

Registered number: 01526454
Charity number: 1056994

Medway Little Theatre Ltd
(A company limited by guarantee)

Unaudited

Trustees' report and financial statements

For the year ended 31 August 2022

Medway Little Theatre Ltd
(A company limited by guarantee)

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Medway Little Theatre Ltd
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Reference and administrative details of the charity, its Trustees and advisers
For the year ended 31 August 2022

Trustees	David Aldington Roderic De Lorme Michael Dickinson Victoria Hayhow Chris Hynd Christopher Loft Kerensa Thompson John Winson Carol Wrate
Company registered number	01526454
Charity registered number	1056994
Registered office	256 St Margarets Banks High Street Rochester Kent ME1 1HY
Accountants	Kreston Reeves LLP Chartered Accountants Montague Place Quayside Chatham Maritime Chatham Kent ME4 4QU
Independent Examiner	Susan Robinson BA FCA FCIE FChA Kreston Reeves LLP Montague Place Quayside Chatham Kent ME4 4QU

Medway Little Theatre Ltd
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Chairman's statement
For the year ended 31 August 2022

The chairman presents his statement for the year.

After the challenges that faced us in 2020 and 2021, 2022 was the year that saw the theatre begin to properly get back on its feet following the success of A Christmas Carol in December 2021. At the beginning of the year though, there were still concerns around emerging Covid variants, so we thought it prudent to tread carefully. In March we mounted a successful production of Willy Russell's 'Educating Rita', followed in April by our Youth Company production of 'Lords and Ladies' and in June, Amanda Whittington's 'Ladies' Day', also very successful, a production that had been a casualty of lockdown in 2020. We were not sure whether to hold the Duncan Rand One Act Play Festival, but bit the bullet and proceeded to do so, and whilst there were few entrants (many of the groups which would normally enter were not up and running themselves) those groups who did enter, were only too pleased to be back in our theatre again. We hope for a greater take up this year!

You will note that the intended production of 'Hamlet' in May last year did not take place owing to the indisposition of the actor cast in the title role, and whilst initially put back to October last year, it will now take place in May this year. In fact, rehearsals have not long commenced.

The 2022/23 season started in October with Alan Ayckbourn's one and only true farce 'Taking Steps', which was very successful, followed by a Children's Workshop/Youth Production in November and then onto 'Goodnight Mr Tom' in December, also very successful and a sell-out to boot! This was followed in February with a splendid production by our Youth Group of Michael Morpurgo's 'Private Peaceful'. Put together in only five weeks by director, Kairn Bignell, my congratulations go to all those involved. This was followed at the end of February by the powerful political thriller, 'Death and the Maiden' by Ariel Dorfman, directed by newcomer to MLT, Fiona McGahren, who I hope will direct many more plays to come. Both 'Private Peaceful' and 'Death and the Maiden' have been entered into the Kent Drama Association (KDA) Full Length Play Festival and each received very favourable adjudications on their last performances. So, I wish both the very best of luck in the final reckoning.

I am also pleased to advise that our Youth Group will this year be resuming their annual visit to the Gibraltar One Act Play Festival, for which I wish them the very best of luck. At this point I would also like to thank Kerrie Thompson, Kairn Bignall, Kerrie Owens, David Hutley and Carol Scott, who run both the Youth Group and Children's Workshop, not to mention Derek Thompson, who provides much of the technical and backstage support, and Luke Taylor, for his continued support.

In addition to our own productions, in January we hosted local group, Alternate Shadow's pantomime, 'The Pied Piper', followed at the beginning of February by the local community theatre company, Pretending People, with their production of 'Grimm Tales', and who also ran two workshops for young people. We also hosted for two nights at the end of January local folk and blues band, The Singing Loins, alongside Wild Billy Childish and The Chatham Singers. Both nights a sell out! We also have two or three more music nights scheduled in.

The idea of bringing in entertainment from outside to run alongside our own productions is not new, but has not taken place with any regularity for some years. Whilst we must not lose sight of our own purpose by offering the experience, whether on stage or behind the scenes, of putting on our own productions, it has been thought for some time that the theatre is underused. Therefore, by offering our space, where it fits within our schedule, to other theatre groups or bands/singers to perform in, we are hoping to raise our profile by bringing more people into the theatre as well as offering additional entertainment to our members.

Talking of bringing more people into the theatre, I am pleased to advise that our membership has increased, be it very gradually, with both full and audience members.

