expected useful lives as follows:

Fixtures, fittings and equipment	4 years
Building	25 years

1.7 Stocks

Stock is included at the lower of cost or net realisable value. Stock consists of purchased goods for resale.

1.8 Leases

Rentals payable and receivable under operating leases are charged to the SoFA on a straight-line basis over the period of the lease.

1.9 Pension costs

The company operates a defined contribution pension scheme. The pension costs charged in the SoFA represent the contributions payable by the company during the year.

2.0 Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

2.1 Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

2. Income from grants and donations

			2020
Core grants	Unrestricted	Restricted	Total
	£	£	£
Oxford City Council	24,000	-	24,000
Arts Council England South East	299,973	-	299,973
Covid-19 JRS Scheme Grant	2,350	-	2,350
	<u>326,323</u>	<u>-</u>	<u>326,323</u>
Public grants	Unrestricted	Restricted	2020 Total
	£	£	£
Oxfordshire County Council	-	26,812	26,812
Oxford City Council	-	4,000	4,000
BBC Children in Need	-	33,122	33,122
	<u>-</u>	<u>63,934</u>	<u>63,934</u>
Other grants and donations	Unrestricted	Restricted	2020 Total
	£	£	£
Garfield Weston Foundation	3,750	-	3,750
PF Charitable Trust	10,417	-	10,417
Mr and Mrs JA Pye's Charitable Settlement	10,000	-	10,000
Cecil Pilkington Charitable Trust	2,000	-	2,000
St Michaels & All Saints Charity	-	3,750	3,750
The Helen Hamlyn Trust	10,000	-	10,000
The Robert & Margaret Charitable Trust	1,000	-	1,000
Bartlett Charitable Trust	-	500	500
The Ammcó Trust	-	1,000	1,000
The Arts Society Oxford	-	1,500	1,500
Donations - Corporate	3,400	-	3,400
Donations from Individuals	15,286	-	15,286
	<u>55,853</u>	<u>6,750</u>	<u>62,603</u>
	<u>382,176</u>	<u>70,684</u>	<u>452,860</u>

2. Income from grants and donations – continued

Prior year comparison (2018/2019)

Core grants	Unrestricted £	Restricted £	2019 Total £
Oxford City Council	25,000	-	25,000
Arts Council England South East	299,973	-	299,973
	<u>324,973</u>	<u>-</u>	<u>324,973</u>

Public grants	Unrestricted £	Restricted £	2019 Total £
Oxfordshire County Council	-	20,495	20,495
Oxford City Council	-	7,000	7,000
BBC Children in Need	-	34,397	34,397
	<u>-</u>	<u>61,892</u>	<u>61,892</u>

Other grants and donations	Unrestricted £	Restricted £	2019 Total £
Garfield Weston Foundation	11,250	-	11,250
PF Charitable Trust	15,000	-	15,000
Mr and Mrs JA Pye's Charitable Settlement	10,000	-	10,000
Cecil Pilkington Charitable Trust	2,500	-	2,500
St Michaels & All Saints Charity	-	3,750	3,750
Doris Field Trust	1,000	-	1,000
The Helen Hamlyn Trust	7,500	-	7,500
The National Lottery Community Fund	-	7,900	7,900
The Foyle Foundation	-	15,000	15,000
The Unity Theatre Trust	-	500	500
The Soldern Trust	500	-	500
The Roundton Trust	5,000	-	5,000
The Robert & Margaret Charitable Trust	1,000	-	1,000
Bartlett Charitable Trust	500	-	500
Donations - Corporate	1,400	-	1,400
Donations from Individuals	10,669	-	10,669
	<u>65,319</u>	<u>28,150</u>	<u>93,469</u>
	<u>390,292</u>	<u>90,042</u>	<u>480,334</u>

