

**THEATRE ARTS ACTION TRUST**  
**(A Company Limited by Guarantee)**

**ANNUAL REPORT**  
**AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**Company Registration Number: 3737107**

**Charity Registration Number: 1076399**

**THEATRE ARTS ACTION TRUST**  
**(A Company Limited by Guarantee)**

**ANNUAL REPORT**  
**AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**CONTENTS**

3 – 7	Report of the Directors
8	Report of the Independent Examiner
9	Statement of Financial Activities
10	Balance Sheet
11 – 17	Notes to the Accounts

**THEATRE ARTS ACTION TRUST**  
**(A Company Limited by Guarantee)**

**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

The directors present their report and financial statements for the year ended 31 December 2020.

**STRUCTURE GOVERNANCE AND MANAGEMENT**

As a company Limited by Guarantee, incorporated on 19 March 1999 and registered with the Charity Commission on 6 July 1999, the governing document is the Memorandum and Articles of Association, under which the directors act as Charity Trustees.

The current organisational structure consists of five directors, two of whom have honorary roles as the Chairman and Treasurer.

The duties of the directors are -

- to appoint a Chairman from among their number;
- to delegate any of their functions to committees of two or more individuals, at least one of whom must be a member of the management committee;
- to make standing orders and rules consistent with the Memorandum and Articles of Association.

The Management Committee meets on a regular basis and receives updates from the various sub-committees; Finance & Business Development, Artistic Programming and Education, Technical, Publicity, Premises; Health & Safety and Administration. Financial reports are presented at each main Management Committee meeting and discussed in detail by the Finance & Business Development sub-committee.

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Charity name**

The name of the charity is Theatre Arts Action Trust and it also carries out its activities as the Headgate Theatre.

**Company Number:** 3737107

**Charity Number:** 1076399

**Directors:**

The Directors, who are also the Trustees of the Charity, who served during the year and up to the date of this report are as follows:

Mr M C Kimrance	(Chairman: Re-appointed 3 <sup>rd</sup> August 2020. Resigned Chairman 22 April 2021)
Ms Jane Blackburn	(Appointed: 5 <sup>th</sup> May 2020. Elected Chairman 22 April 2021)
Mr M Kerr	(Treasurer)
Mr D P King	
Mr C A Sharp	
Mr J M Enfield	(Retired: AGM 19 <sup>th</sup> July 2020)
Ms J Knight	
Ms Maria Calvy	(Appointed: 5 <sup>th</sup> May 2020)

**Secretary:** M Young

**Registered Office and Business Address:** Headgate Theatre  
14 Chapel Street North  
Colchester  
CO2 7AT

**Independent Examiner:** Simon Welling  
Certified Accountant  
Haines Watts  
Town Wall House, Balcerne Hill  
Colchester, Essex  
CO3 3AD

**Bankers:** HSBC  
26, High Street,  
Colchester, Essex,  
CO1 1DQ

**Solicitors:** Thompson Smith & Puxon  
Stable 6,  
Stable Road,  
Colchester, Essex,  
CO2 7GL

**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)**

*Early in 2020 the UK was aware of an epidemic of a coronavirus elsewhere in the world which was starting to give cause for concern in the UK. The situation became so serious that on the 11<sup>th</sup> March the World Health Organization defined it as a 'pandemic'. This was followed soon afterwards by strong advice from the UK Government that people should not attend gatherings and that premises where people may gather, including theatres, should be closed. This advice became law the following week. The Headgate Theatre closed to all activities and uses during the week beginning 16<sup>th</sup> March and continued to be affected by government restrictions and obligations for the rest of 2020 and into 2021.*

*It should be noted, therefore, that this report is being prepared at a time when those severe restrictions on theatres are still in effect and are expected to remain in place until at least the middle of 2021.*

#### **AIMS AND OBJECTIVES**

The aims and objectives of the Company are, in summary:

1. to provide and maintain public education in drama and the performing arts;
2. to provide a building for the inhabitants of the Colchester area and its neighbourhood for this purpose, predominantly for amateur organisations;
3. to provide the opportunities for teachers of drama and performing arts to practise their activities;
4. to advance education by encouraging the public, schools, the disabled and the disadvantaged to take an active interest in drama and arts generally;
5. to provide facilities for the advancement of health, citizenship and community development and for leisure-time activities according to The Charities Act 2011
6. to carry out other charitable activities for the promotion of theatre and the arts in the Colchester area.

The Headgate Theatre opened in March 2002. It is managed by a Board of Trustees which meets regularly to oversee the administration of the Trust, to ensure that its objectives are met and to ensure that funds received are applied to its charitable purposes. The Board also satisfies itself that systems are in place to secure compliance with all statutory requirements and to obtain value for money. Day to day operation is delegated to a Management Committee and effective links are maintained between the Board and the Committee through the fact that the Treasurer is a Trustee, the Bookings Manager is also a Trustee and the Chair of the Management Committee reports to each meeting of the Board.