Current membership: 126 Members (Split: 68 Full Members and 58 Audience Members)

On a sadder note, we had to say goodbye to a number of our older members in 2022, namely Joan Williams, Gail Kemp, Don Kemp, Andrew Coulson and Barbara Brigden, and earlier this year, Colin Bryant, all of whom contributed a great deal to the theatre over the years. Unless a very new member, you will have received tributes for each person from Paul Tomkies, who kindly put these together, for which I am very grateful.

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Chairman's statement (continued)
For the year ended 31 August 2022

An ongoing problem has been trying to fill the bar and front of house rota for our shows. However, last year, by accident as it so happens, I included our audience members on my request for help, where historically we had only ever asked full members, and I am delighted to say that we now have a small group of audience members who volunteer on a regular basis, which has and continues to be an enormous help. It is sometimes disappointing though that some of our full members do not respond when not involved in a play. It is only fair that you support other members as they support you, even if it's only once in a season. Every little helps and please remember that without cover for these roles, we cannot open our shows! At this point, I would of course like to wholeheartedly thank all those members who have volunteered throughout the last year.

Talking of help, I am delighted to advise you that Kate Brookes has recently taken up the role of box office manager and is settling into the role very nicely with the help of Kerrie Thompson, who has been our temporary manager for the past two years. My thanks to you both! We will of course be looking for one or two volunteers who are willing to deputise for Kate in the box office on show nights when she is in a show herself, or when perhaps she cannot cover every night of a run. If you might be interested, please let me know.

Now, onto the upkeep of the building, unfortunately we were still unable to secure the employment of a firm to render the outside. Because of the age of the building, it requires a specialist firm to carry out this work, who all seem to be particularly busy and very difficult to pin down. We will keep trying!

Inside the theatre, a new bar was installed by Mark Kitchener and Derek Thompson, both of whom I thank. This just needs finishing with filling in a few gaps and a bit of painting behind the bar. Elsewhere, Del de Lorme, our house manager, continues to carry out running repairs, not to mention building the odd set or two along the way, for which I thank him. Upstairs in the wardrobe, Elaine Thomas, our wardrobe manager, continues valiantly to pare down our costumes of those that are unwearable or that are never going to be used. Thank you, Elaine.

Elsewhere, Mic Aldington, our stage director, has purchased our first LED stage lights, now that they have come down to a reasonable price, and will be looking to oversee their installation in the near future. Mic, using all his years of experience, also advises on various technical and other issues which may come about, for which we are always most grateful. Thank you, Mic.

Following the loss late last year of Andrew Coulson, our lighting technician extraordinaire of many, many years, new member, Menno Willemse, has taken up the mantle of lighting our shows, having briefly had the opportunity to receive some training from Andrew before he was taken so tragically ill. Thank you, Menno, for rising to the occasion.

My thanks also to Chris Hynd, our Treasurer, who not only keeps us on the straight and narrow financially, but also manages many of our compliance obligations. Also, thanks to Kerrie Thompson, our Secretary, for all the work she carries out alongside being our Youth Leader and until recently, our Box Office manager. My thanks too go to our Production Committee; Mike Dickinson, our Publicity Manager; Cazz Wrate, our Membership Secretary and more recently our Incoming Event Organiser; Tori Hayhow, our Members Representative and Dawn Jones, our Front of House Manager.

As always, my thanks also go to all those members not mentioned and to all our patrons who give their continued support.

Chris Loft



Chairman

Date: 14/03/2023

Medway Little Theatre Ltd
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Trustees' report
For the year ended 31 August 2022

The Trustees present their annual report together with the financial statements of the charity for the year ended 31 August 2022. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the charity qualifies as small under section 382 of the Companies Act 2006, the Strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Policies and objectives

The stated objectives of the charity are 'to advance education by the provision of a theatre and facilities for dramatic performances and exhibitions of art.'

To expand upon this, we provide an educational venue for people within the Medway Towns and Kent where we offer them an opportunity to participate in all the functions required to present a production and learn about other performance-based events, including newly written, devised work and introducing unknown artists. We also provide a forum and educational platform for youth involvement in a real theatre context which gives them a chance to learn life skills as well as encouraging them to participate in all aspects of theatre, in acting, stage craft and administration and production.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

b. Strategies for achieving objectives

In the furtherance of these objectives a number of activities are generally undertaken.

Based in Rochester in the Medway Towns we have a wide catchment area for members and audience alike. The plays are selected by a Production Committee based on the suggestions of members and a proportion of the plays selected will provide challenges for acting members and aim to educate as well as entertain our audiences.

