

PEGASUS THEATRE TRUST
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2021

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 2021. 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:

G L Geary	
E Havard	
W R Jestico	(Term completed 24 September 2020)
B J Joshua	
L Lewis	(Resigned 24 September 2020)
N Lloyd	
E MacDonald	
N Moran	(Resigned 21 September 2021)
R Price	
J Retallack	(Resigned 21 September 2021)
S Sansom	

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 Limited 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

Pegasus has proved that it is resilient and adaptable over a year of change, challenge and uncertainty which will continue as we transition through Covid-19 to the changing landscape of the future. The ongoing support of our key funders Arts Council England and Oxford City Council has been invaluable to the organisation over the period.

We have maintained our commitment to providing inspiring and high-quality projects for children, young people and their families and redirected our resources and provided activity across the most appropriate platforms for both the situation and young audiences. As a result, we have seen attendance in classes online or on site of 2,834 alongside daily attendance by 48 Acting Diploma students. Engagement with our online programme of shows, productions and events reached 24,802. Throughout we have continued to secure employment for staff, freelancers, and artists.

The Summer term 2020 began in lockdown and was our first experience of delivering activity online. We have listened to our young people and parents, learning together the challenges of online delivery.

Report of the Trustees (continued)

building stronger relationships and supporting each other through difficult times. Our weekly classes have continued throughout with reduced capacities, online or in person and sometimes in different formats.

Our in-depth inclusion programme enables 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 had opportunities to engage in the arts during the disruption of the year. We adapted our programmes 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 and *Looking Forward* for vulnerable young women and provided young participants with a constant touchstone in difficult times.

By continuing to deliver a programme we have supported our SPARK artists and retained our freelance practitioners providing ongoing work and small commissions. Online content took many forms from show recordings, Q&As, workshops to masterclasses and we were delighted with contributions from SPARK artists past and present including Richard Chappell, Robyn Olivia, Emma Boor, Morgan & West, Tabby Lamb and Joe Lott. We also provided a platform for theatre companies to show their work including Half Moon Theatre's *Dust*, Moulded Theatre's *Swish* and Mark Thomas' *Bravo Figaro*, *Red Shed* and *Serious Organised Criminal*.

Our two young companies worked across the 12-month period and adapted their plans to produce work on the mainstage. 11-15 Young Company's production of *Goldfish* was rescheduled to July 21 and 16-25 Young Company created a digital performance *Elysium* which was streamed in December 20.

We have been commissioned by Oxfordshire County Council for the past six years to produce and tour *Under My Skin*, a play about adolescent mental health by Ali Taylor, to local schools. Again Covid-19 required us to adapt our plans and this year working with director Emma Webb we produced a film version of the play which will be screened in schools over the Summer 21 term.

The delivery of the Acting Diploma for 16-18s in partnership with boomsatsuma and The River Learning Trust returned to the building in June 2020. This required a rigorous approach to risk management and the initial framework we adopted has served us well as we manage the ongoing assessments of Covid-safe working, teaching and audience environments. The students' February 2021 productions of *Animal Farm* and *Anna Karenina* were rescheduled to May 2021 and the July 2020 production of *Earthquakes in London* has been rescheduled to July 2021. Our long-standing partnership with Magdalen College School to support the delivery of their Theatre Academy annual production was adapted this year and although the academy was not physically in Pegasus, we continue to provide tutors and technical support for their productions.

Our staff team for the most part remains intact, and we have adapted to and invested in home working, different operating platforms and technology over the past year. We launched a new website in May 2020 which greatly assisted our ability to embrace digital formats and communication. We continue to play a key role in the local community and Oxford's arts ecology and are a member of Oxford's Cultural Partnership and Cultural Education Partnership and this year joined the newly formed Oxford Culture Anti-Racism Alliance.

Financial review

The (£68,986) deficit for the year is reported after charging £170,504 depreciation to the building fund which is a non-cash movement. The cash surplus for the year of £132,635 (2020 (£74,750)) is the result of the continued support throughout the period of our core funders, Arts Council England and Oxford City Council, reductions in overheads during periods of lockdown, reduced programme expenditure due to Covid-19 restrictions and the support for staff retention provided by the government's Job Retention Scheme.

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.

Report of the Trustees (continued)

Total current funds are £2,741,919 of which £2,416,696 is the Designated Building Fund and represents the residual value of grants from Arts Council England, Southeast, 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 2021 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 2021 is £44,000. The trustees approved the allocation of an additional £36,603 in this year to the fund for essential maintenance to the now 10-year-old building including repairs to the roof.

The Young Companies' production fund currently stands at £30,000. 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 trustees approved the allocation of an additional £3,000 to replenish this fund in this year.