The major policy is to hire the theatre and rehearsal facilities to performing arts groups in the area and thereby to provide facilities for public benefit. The addition of the spaces in 2019, referred to in the report for that year, provided two broad opportunities. It enabled the expansion of facilities available to theatre-related activities, including performances and rehearsals, and it allowed a certain amount of hiring to non-theatre organisations and groups in order to provide finance to support the delivery of the Headgate's objectives.

Development of the Management Committee has continued under its Chair, aimed at equalising the workload of its members and firming up policies and practices to ensure that the theatre continues to comply with the legal obligations imposed upon it.

The directors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's objectives and activities.

#### **ACTIVITIES**

2020 was expected to continue the success of 2019 with an increasing number of performances in the main house and increasing use of the newly opened spaces in No 12 Chapel Street North. Plans were in place, budgetary planning was secure and there were proposals to improve many of the facilities in the building. Then, approximately 12 weeks into the year, with a show in the auditorium about to have its dress rehearsal, and a rehearsal in the Rehearsal Room for a show opening the following week, the Chair of the Management Committee was obliged to advise that the show, and all future shows, events and hirings, would have to be cancelled and the building closed until further notice.

Nobody knew how long this situation would last.

At that moment, the priorities of the Board and the Management Committee became:

- Notifying patrons, hirers and other users of the situation, including making refunds of pre-paid moneys as required
- Reducing expenditure to only that which was unavoidable
- Making the premises Covid-secure to protect staff, volunteers and others who may need to enter the building
- Monitoring the budget
- Maximising sources of income
- Seeking new sources of income
- Maintaining the profile of the Headgate in the area, by whatever means were available
- Preparing and maintaining plans – in many cases tentative only – for partial or full re-opening when this became possible
- Maintaining contact with volunteers and keeping them up to date with developments

The necessary planning and much of its execution was, and still is, carried out by a small number of leading volunteers, assisted by many other volunteers and, until the autumn, the three employees. It is therefore appropriate to record here the grateful thanks from the Trustees to all those involved but in particular to: Dawn King, Chair of the Management Committee; David King, Bookings Manager; Mike Kerr, Treasurer; Matthew Young, Company Secretary.

**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)**

**ACTIVITIES (CONTINUED)**

Within a very short time, all hirers had been advised of the shut-down and been assured that the theatre would re-open as soon as possible. Customers who had paid for tickets were contacted and offered refunds. In many cases, they declined a refund and requested that the money due be treated as a donation, adding their good wishes to the Headgate and their hopes that the organisation would be able to re-open soon.

Although performances were halted, there was still some activity involving people entering the building so urgent measures - including screens, gel dispensers, antiseptic wipes, traffic control and advisory notices of various types - were put in place to try to ensure the safety of all who were involved. In this regard, careful attention was always given to advice being issued by H M Government on a frequent basis.

With the benefit of the Coronavirus Job Retention Scheme, the staff were put on furlough at the end of April. A reduced staff presence was maintained until the end of September. Unfortunately, as time went on it became clear that there was insufficient income and insufficient work to justify continuing with their employment and it was with great regret that the Board came to the conclusion that they would have to be made redundant. The Trustees would like to take this opportunity to thank them for all the service and support that they have given, which in many cases was 'over and above' that which was formally required.

The programme of performances was revised 'in pencil' in order that when restrictions were lifted they would be able to re-start quickly. As the year progressed, the tentative programme comprised shows with very limited numbers of performers and few performances, and planning was based on small audiences so that Covid-secure measures could be maintained and social distancing observed.

The Covid-security measures enabled certain activities in the premises to be maintained, because the theatre was able to provide reassurance to hirers that every precaution was being taken. This facilitated the maximisation of commercial hires in order to maintain an income stream. Some activities continued or were re-launched during the year, including the wellbeing classes, some dance classes and yoga sessions which helped the users and their tutors to counteract some of the effects of the 'lockdowns'. Act V in particular was a great success in this regard, with some of their sessions being conducted online, and was highly appreciated by patrons and facilitators alike.

It was even possible to host another session of the Romanian elections in a Covid-secure manner.

**GOVERNANCE AND MANAGEMENT**

Throughout the year, the Board continued to hold regular meetings, many of which were online, in order to address the issues presented by the pandemic and to ensure that the responsibilities imposed on Trustees were still being discharged. The Management Committee and its sub-committees also met regularly and the Board was kept updated by regular reports from its Chair. This enabled the Trustees to satisfy themselves that measures were in place to deal with the situation and maintain as much normal business as possible.