The theatre is largely self-supporting through ticket sales and refreshments. Sometimes extra funding is sought for larger projects through grants or extra fundraising activities.

In the years before the lockdowns that halted our activities, our members performed in and supported a balanced programme of plays selected by an elected Production Committee. A 'normal' season would comprise six adult plays, generally running for nine nights plus two 'charity preview nights' There would also be three productions by our younger members - one by the Children's Workshop, one by the Youth Group and one joint production. We also run a one act play festival in the summer, inviting other groups to experience performing on our stage and showcasing their talents. This play festival has encouraged many budding playwrights to devise their own plays and 'best original play' is always a hotly contested category.

Since the lockdowns ended, we have been cautiously increasing our activities and are seeking our new normal and the best way to provide a variety of diverse and inclusive events for the local community. Always open to providing space for other groups, we are now actively increasing our external bookings to offer something new to our audiences that will swell their numbers and ensure the continuance of the theatre. Medway Little Theatre is predominantly funded by ticket sales and mainly staffed by volunteers and in the face of increasing costs we need to make sure that we getting the balance right between popular and educational offerings.

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Trustees' report (continued)
For the year ended 31 August 2022

Objectives and activities (continued)

Members are encouraged to pass on their skills to others to do their bit for our educational aims and we are particularly proud of the success of our youth group, which has developed some notable performers and writers over the years. Our youth sections sometimes take their shows out into the community to broaden our outreach efforts and we recently partnered with Child Friendly Medway to give a space to their free acting workshops for local children.

Youth Sections

An important part of our commitment to education is our two youth sections. Medway Little Theatre's commitment to young people has a long history, having been founded in 1964. At a time when there was little provision in the Medway Towns for young people keen on theatre, between leaving school and working with our main company.

The Youth Company is involved in a wide range of productions from visits to the Edinburgh Festival Fringe and the Gibraltar One Act Play Festival which over the years has provided hundreds of young people with an experience of the theatre which has undoubtedly enriched their lives. Some of our youth members have progressed to become leaders with enthusiasm and commitment – bringing back their experiences from Drama School and further education.

Workshops take place on different aspects of the theatre world from acting, performing arts, improvisation, devising, text work, theatre styles, film, stage combat, mime, and a whole lot more besides. We actively encourage our members to learn the basics of stage management, lighting, and sound design.

Our weekly workshops for the Children's Workshop are for younger members aged seven to twelve, where we explore self-confidence, vocal, literacy, team and problem-solving skills but emphasising the fun. Our Youth Company expands on these elements. Our youth sections stage an annual show each and a combined Youth Extravaganza once a year, as well as participating in adult shows, the theatre's own Duncan Rand One Act Play Festival and an exchange programme to Gibraltar for an educational and cultural exchange. The MLT youth sections aim to provide an exciting and imaginative look at the creative world of theatre and gives young people a chance to form new friendships, gain in self-confidence and to have fun whilst learning.

Other Activities

As previously stated we are working to increase the variety of events that take place at the theatre. Recent offerings have included a Murder Mystery and a Pantomime and local musicians and poets have offered something new to our audiences. Although we have yet to significantly develop a space for art installations there is a possibility of a 'live mural' being painted temporarily on one of our external walls as part of a local event. A more permanent mural has been discussed but would be subject to planning permission as the building is in a conservation area.

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Trustees' report (continued)
For the year ended 31 August 2022

Objectives and activities (continued)

c. Activities undertaken to achieve objectives

Productions offered during the 2021/22 Financial Year were as follows :-

Robin Hood – Youth Extravaganza Children's Workshop and Youth Group combined;
Matchmaker/Blind Date Inc. Two One Act plays performed by Adult and Youth members;
A Christmas Carol – A play with music performed by Adult and Youth members;
Aladdin – Panto performed by guest group Alternate Shadows;
Educating Rita – a play performed by Adult members;
Lords and Ladies – a play performed by Youth members;
Ladies' Day – a play performed by Adult members;
Duncan Rand One Act Play Festival – A Competition for Youth and Adult drama groups;
Hi Di Die – A Murder Mystery performed by guest group Alternate Shadows.

Regular events comprise a Tuesday evening Club Night for members, with prospective members invited to come and see the theatre; a weekly Saturday morning workshop session for Youth members; a weekly Saturday afternoon workshop session for the Children's Workshop and rehearsals scheduled across the week, as necessary.

d. Main activities undertaken to further the charity's purposes for the public benefit

Our outreach programme spearheaded by the youth sections includes interacting with local residential homes and care facilities and participating in cultural and diverse projects. This sometimes includes working with practitioners and groups in other genres of the arts including the spoken word, dance, singing and music.