3. Income from charitable activities

	Unrestricted	Restricted	2020 Total
<i>Theatre and arts education activity</i>	£	£	£
Ticket sales	38,172	-	38,172
Participation fees	33,732	-	33,732
Facilities hire	920	-	920
Hire fees (performances)	1,988	-	1,988
 Touring Fees	 5,442	 -	 5,442
Cafe Bar sales	14,887	-	14,887
Miscellaneous	115	-	115
Sponsorship	64,807	-	64,807
Theatre tax relief	10,112	-	10,112
	<hr/> 170,175 <hr/>	<hr/> - <hr/>	<hr/> 170,175 <hr/>

Prior year comparison (2018/2019)

	Unrestricted	Restricted	2019 Total
<i>Theatre and arts education activity</i>	£	£	£
Ticket sales	40,650	-	40,650
Participation fees	40,630	-	40,630
Facilities hire	2,674	-	2,674
Hire fees (performances)	1,050	-	1,050
Café Bar sales	15,730	-	15,730
Miscellaneous	7,161	-	7,161
Sponsorship	70,320	1,500	71,820
Theatre tax relief	5,481	-	5,481
	<hr/> 183,695 <hr/>	<hr/> 1,500 <hr/>	<hr/> 185,195 <hr/>

4. Expenditure on raising funds

	Total 2020 £	Total 2019 £
Direct costs	42,537	39,973
Support costs	2,026	1,573
	<hr/> 44,563 <hr/>	<hr/> 41,546 <hr/>

5. Expenditure on charitable activities

	Direct costs £	Support costs £	Total 2020 £
Programme	65,176	45,930	111,106
Producing	99,883	45,930	145,813
Participation	136,641	47,589	184,230
Administration	78,409	2,855	81,264
Premises/ Front of House	90,330	29,782	120,112
Depreciation	-	173,128	173,128
Audit fees	-	4,725	4,725
	<u>470,439</u>	<u>349,939</u>	<u>820,378</u>

Prior year comparison (2018/2019)

	Direct costs £	Support costs £	Total 2019 £
Programme	87,837	39,502	127,339
Producing	74,496	39,502	113,998
Participation	120,200	40,593	160,793
Administration	85,992	1,902	87,894
Premises/Front of house	84,040	29,575	113,615
Depreciation	-	173,091	173,091
Audit fees	-	4,250	4,250
	<u>452,565</u>	<u>328,415</u>	<u>780,980</u>

**6. Net
Income/(expenditure)**

This is stated after charging:

	2020 £	2019 £
Auditors' remuneration	4,725	4,250
Operating leases	618	1,237
Depreciation	<u>173,128</u>	<u>173,091</u>

7. Staff costs and numbers

Staff costs were as follows:

	2020 £	2019 £
Wages and salaries	285,963	312,845
Employer's National Insurance	21,218	24,452
Employer's pension contributions	<u>7,115</u>	<u>6,616</u>
	<u>314,296</u>	<u>343,913</u>

7. Staff costs and numbers – continued

No employee earned more than £60,000 during the year.

	2020	2019
	No.	No.
	14	14

Average number (headcount) of employees

The total number of staff at the year-end was **13**

The total amount of employee benefits received by key management personnel is £ 132,147.52 (2019: £131,457). The charity considers its key management personnel comprise:

Executive Director - Chief Executive
Development Director
Creative Learning Director

No trustee received remuneration or claimed expenses in the current or prior year. Expenses waived during the year were £nil (2019 - £0).

8. Prior year comparison (2018/2019)

	Unrestricted £	Restricted £	Total £
Income from:			
Grants and donations	390,292	90,042	480,334
Charitable activities	183,695	1,500	185,195
Investments	100	-	100
	<hr/>	<hr/>	<hr/>
Total income	574,087	91,542	665,629
	<hr/>	<hr/>	<hr/>
Expenditure on:			
Raising funds	41,546	-	41,546
Charitable activities	728,103	52,876	780,979
	<hr/>	<hr/>	<hr/>
Total expenditure	769,649	52,876	822,525
	<hr/>	<hr/>	<hr/>
Net income/expenditure	(195,563)	38,666	(156,897)
	<hr/>	<hr/>	<hr/>
Transfers	14,655	(14,655)	-
Total funds at 1 April 2018	3,209,472	-	3,209,472
	<hr/>	<hr/>	<hr/>
Total funds at 31 March 2019	3,028,564	24,011	3,052,575
	<hr/>	<hr/>	<hr/>

9. Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

10. Tangible Fixed Assets

	Building £	Fixtures and new theatre equipment £	Fittings and equipment £	Total £
Cost				
At 1 April 2019	4,262,613	523,443	29,172	4,815,228
Additions in year	-	-	3,993	3,993
At 31 March 2020	262,613	523,443	33,165	4,819,221
Depreciation				
At 1 April 2019	1,504,908	523,443	23,373	2,051,724
Charge for the year	170,504	-	2,623	173,127
At 31 March 2020	1,675,412	523,443	25,996	2,224,851
Net Book Value				
At 31 March 2020	2,587,201	-	7,168	2,594,369
At 31 March 2019	2,757,706	-	5,799	2,763,505

The purchase of Pegasus Theatre and the subsequent improvements, which were mainly funded through restricted donations, were discharged on the completion of the building. The remaining value (after depreciation) is reflected in the designated building fund. The Arts Council England (ACE) and the Big Lottery Fund hold charges over the property. The charge in favour of ACE is in accordance with their standard capital funding items.

11. Investments

	Shares in subsidiary undertakings
Cost	
At 1 April 2019	1
At 31 March 2020	1

The investment is made up of 100% of the share capital of Pegasus Theatre Productions Limited. Consolidated accounts have not been prepared as Pegasus Theatre Productions Limited was dormant throughout the whole period.

12. Debtors

	2020	2019
	£	£
Trade debtors	2,573	14,875
Prepayments	16,744	13,854
Other debtors	37,192	31,558
	<u>56,509</u>	<u>60,287</u>

13. Stock

	2020	2019
	£	£
Goods for resale	<u>2,058</u>	<u>1,792</u>

14. Creditors: Amounts due within 1 year

	2020	2019
	£	£
Trade creditors	3,057	15,274
Accruals	7,832	5,920
Deferred income	45,712	46,831
Amounts owed to group undertakings	1	1
Tax and social security	5,761	3,699
Other creditors	11,998	8,362
	<u>74,361</u>	<u>80,087</u>

15. Operating leases

At 31 March the organisation had total commitments under non-cancellable operating leases as set out below:

	Equipment 2020	Equipment 2019
	£	£
Less than 1 year	618	1,237
Between 2 to 5 years	-	618

16. Contingent liabilities

The Charity has provided a legal debenture over the property as valuable security in connection with the £2,700,000 grant from Arts Council, England. No provision has been made in respect of the grant or any other capital grant as the conditions attached are deemed unlikely to occur.

The Charity has provided a legal charge over the property as valuable security in connection with the £1,850,000 grant from the Big Lottery Fund. No provision has been made in respect of the grant or any other capital grant as the conditions attaching are deemed unlikely to occur.

17 Movement in funds

	At 1 April 2019 £	Income £	Expenditure £	Transfers £	At 31 March 2020 £
Restricted funds					
Oxfordshire Council	-	26,812	(21,075)	(5737)	-
Children in Need	1,385	33,122	(19,346)	(15,161)	-
National Lottery	6,464	-	(4,437)	(2,027)	-
Oxford City Council (DC)	1,487	-	-	-	1,487
Oxford City Council (CEP)	-	4,000	(1,672)	-	2,329
Foyle Foundation	12,425	-	(12,425)	-	-
Arts Society Oxford	-	1,500	(1,500)	-	-
St Michaels & All Saints	1,250	3,750	(3,437)	-	1,563
Doris Field Trust	1,000	-	(1,000)	-	-
Bartlett Taylor Charitable Trust	-	500	(500)	-	-
The Ammco Charitable Trust	-	1,000	(1,000)	-	-
	24,011	70,684	(66,392)	(22,925)	5,378
Unrestricted funds					
General funds	27,938	552,587	(628,044)	77,265	29,746
Designated funds:					
Strategic reserve	187,921	-	-	(33,737)	154,184
Asset replacement fund	25,000	-	-	(17,603)	7,397
Young Companies' Production fund	30,000	-	-	(3,000)	27,000
Building fund	2,757,705	-	(170,505)	-	2,587,200
	3,028,564	552,587	(798,549)	22,925	2,805,527
Total funds	3,052,575	623,271	(864,941)	-	2,810,905