After much discussion about the desirability of holding the Annual General Meeting at the theatre at the usual time and the practicalities of trying to do so, it was eventually decided that in the interests of keeping members informed and engaged the AGM would be a 'virtual' event. Members were sent – by email or post - all the documents that would have been presented at a physical meeting and were invited to ask questions and to agree to proposals set out in the agenda. The AGM saw the retirement of John Enfield as a Trustee and the Board was pleased to recommend to the membership that Jane Blackburn and Maria Calvy be appointed. Twenty members expressed their acceptance and agreement, which was enough to meet the quorum requirement of ten.

During the year, it became increasingly obvious that the burden of operating the complex business that the Headgate had become was falling disproportionately and too heavily on a small number of volunteers, and the age profile of the volunteer base indicated that active succession planning was required. Several reports were received from the Management Committee via its Chair and after much consideration and debate a new staffing structure was agreed with clear accountability to the Trustees. This will see the operational leadership of the organisation headed by a paid employee who will be assisted and supported by the volunteer team. The first phase of the implementation of this decision is planned for early 2021.

Alongside the decisions about the management of the Headgate, the Board also agreed a business plan for the next three years, acknowledging that this contained some assumptions which the course of the pandemic may prove unfounded. The associated strategy included Key Performance Indicators to facilitate the monitoring of progress.

The Conditions of Hire were reviewed and updated, particularly with reference to the Covid pandemic, and all existing and new hirers were required to produce their own risk assessments and statements of operation to match the risk assessments undertaken by the Headgate. Compliance with risk assessments was actively monitored by a small team of trained volunteers, who also undertook any additional cleaning/sanitisation required.

As part of its regular monitoring, the Board received reports at each meeting about any Safeguarding issues and Health and Safety matters.

The Trustees were sad to hear of the death of Miss Janet Fulford who had been the theatre's patron since it opened. No names came to mind of people who might be asked fulfil the role, so it was agreed that no immediate action would be taken. However, if anybody becomes aware of a suitable candidate at some time in the future, their name should be put forward.

**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)**

**FINANCIAL REVIEW**

With minimal income, some unavoidable expenditure and no certainty about how long restrictions would last, the Trustees ensured that they were kept up to date with the budget and the Treasurer has been particularly assiduous at presenting timely and comprehensive reports on the finances of the company. This has enabled the Trustees to make informed decisions about which expenditure could go ahead and which would have to be abandoned.

In 2020, we were pleased to receive £13,501 as Small Business Grants via Colchester Council.

Initially, all expenditure was stopped other than that which was unavoidable, and staffing costs. As has been mentioned earlier, we were pleased that the Coronavirus Job Retention (Furlough) Scheme enabled us to retain our employees in the hope that normal activity would resume after a short time. Unfortunately, this hope was not fulfilled.

There were two particular items of planned expenditure in the business plan which required considerable discussion. One was the replacement of the lighting desk. The majority of the funding for this was to come as a donation from Colchester Theatre Group, with the balance being met by the Headgate. Much of the requisite rewiring had already been carried out and the Board was advised that currently voluntary expertise was available which might not be available by the time things returned to normal, so the decision was made to reinstate this item into the programme.

The other item was the replacement of the lift. Whilst it was clearly sensible for this to be done when the building was closed so that normal operations would not be disrupted, the Board was also aware that the current lease of the building had only five years to run. The lift replacement was therefore removed from the 2020 plan, pending further discussions.

In the interests of reducing expenditure, constructive discussions took place with the landlord of 12 Chapel Street North and the Headgate is grateful for the support received.

In a search for other sources of income, the government's Culture Recovery Fund was identified. This was investigated but found not to apply in our case as it was targeted at arts organisations which would go out of business and cease to exist after 31 March 2021. As a result of careful and prudent management of the finances, the Headgate was not in such a precarious position, so the decision was made not to apply.

Knowing that the Headgate has wide and enthusiastic support in the area, a Crowd Funding exercise entitled "Help Us Keep the Lights On" was launched towards the end of the year, aimed at raising money for upgrading the lighting in the auditorium. This was extremely successful, raising £15K which is enabling new, safer and energy-efficient lighting to be purchased.

The Headgate applied to the Theatres Trust for a grant to support planned re-opening of the theatre in accordance with our risk assessments, and the maximum sum of £5,000 was awarded in 2021. This will enable us to provide screening for various areas, plus mechanical cleaning equipment, and to improve the ventilation in one of our rehearsal rooms.