The current level of free reserves is £46,399 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 with the Co-operative and Clydesdale Banks. The investments provided a return of 0.35% in the year ended 31st March 2021.

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 rebuild and reengage following the impact of the Covid-19 pandemic. During 2021/22 we will focus on:

- Building on our ability to flex our operating model, we will gather wider opinion from our community to develop a programme that is continually responsive to the needs and interests of our audiences. Retaining the elements that resonate and redefining those that do not we will find project partners with shared ambitions and explore collaborations that bring an impactful range of opportunities to our programme. We will engage with artists and practitioners and experiment with the platforms we use to deliver our programme developing a complementary mix of online and live activity.
- We will make positive changes to our inclusivity and diversity, investing in an organisational wide development programme to embed the processes that will ensure we fully represent and reflect the diversity of the communities we serve into the future.

Report of the Trustees (continued)

- We will ensure we provide value for money by investing our resources, be they time or money, efficiently, continually reviewing where we direct our resources in relation to the needs and expectations of our young audiences and wider community.
- Ever mindful of our impact on future generations we will continue to implement our environmental action plan with a key focus this year on providing Carbon Literacy training for the staff team's Environmental Champion and developing a green page on our website to share our commitment and the wider action we take on a day-to-day basis.

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 principal 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 two sub-committees which allow for more detailed discussion and scrutiny at separate meetings: the finance and resources committee meets four times a year prior to board meetings; the development committee meets four times 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.

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.

Report of the Trustees (continued)

Related Parties

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

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.

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.

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

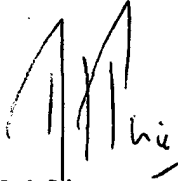
The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding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

Report of the Trustees (continued)

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware.
- 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 **21 September 2021** 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 2021 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 2021 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

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

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

Our responsibilities and the responsibilities of the directors 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 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.

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.
- we identified the laws and regulations applicable to the charity through discussions with directors and other 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 of the operations of the company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, environmental and 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 through the audit.

We assessed the susceptibility of the charity'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;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and
- understanding the design of the charity's remuneration policies.

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
- investigated the rationale behind 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 meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the company's legal advisors.

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 directors 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/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 Limited
The Clock Tower
5 Farleigh Court
Old Weston Road
Flax Bourton
Bristol BS48 1UR

Date: 21.9.2021

Statement of Financial Activities *(Incorporating an Income and Expenditure Account)*

		Unrestricted £	Restricted £	2021 Total £	2020 Total £
	Note				
Income from:					
Grants and donations	2	451,787	84,109	535,896	452,860
Charitable activities	3	79,777	-	79,777	170,175
Investments		-	-	-	236
Total income		<u>531,564</u>	<u>84,109</u>	<u>615,673</u>	<u>623,271</u>
Expenditure on:					
Raising funds	4	41,344	-	41,344	44,563
Charitable activities	5	619,467	23,848	643,315	820,378
Total expenditure		<u>660,811</u>	<u>23,848</u>	<u>684,659</u>	<u>864,941</u>
Net income / (expenditure)	6	(129,247)	60,261	(68,986)	(241,670)
Transfers		15,000	(15,000)	-	-
Net movement in funds		(114,247)	45,261	(68,986)	(241,670)
Total funds at 1 April 2020		2,805,527	5,378	2,810,905	3,052,575
Total funds at 31 March 2021	17	<u>2,961,280</u>	<u>50,639</u>	<u>2,741,919</u>	<u>2,810,905</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.

PEGASUS THEATRE TRUST
Trustees Report and Financial Statements
31 March 2021

Balance Sheet at 31 March 2021

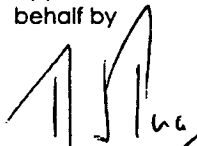
Company No: 03038190

		£	2021 £	2020 £
	Note			
Fixed Assets				
Tangible Fixed Assets	10	2,428,242		2,594,369
Investments	11	<u>1</u>		<u>1</u>
			2,428,243	2,594,370
Current Assets				
Debtors	12	20,037		56,509
Stock	13	1,385		2,058
Cash at Bank and in Hand		<u>364,963</u>		<u>232,328</u>
			386,385	290,895
Creditors: Amounts Due Within 1 Year	14		<u>(72,709)</u>	<u>(74,361)</u>
Net Current Assets			313,676	216,534
Net Assets			<u>2,741,919</u>	<u>2,810,905</u>
Funds				
Restricted Funds	17		50,639	5,379
Unrestricted Funds	17		2,691,280	2,800,782
Total Funds			<u>2,741,919</u>	<u>2,810,905</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 **21 September 2021** and signed on its behalf by