Restricted funds:

Oxfordshire County Council – Funds for the delivery of *Under My Skin* & to support participants needs
 Children in Need – funds to support the delivery of *Looking Forward* & *Acting Out*
 Oxford City Council – funds to support the delivery of *Dawn Chorus* project and *Acting Out* project
 National Lottery – funds to support the delivery of *True Colours*
 Foyle Foundation – funds to support the delivery of *Corrosive*
 St Michaels & All Saints – funds to support the delivery of *Catalyst* project
 Doris Field Trust – funds to support the delivery of *inclusion* projects
 Bartlett Taylor Charitable Trust – funds to support the delivery of courses
 The Arts Society Oxford – funds to support the delivery of *Remix* project
 The Ammco Charitable Trust – funds to support the delivery of *Catalyst* project

Movement in funds (continued)

Designated funds:

Strategic reserve

Stands at £154,184, 13 weeks of current gross expenditure sufficient to meet contractual liabilities should the organisation close or cease trading.

Asset replacement fund

Stands at £7,397 and is designated for the replacement of assets fixtures & fittings.

Young Companies' Production Fund

Stands at £27,000 and is been designated to underwrite young company productions over the period of the current business plan (2019-22) when sources of funding may be difficult to secure.

Building fund

The Building fund represents the residual value of grants from Arts Council England, South East, The Big Lottery Fund and other donations which contributed to the capital project (2010). The fund is reduced annually by the charge for depreciation of the building.

Prior year comparison (2018/2019)

	At 1 April 2018 £	Income £	Expenditure £	Transfers £	At 31 March 2019 £
Restricted funds					
Oxfordshire Council	-	20,495	(20,495)	-	-
Children in Need	-	34,397	(18,357)	(14,655)	1,385
National Lottery	-	7,900	(1,436)	-	6,464
Oxford City Council	-	7,000	(5,513)	-	1,487
Foyle Foundation	-	15,000	(2,575)	-	12,425
Unity Theatre Trust	-	500	(500)	-	-
St Michaels & All Saints	-	3,750	(2,500)	-	1,250
Doris Field Trust	-	1,000	-	-	1,000
Pan	-	1,500	(1,500)	-	-
	-	91,542	(52,876)	(14,655)	24,011
Unrestricted funds					
General funds	38,341	574,087	(599,145)	14,655	27,938
Designated funds:					
Strategic reserve	187,921	-	-	-	187,921
Asset replacement fund	25,000	-	-	-	25,000
Young Companies' Production fund	30,000	-	-	-	30,000
Building fund	2,928,210	-	(170,505)	-	2,757,705
	3,209,472	574,087	(769,650)	14,655	3,028,564
Total funds	3,209,472	665,629	(822,526)	-	3,052,575

18. Analysis of net assets between funds

	Fixed Assets £	Net Current Assets £	Total Funds £
Restricted Funds	-	5,379	5,379
Unrestricted Funds			
Designated funds	2,587,201	188,581	2,775,782
General fund	7,168	22,576	29,744
Total funds as at 31 March 2020	<u>2,594,369</u>	<u>216,536</u>	<u>2,810,905</u>

Prior year comparison (2018/2019)

	Fixed Assets £	Net Current Assets £	Total Funds £
Restricted Funds	-	24,011	24,011
Unrestricted Funds			
Designated funds	2,757,706	242,921	3,000,626
General fund	5,799	22,138	27,937
Total funds as at 31 March 2019	<u>2,763,50</u>	<u>289,069</u>	<u>3,052,575</u>

19 Related party transactions

Information about related party transactions and outstanding balances is outlined below:
There were no related party transactions during the year or outstanding balances at 31 March 2020. (2019: £Nil)

In aggregate, Trustees made donations totalling **£886** to the charity in the year. (2019: £937)