**MAINTAINING THE HEADGATE PROFILE**

Very early on, it was realised that it was going to be essential to ensure that the Headgate's profile in the area and with its supporters and volunteers needed to be maintained, and members of the Management Committee have put an enormous amount of work into this aspect of the Headgate activity. This has come in the form of:

- Updating the web site and ensuring that it is used to keep people informed about activities, plans etc. It was also used effectively in connection with the Crowd Funding exercise mentioned earlier
- Using various social media outlets to keep the profile fresh and active
- Promoting and organising drama-related activities, including the highly successful Sofa2Stage project which saw 43 short plays written and 15 of them rehearsed, performed and published on the theatre's YouTube channel. The channel received over 5,500 views and enabled us to engage with an audience of over 1,400 people.
- Keeping volunteers engaged with a regular newsletter giving them up-to-date information and with a number of online social activities.
- Providing two musical theatre workshops for young people during the October half terms, albeit for reduced numbers and a higher facilitator/student ratio.
- Between October 2020 and January 2021 the theatre hosted *Inspire Suffolk* – a group working under the umbrella of The Prince's Trust. Seven youngsters with their facilitator worked towards a basic qualification called Community and Employability Level 1 or 2. They were all successful and a commitment to use the theatre going forward was made. This was a great use of our facilities and meets one of our key objectives.
- A "Christmas at Chapel Street" video, was commissioned by a local Rotary Club, and was viewed over 300 times.

**THEATRE ARTS ACTION TRUST**  
**(A Company Limited by Guarantee)**

**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)**

**PLANNING FOR THE FUTURE**

It is hoped that the Headgate will be able to re-open and start to return to normal activity during 2021, so various plans are in place for this to happen, depending on the order and degree to which restriction are lifted. These include the provision of additional ventilation in the Rehearsal Room. It is expected that the requisite work will be carried out in the early part of 2021.

A programme of events is in place which, it is hoped, will see audiences and hirers gradually return to the Headgate during the second half of 2021, based on realistic assumptions of progress in controlling the pandemic.

A Script-writing club launches in the Spring of 2021 and places are already sold out.

**THANKS**

The Board would like to take this opportunity to record its grateful thanks to the committed and dedicated group of volunteers who have given freely of their time and energies to enable The Headgate to be used as and when Covid restrictions allowed, to maintain the building and to carry out all the many activities outlined in this report. In this regard we would like to thank in particular Dawn King, Chair of the Management Committee.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The trustees (who are also directors of Theatre Arts Action Trust for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).


Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including 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 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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.

This report was approved by the Board on 21.6.2021

and signed on its behalf by

  
Jane Blackburn (Chairman)

**THEATRE ARTS ACTION TRUST**  
**(A Company Limited by Guarantee)**

**INDEPENDENT EXAMINER'S REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

I report to the charity trustees on my examination of the accounts of the charitable company for the year ended 31 December 2020, which are set out on pages 9 to 17.

**Responsibilities and basis of report**

As the charity's trustees of the Company (who are also the directors of the company for the purpose of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ("the 2006 Act").


Having satisfied myself that the accounts of the Company are not required to be audited for this year under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ("the 2011 Act"). In carrying out my examination, I have followed the directions given by the Charity Commission (under section 145(5)(b)) of the 2011 Act.

**Independent examiner's statement**

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



**S WELLING**  
**CERTIFIED ACCOUNTANT**  
**HAINES WATTS**  
Town Wall House  
Balkeme Hill  
Colchester  
Essex CO3 3AD

21 June 2021



**THEATRE ARTS ACTION TRUST**  
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	Unrestricted Funds (Note 5)		Restricted Funds (Note 6)		Total Funds	Total Funds
		2020	2019	2020	2019	2020	2019
		£	£	£	£	£	£
<b>INCOME AND ENDOWMENTS FROM:</b>							
Donations and legacies	7	19,517	9,668	18,500	15,000	38,017	24,668
Charitable activities	8	49,331	104,262	-	-	49,331	104,262
Other trading activities	9	10,057	40,957	-	-	10,057	40,957
Investment income – interest receivable		1,061	895	-	-	1,061	895
Other		-	-	-	2,954	-	2,954
<b>Total</b>		<b>79,966</b>	<b>155,782</b>	<b>18,500</b>	<b>17,954</b>	<b>98,466</b>	<b>173,736</b>
<b>EXPENDITURE ON:</b>							
Raising funds	10	8,428	23,275	-	-	8,428	23,275
Charitable activities	11	99,669	139,500	23,771	29,455	123,440	168,955
<b>Total</b>		<b>108,097</b>	<b>162,775</b>	<b>23,771</b>	<b>29,455</b>	<b>131,868</b>	<b>192,230</b>
<b>NET (EXPENDITURE) / INCOME BEING NET MOVEMENT IN FUNDS</b>		<b>(28,131)</b>	<b>(6,993)</b>	<b>(5,271)</b>	<b>(11,501)</b>	<b>(33,402)</b>	<b>(18,494)</b>
<b>RECONCILIATION OF FUNDS</b>							
Total Funds brought forward		302,543	309,536	48,018	59,519	350,561	369,055
Total Funds carried forward		274,412	302,543	42,747	48,018	317,159	350,561

All of the above results are derived from continuing activities. All gains and losses in the year are included above.