Bob Price
Director/Trustee

Statement of Cash Flows

			2021	2020
			£	£
Net cash inflow from operating activities	Notes	A	142,698	(70,521)
Non - operational cashflows:				
Cash flows from investing activities				
Interest received			(182)	(236)
Acquisition of tangible fixed assets			(9,881)	(3,993)
Net cash outflow for the year	Notes	B	<u>132,635</u>	<u>(74,750)</u>

Notes to the Cashflow Statement

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

			2021	2020
			£	£
Net movement in funds	Notes	C	(68,985)	(241,670)
Interest received			182	236
Decrease/(increase) in debtors			36,472	3,778
(Increase)/decrease in stock			673	(266)
Increase/(decrease) in creditors			(1,652)	(5,726)
Depreciation			176,008	173,127
Net cash inflow from operating activities			<u>142,698</u>	<u>(70,521)</u>

B. Analysis of changes in cash during the year

	2021	2020	Change
	£	£	£
Cash at bank and in hand	<u>364,963</u>	<u>232,328</u>	<u>132,635</u>
	2020	2019	Change
	£	£	£
	232,328	307,078	(74,750)

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 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.

Notes to the financial statements (continued)

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

			2021
Core grants	Unrestricted	Restricted	Total
	£	£	£
Oxford City Council	24,000	-	24,000
Arts Council England South East	305,493	-	305,493
Covid-19 JRS Scheme Grant	45,762	-	45,762
	375,255	-	375,255
Public grants	Unrestricted	Restricted	2021
	£	£	Total
			£
Oxfordshire County Council	-	25,352	25,352
Oxford City Council	25,000	300	25,300
BBC Children in Need	-	35,457	35,457
	25,000	61,109	86,109
Other grants and donations	Unrestricted	Restricted	2021
	£	£	Total
			£
Garfield Weston Foundation	1,250	-	1,250
PF Charitable Trust	6,667	-	6,667
Mr and Mrs JA Pye's Charitable Settlement	10,000	-	10,000
Cecil Pilkington Charitable Trust	1,000	-	1,000
Doris Field Trust	1,000	-	1,000
The Helen Hamlyn Trust	10,000	-	10,000
The Foyle Foundation	-	12,500	12,500
The Ammco Trust	-	500	500
A&H Pilkington Charitable Trust	1,000	-	1,000
Clore Foundation	-	5,000	5,000
The Barnsbury Charitable Trust	2,500	-	2,500
The Cameron Macintosh Fund	-	5,000	5,000
Donations – Corporate	500	-	500
Donations from Individuals	17,615	-	17,615
	51,532	23,000	74,532
	451,787	84,109	535,896

2. Income from grants and donations – continued

Prior year comparison (2019/20)

Core grants	Unrestricted	Restricted	2020 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 Ammco 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>



3. Income from charitable activities

	2021		
<i>Theatre and arts education activity</i>	Unrestricted	Restricted	Total
	£	£	£
Ticket sales	595	-	595
Participation fees	13,229	-	13,229
Facilities hire	-	-	-
Hire fees (performances)	-	-	-
Touring Fees	-	-	-
Cafe Bar sales	279	-	279
Miscellaneous	1,449	-	1,449
Sponsorship	64,225	-	64,225
Theatre tax relief	-	-	-
	79,777	-	79,777

Prior year comparison (2019/2020)

	2020		
<i>Theatre and arts education activity</i>	Unrestricted	Restricted	Total
	£	£	£
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
	170,175	-	170,175

4. Expenditure on raising funds

	Total 2021	Total 2020
	£	£
Direct costs	40,085	42,537
Support costs	1,259	2,026
	41,344	44,563



5. Expenditure on charitable activities

	Direct costs £	Support costs £	Total 2021 £
Programme	37,406	34,156	71,562
Producing	57,566	34,156	91,722
Participation	105,235	34,662	139,897
Administration	65,307	1,137	66,444
Premises/ Front of House	64,745	24,946	89,691
Depreciation		176,009	176,009
Audit fees	5,585	2,405	7,990
	<u>335,844</u>	<u>307,471</u>	<u>643,315</u>

Prior year comparison (2019/2020)

	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>

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

This is stated after charging:

	2021 £	2020 £
Auditors' remuneration	4,725	4,725
Operating leases	-	618
Depreciation	176,009	173,128

7. Staff costs and numbers

Staff costs were as follows:

	2021 £	2020 £
Wages and salaries	295,528	285,963
Employer's National Insurance	21,335	21,218
Employer's pension contributions	8,247	7,115
	<u>325,110</u>	<u>314,296</u>



7. Staff costs and numbers – continued

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

	2021	2020
	No.	No.
Average number (headcount) of employees	<u>13</u>	<u>14</u>
The total number of staff at the year-end was		

The total amount of employee benefits received by key management personnel is £130,309 (2020: £132,147). 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 (2020 - £0).