The surplus / (deficit) for the year for Companies Act purposes was £(33,402) (2019: £(18,494)).

The notes on pages 11 – 17 form part of these financial statements.

**THEATRE ARTS ACTION TRUST**  
(A Company Limited by Guarantee)

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2020**

	Notes	Unrestricted Funds		Restricted Funds		Total Funds	Total Funds
		2020 £	2019 £	2020 £	2019 £	2020 £	2019 £
<b>FIXED ASSETS</b>							
Tangible assets	13	145,354	173,154	39,428	45,315	184,782	218,469
<b>CURRENT ASSETS</b>							
Stocks	14	346	699	-	-	346	699
Debtors	15	1,350	5,969	-	-	1,350	5,969
Cash at bank and in hand	16	135,098	134,919	3,319	2,703	138,417	137,622
		136,794	141,587	3,319	2,703	140,113	144,290
<b>CREDITORS: amounts falling due within one year</b>	17	7,736	12,198	-	-	7,736	12,198
<b>NET CURRENT ASSETS</b>		129,058	129,389	3,319	2,703	132,377	132,092
<b>TOTAL NET ASSETS</b>		274,412	302,543	42,747	48,018	317,159	350,561
<b>THE FUNDS OF THE CHARITY</b>							
Unrestricted income funds	5	274,412	302,543	-	-	274,412	302,543
Restricted income funds	6	-	-	42,747	48,018	42,747	48,018
<b>TOTAL FUNDS</b>		274,412	302,543	42,747	48,018	317,159	350,561

For the year ended 31 December 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the FRS102 SORP.

The notes on pages 11 to 17 form part of these financial statements.

Company registration number: 3737107

The financial statements were approved by the Board on 21.6.2021

and signed on its behalf by Jane Blackburn  
Jane Blackburn (Chairman)

**THEATRE ARTS ACTION TRUST**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**1. ACCOUNTING POLICIES:**

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout this year.

**(a) Basis of Accounting**

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

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

**(b) Going Concern**

There are no material uncertainties affecting the ability of the Charity to operate and therefore these accounts have been prepared on a going concern basis.

**(c) Fund Accounting**

Unrestricted funds are available for use at the discretion of the directors in furtherance of the general objectives of the charity. Details of the particular funds are shown in Note 5.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor or contained in the terms of a grant. Details of the particular funds are shown in Note 6.

**(d) Income**

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Voluntary income is received by way of grants and donations and is included in full when receivable. Gift Aid recoveries and donations from individuals are recognised in the same period as the donation.

Unrestricted grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant. Restricted grants are recognised on receipt.

Ticket sales are not included where the Charity is acting as agent for the user group.

Donated goods are included at the value to the charity where this can clearly and easily be quantified. The value of services provided by volunteers has not been included in these financial statements.

Investment income is included when receivable and comprises bank interest.

**(e) Expenditure**

Expenditure is recognised on an accruals basis as liability is incurred. Expenditure includes non-recoverable VAT and is reported as part of the expenditure to which it relates.

Costs of raising funds comprise the costs associated with attracting voluntary income and fundraising activities.

Expenditure on Charitable activities comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries.

Governance costs are included as support costs and allocated to the activities to which they relate.

Redundancy payments are written off to the General Fund as incurred.

**(f) Tangible fixed assets and depreciation**

Fixed assets are stated at cost, less accumulated depreciation. The costs of additions less than £1,000 are not capitalised. Depreciation is provided at rates calculated to write off the cost of each asset over its expected life, as follows:

Leasehold property renovations	Straight Line over the life of the lease
Computer equipment	20% on cost
Equipment and fixtures	10% on cost

**(g) Stock**

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

**(h) Debtors**

Debtors are recognised at the settlement amount due. Prepayments are valued at the net amount prepaid net of any trade discounts due.

**THEATRE ARTS ACTION TRUST**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**1. ACCOUNTING POLICIES (Continued)**

**(i) Cash at Bank and in hand**

Cash at bank and cash in hand includes cash, bank and short-term investments.

**(j) Creditors and Provisions**

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

**(k) Cash Flow Statement**

The Charity has taken advantage of the exemption provided for Charities with income under £500,000 and has not prepared a Cash Flow Statement for the year.

**2. COMPANY LIMITED BY GUARANTEE RESIDENT IN ENGLAND**

The company is limited by guarantee and does not have share capital. The maximum liability of each member in the event of the company being dissolved is £1.

**3. TURNOVER**

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

**4. OPERATING SURPLUS**

	<u>2020</u>	<u>2019</u>
	£	£
Operating surplus is stated after charging:		
Depreciation and other amounts written off tangible assets	37,842	38,198
Directors' (Trustee's) remuneration and expenses	-	-
Independent examiners fees	<u>500</u>	<u>500</u>

**5. UNRESTRICTED FUNDS**

	<u>Notes</u>	<u>General Fund</u>		<u>Designated Fund</u>		<u>Total</u>	
		<u>(a)</u>		<u>David Forder Designated Fund</u>			
		<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
		£	£	£	£	£	£
<b>INCOME AND ENDOWMENTS FROM:</b>							
Grants, Donations and Legacies	7	19,517	9,668	-	-	19,517	9,668
Charitable activities	8	49,331	104,262	-	-	49,331	104,262
Other trading activities	9	10,057	40,957	-	-	10,057	40,957
Investments – interest		1,061	895	-	-	1,061	895
<b>Total</b>		<u>79,966</u>	<u>155,782</u>	<u>-</u>	<u>-</u>	<u>79,966</u>	<u>155,782</u>
<b>EXPENDITURE ON:</b>							
Raising funds	10	8,428	23,275	-	-	8,428	23,275
Charitable activities	11	76,349	116,180	23,320	23,320	99,669	139,500
<b>Total</b>		<u>84,777</u>	<u>139,455</u>	<u>23,320</u>	<u>23,320</u>	<u>108,097</u>	<u>162,775</u>
<b>NET (EXPENDITURE)/INCOME BEING NET MOVEMENT IN FUNDS</b>		(4,811)	16,327	(23,320)	(23,320)	(28,131)	(6,993)
<b>RECONCILIATION OF FUNDS</b>							
Total Funds brought forward		<u>164,219</u>	<u>147,892</u>	<u>138,324</u>	<u>161,644</u>	<u>302,543</u>	<u>309,536</u>
Total Funds carried forward		<u>159,408</u>	<u>164,219</u>	<u>115,004</u>	<u>138,324</u>	<u>274,412</u>	<u>302,543</u>

(a) The General Fund is available for the general purposes of the Charity.

(b) The David Forder Fund is unrestricted but has been designated by the Trustees for use for a particular purpose, being now determined as funds available to expense improvements to the bar and common areas in the theatre building (2017) and to undertake leasehold improvements and refurbishment following acquisition of a lease to the adjacent Warehouse building (2018). During 2018 a grant was received from the Hervey Benham Charitable Trust to be applied towards the cost of improvements to the Warehouse; this grant is shown as an addition to the Trust's designated funds. The amortisation of the improvements to the Warehouse building is written off against this fund.

**THEATRE ARTS ACTION TRUST**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**6 RESTRICTED FUNDS**

See notes below	Notes	<b>Renovation Grants</b>													
		<b>Theatre</b>		<b>Rent Grant</b>		<b>Headgate Youth Theatre</b>		<b>ACT V</b>		<b>Sound &amp; Lighting Equipment</b>		<b>Covid Adaptations</b>		<b>Total</b>	
		<b>(a)</b>		<b>(b)</b>		<b>(c)</b>		<b>(d)</b>		<b>(e)</b>		<b>(f)</b>			
		<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>INCOME AND ENDOWMENTS FROM:</b>															
Grants, Donations & legacies	7	-	-	15,000	15,000	-	-	-	-	2,000	-	1,500	-	18,500	15,000
ACT V Activity		-	-	-	-	-	-	-	2,954	-	-	-	-	-	2,954
<b>Total</b>		<b>-</b>	<b>-</b>	<b>15,000</b>	<b>15,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,954</b>	<b>2,000</b>	<b>-</b>	<b>1,500</b>	<b>-</b>	<b>18,500</b>	<b>17,954</b>
<b>EXPENDITURE ON:</b>															
Charitable Activities	11	7,553	7,553	15,000	15,000	-	-	884	6,902	334	-	-	-	23,771	29,455
<b>Total</b>		<b>7,553</b>	<b>7,553</b>	<b>15,000</b>	<b>15,000</b>	<b>-</b>	<b>-</b>	<b>884</b>	<b>6,902</b>	<b>334</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23,771</b>	<b>29,455</b>
<b>NET INCOME/ (EXPENDITURE) BEING NET MOVEMENT IN FUNDS</b>		<b>(7,553)</b>	<b>(7,553)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(884)</b>	<b>(3,948)</b>	<b>1,666</b>	<b>-</b>	<b>1,500</b>	<b>-</b>	<b>(5,271)</b>	<b>(11,501)</b>
<b>RECONCILIATION OF FUNDS</b>															
Total funds brought forward		45,315	52,868	-	-	1,819	1,819	884	4,832	-	-	-	-	48,018	59,519
Total funds carried forward		37,762	45,315	-	-	1,819	1,819	-	884	1,666	-	1,500	-	42,747	48,018

- (a) Grants received in 2001 and 2002 for the renovation of the theatre are being written off over 25 years in line with the amortisation of expenditure on the long leasehold.
- (b) The grant in respect of rent was received from Colchester Borough Council and is equal to the rent due on the Headgate Theatre lease (see Note 18).
- (c) The Headgate Youth Theatre Fund is used to promote amateur theatre for youngsters.
- (d) ACT V is an adopted activity from the Mercury Theatre, fully integrated into the programme of the Headgate Theatre.
- (e) Donation received in 2020 to purchase sound and lighting equipment which is depreciated over 6 years on a straight line basis.
- (f) Grant received in 2020 to enable the theatre to make adaptations to become Covid safe.