8. Prior year comparison (2019/2020)

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



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 2020	4,262,613	523,443	33,165	4,819,221
Additions in year	-	-	9,881	9,881
At 31 March 2021	<u>4,262,613</u>	<u>523,443</u>	<u>43,046</u>	<u>4,829,102</u>
Depreciation				
At 1 April 2020	1,675,412	523,443	25,996	2,224,851
Charge for the year	<u>170,504</u>	-	<u>5,505</u>	<u>176,009</u>
At 31 March 2021	<u>1,845,916</u>	<u>523,443</u>	<u>31,501</u>	<u>2,400,860</u>
Net Book Value				
At 31 March 2021	<u>2,416,697</u>	<u>-</u>	<u>11,545</u>	<u>2,428,242</u>
At 31 March 2020	<u>2,587,201</u>	<u>-</u>	<u>7,168</u>	<u>2,594,369</u>

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 2020	<u>1</u>
At 31 March 2021	<u>1</u>

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

	2021	2020
	£	£
Trade debtors	12,564	2,573
Prepayments	7,473	16,744
Other debtors		37,192
	<u>20,037</u>	<u>56,509</u>

13. Stock

	2021	2020
	£	£
Goods for resale	<u>1,385</u>	<u>2,058</u>

14. Creditors: Amounts due within 1 year

	2021	2020
	£	£
Trade creditors	5,005	3,057
Accruals	9,830	7,832
Deferred income	32,708	45,712
Amounts owed to group undertakings	1	1
Tax and social security	9,899	5,761
Other creditors	15,266	11,998
	<u>72,709</u>	<u>74,361</u>

15. Operating leases

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

	Equipment 2021	Equipment 2020
	£	£
Less than 1 year	-	618
Between 2 to 5 years	-	-

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 2020 £	Income £	Expenditure £	Transfers £	At 31 March 2021 £
Restricted funds					
Oxfordshire Council (UMS)	-	24,835	(6,251)	(2,220)	16,364
Oxfordshire County (ENB)	-	517	(517)	-	-
Children in Need	-	35,457	(12,574)	(12,780)	10,103
Oxford City Council (AA)	-	300	(300)	-	-
Oxford City Council (DC)	1,487	-	-	-	1,487
Oxford City Council (CEP)	2,329	-	-	-	2,329
Foyle Foundation	-	12,500	-	-	12,500
Clore Foundation	-	5,000	(2,143)	-	2,857
St Michaels & All Saints	1,563	-	(1,563)	-	-
The Ammco Charitable Trust	-	500	(500)	-	-
Cameron Macintosh	-	5,000	-	-	5,000
	5,378	84,109	(23,848)	(15,000)	50,639
Unrestricted funds					
General funds	29,746	531,564	(490,307)	(24,603)	46,400
Designated funds:					
Strategic reserve	154,184	-	-	-	154,184
Asset replacement fund	7,397	-	-	36,603	44,000
Young Companies'					
Production fund	27,000	-	-	3,000	30,000
Building fund	2,587,200	-	(170,504)	-	2,416,696
	2,805,527	531,564	(660,811)	15,000	2,691,280
Total funds	2,810,905	615,673	684,659	-	2,741,919

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
 Cameron Mackintosh Fund to support the delivery of 16-25 Young Company
 Foyle Foundation – funds to support equipment and digital capacity
 St Michaels & All Saints – funds to support the delivery of *Catalyst* project
 Clore Foundation – funds to support the delivery of the creative learning programme
 The Ammco Charitable Trust – funds to support the delivery of *Catalyst* project



Movement in funds (continued)

Designated funds:

Strategic reserve

Stands at £154,184 14 weeks of current gross expenditure sufficient to meet contractual liabilities should the organisation close or cease trading.

Asset replacement fund

Stands at £44,000 and is designated for the replacement of assets fixtures & fittings.

Young Companies' Production Fund

Stands at £30,000 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 (2019/2020)

	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



18. Analysis of net assets between funds

	Fixed Assets £	Net Current Assets £	Total Funds £
Restricted Funds	-	50,639	50,639
Unrestricted Funds			
Designated funds	2,416,696	228,184	2,644,880
General fund	11,547	34,853	46,400
Total funds as at 31 March 2021	<u>2,428,243</u>	<u>313,676</u>	<u>2,741,919</u>

Prior year comparison (2019/2020)

	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>

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 2021.
(2020 £Nil)

In aggregate, Trustees made donations totalling £531 to the charity in the year. (2020: £886)