**THEATRE ARTS ACTION TRUST**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**7. GRANTS, DONATIONS AND LEGACIES**

	<u>2020</u>		<u>2019</u>	
	£	£	£	£
<b>Unrestricted Funds</b>				
General Fund				
Members subscriptions	5		20	
Donations	6,011		9,648	
Grants Receivable	<u>13,501</u>		<u>-</u>	
		19,517		9,668
<b>Restricted Funds</b>				
Rent Grant Fund				
Colchester Borough Council grant re rent	15,000		15,000	
Sound and Lighting Fund				
Donation	2,000		-	
Covid Adaptations Fund				
Essex County Council Adaptation Grant	<u>1,500</u>		<u>-</u>	
		<u>18,500</u>		<u>15,000</u>
		<u><u>38,017</u></u>		<u><u>24,668</u></u>

**8. CHARITABLE ACTIVITIES**

<b>Unrestricted Funds</b>				
General Fund				
Theatre lettings		30,724		67,896
Ticket Source booking fees		1,695		6,741
Bar sales and ice cream		6,565		25,871
Other income		1,450		3,754
Government Grants – Job Retention Scheme		<u>8,897</u>		<u>-</u>
		<u><u>49,331</u></u>		<u><u>104,242</u></u>

**9. OTHER TRADING ACTIVITIES**

<b>Unrestricted Funds</b>				
General Fund				
Production Income – HTP		3,316		26,614
Production Income - Workshops		1,530		8,274
Activity Income – ACT V		<u>5,211</u>		<u>6,069</u>
		<u><u>10,057</u></u>		<u><u>40,957</u></u>

**10. RAISING FUNDS**

<b>Unrestricted Funds</b>				
General Fund				
Advertising and publicity		1,538		6,540
Production costs (HTP, Workshops & ACT V)		<u>6,890</u>		<u>16,735</u>
		<u><u>8,428</u></u>		<u><u>23,275</u></u>

The Headgate Theatre is also used as the venue for the company's own fundraising events.

**THEATRE ARTS ACTION TRUST**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

11. CHARITABLE ACTIVITIES	<u>2020</u>		<u>2019</u>	
Unrestricted Funds	£	£	£	£
<b>General Fund</b>				
Bar purchases (net of stock movement)	3,116		10,686	
Rent & Service Charge	14,230		20,320	
Rates	1,421		1,566	
Utilities	4,852		7,242	
Insurance	5,332		5,499	
Staff costs	19,734		22,710	
Cleaning materials and contract	5,680		8,890	
Licences	1,323		1,831	
Training	70		1,202	
Bank and credit card charges	710		1,848	
Ticket source processing fee	1,408		5,782	
Repairs and Renewals	6,438		8,507	
Maintenance	2,142		6,422	
Health & Safety	94		1,384	
Postage, stationery, telephone and travel	1,389		1,986	
Subscriptions and donations	183		234	
Software	669		543	
Sundries	423		1,703	
Amortisation of long leasehold property improvements	3,507		3,507	
Depreciation of equipment and fixtures	3,128		3,818	
Support costs – Independent Examiners fees	500		500	
		<u>76,349</u>		<u>116,180</u>
<b>David Forder Fund</b>				
Amortisation of long leasehold property improvements		<u>23,320</u>		<u>23,320</u>
		<u>99,669</u>		<u>139,500</u>
<b>Restricted Funds</b>				
<b>Theatre Renovation Grant</b>				
Amortisation of long leasehold	7,553		7,553	
<b>Rent Grant</b>				
Rent payable	15,000		15,000	
<b>ACT V</b>				
ACT V expenditure	884		6,902	
<b>Sound and Lighting Fund</b>				
Depreciation of equipment and fixtures	334		-	
		<u>23,771</u>		<u>29,455</u>
		<u>123,440</u>		<u>168,955</u>
<b>12. STAFF COSTS</b>				
Salaries and wages		18,385		22,467
Social security costs		-		-
Employers contribution to defined contribution pension scheme		214		243
Redundancy payment		1,135		-
		<u>19,734</u>		<u>22,710</u>

No remuneration or expenses are paid to Trustees and the duties of key management personnel are carried out by them.

Remuneration of key management personnel is therefore nil for both the year ended 31 December 2020 and 31 December 2019.

There are no employees who received total employee benefits (excluding employer pension costs) of more than £60,000 during the year ended 31 December 2020 or 31 December 2019.

Redundancy payments during the year ended 31 December 2020 amounted to £1,135 and have been expended from the General Fund.

The average number of staff employed during the year ended 31 December 2020 was 3 (2019 – 3).

**THEATRE ARTS ACTION TRUST**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**13. TANGIBLE FIXED ASSETS**

13.1 Assets held for use by the charity comprise :-

	<u>Leasehold Property Renovations</u> £	<u>Equipment and Fixtures</u> £	<u>Total 2020</u> £	<u>Total 2019</u> £
<b>Cost</b>				
At beginning of year	395,691	94,605	490,296	349,309
Additions	-	4,155	4,155	140,987
At end of year	<u>395,691</u>	<u>98,760</u>	<u>494,451</u>	<u>490,296</u>
<b>Depreciation</b>				
At beginning of year	189,415	82,412	271,827	233,629
Charge for the year	34,380	3,462	37,842	38,198
At end of year	<u>223,795</u>	<u>85,874</u>	<u>309,669</u>	<u>271,827</u>
<b>Net Book Values</b>				
At end of year	<u>171,896</u>	<u>12,886</u>	<u>184,782</u>	<u>218,469</u>
At beginning of year	<u>206,276</u>	<u>12,193</u>	<u>218,469</u>	<u>115,680</u>

13.2 Assets are held in both Unrestricted and Restricted funds at 31 December as follows :-

	<u>Unrestricted Funds</u> £	<u>Restricted Funds</u> £	<u>Total 2020</u> £	<u>Total 2019</u> £
Unrestricted	134,134	11,220	145,354	173,154
Restricted	37,762	1,666	39,428	45,315
	<u>171,896</u>	<u>12,886</u>	<u>184,782</u>	<u>218,469</u>

**14. STOCKS**

Bar stock	<u>346</u>	<u>-</u>	<u>346</u>	<u>699</u>
-----------	------------	----------	------------	------------

**15. DEBTORS**

Trade debtors	1,081	-	1,081	3,199
Prepayments	269	-	269	2,770
	<u>1,350</u>	<u>-</u>	<u>1,350</u>	<u>5,969</u>

**16. CASH AT BANK AND IN HAND**

Bank balances	134,628	3,319	137,947	137,182
Cash floats	470	-	470	440
	<u>135,098</u>	<u>3,319</u>	<u>138,417</u>	<u>137,622</u>

**17. CREDITORS: amounts falling due within one year**

Other creditors	2,747	-	2,747	4,693
Accruals	390	-	390	1,769
Income received in advance	4,599	-	4,599	5,736
	<u>7,736</u>	<u>-</u>	<u>7,736</u>	<u>12,198</u>



**THEATRE ARTS ACTION TRUST**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

18.	<b>FINANCIAL COMMITMENTS</b>	<u>2020</u>	<u>2019</u>
	At 31 December 2020 the company had annual commitments under non-cancellable operating leases as follows:-	£	£
	Due within one year		
	Land and Buildings – Headgate Theatre	15,000	15,000
	Land and Buildings – The Warehouse	<u>18,000</u>	<u>18,000</u>
		<u>33,000</u>	<u>33,000</u>
	Due between two and five years		
	Land and Buildings – Headgate Theatre	57,500	60,000
	Land and Buildings – The Warehouse	<u>72,000</u>	<u>72,000</u>
		<u>129,500</u>	<u>132,000</u>
	Due in more than 5 years		
	Land and Buildings – Headgate Theatre	-	12,500
	Land and Buildings – The Warehouse	<u>15,000</u>	<u>33,000</u>
		<u>15,000</u>	<u>45,500</u>
	Total commitments	<u>177,500</u>	<u>210,500</u>

The Headgate Theatre lease expires in 2025 and funds to meet this commitment are provided by Colchester Borough Council through a grant. (see note 6c). The Warehouse lease expires on 21 October 2026

19.	<b>CAPITAL COMMITMENTS</b>	<u>2020</u>	<u>2019</u>
		£	£
	Authorised & Contracted for		
	Project to replace Auditorium lighting & sound : Phase 1	<u>3,950</u>	<u>-</u>
	Authorised but not contracted for		
	Project to replace Auditorium lighting & sound : Phase 2	<u>9,950</u>	<u>-</u>

20. **TAXATION**  
As a charity, the company is exempt from tax on income and gains falling within Sec 505 of the Taxes Act 1998 or Sec 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

21. **RELATED PARTIES**  
There were no related party transactions with the Charity Trustees during the years ended 31 December 2020 or 31 December 2019.