Recently we have made more diverse events available to the public and we will look for other ways to increase the diversity of what we offer to audience and participants. Hiring out space to other local groups is another way that we can increase the public benefit of the theatre..

Achievements and performance

a. Main achievements of the charity

The main achievement of the charity in the 2021/22 Financial Year was to come out the other side of the Covid-19 lockdowns and provide several productions for members to get their teeth into, that gave them something to come out for. It was good to be able to offer something to enable local audiences to re-engage with the theatre and with each other.

There's nothing quite like live theatre for celebrating life!

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

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Trustees' report (continued)
For the year ended 31 August 2022

b. Reserves policy

Reserves are needed to bridge the gap between the spending and receiving of income and to cover unplanned emergency repairs and other expenditure. The Trustees have decided to increase the Reserves from a level of £50,000 to the level of £55,000 to take into account recent inflation figures.

Current reserves amount to £113,358 which exceeds the trustees' policy and will enable the charity to continue in operation without additional fundraising being necessary.

Designated funds, which comprise the fixed asset fund, total £43,418 at the balance sheet date.

c. Review of the year

In the time covered by the 2021/22 accounts the theatre made a tentative return to a kind of normality. Productions generally ran for fewer nights than usual. Audience numbers varied but it was good to see something happening on our stage. Although box office prices were increased, this was partially undermined by our absorption of the booking fee for our online ticketing system. This was considered appropriate at the time, as we were asking our audience to book online while we were seeking out a new box office manager. We are now reviewing this policy as we have found someone to run the box office service.

Our box office gross takings were about half of a normal pre-covid year but our expenses were also generally down. Some cost cutting was deliberate but some of it was a natural effect of the reduced programme, such as lower performing rights and box office costs.

No major refurbishment was undertaken in this period although the refreshment area had a makeover. All essential alarm and extinguisher tests were carried out and the fire panel was replaced.

Membership payments started up again in May 2022 but did not make a significant contribution to our funds. A recruitment drive is needed going forward to replace some members who have drifted away from us during the prolonged closure.

Overall, we broke even for the 2021/22 financial year, if you take a small government grant out of the equation.

Increasing income to meet rising costs will be important to the long-term survival of the theatre. We should be able to weather increased electricity costs for a year or two but if sky high prices become the new normal, then our move to LED lighting increases in importance. We may need to be more creative with our use of the theatre.

Historically, our main income is from our own productions rather than theatre hires or fundraising. It may be increasingly necessary to look for other income streams going forward.

Structure, governance and management

a. Constitution

Medway Little Theatre Ltd is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association.

b. Methods of appointment or election of Trustees

The management of the charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

Medway Little Theatre Ltd
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Trustees' report (continued)
For the year ended 31 August 2022

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the charity for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial . 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 charity and of its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Trustees and signed on their behalf by:

Christine Hynd

Chris Hynd

Date: 14th March 2023

Medway Little Theatre Ltd
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Independent examiner's report
For the year ended 31 August 2022

Independent examiner's report to the Trustees of Medway Little Theatre Ltd ('the charity')

I report to the charity Trustees on my examination of the accounts of the charity for the year ended 31 August 2022.

Responsibilities and basis of report

As the Trustees of the charity (and its directors for the purposes 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 charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's accounts 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

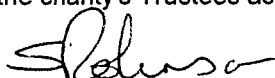
I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the charity 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.

This report is made solely to the charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the charity's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's Trustees as a body, for my work or for this report.

Signed:



Dated: 27th March 2023

Susan Robinson BA FCA FCIE DChA

Kreston Reeves LLP
Chartered Accountants
Montague Place
Quayside
Chatham Maritime
Chatham
Kent
ME4 4QU

Medway Little Theatre Ltd
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Statement of financial activities (incorporating income and expenditure account)
For the year ended 31 August 2022

	Note	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:				
Donations and legacies	3	9,626	9,626	13,184
Charitable activities	4	23,608	23,608	-
Investments	5	5	5	170
Total income		33,239	33,239	13,354
Expenditure on:				
Charitable activities	6	29,911	29,911	17,108
Total expenditure		29,911	29,911	17,108
Net movement in funds		3,328	3,328	(3,754)
Reconciliation of funds:				
Total funds brought forward		153,448	153,448	157,202
Net movement in funds		3,328	3,328	(3,754)
Total funds carried forward		156,776	156,776	153,448

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 12 to 19 form part of these financial statements.

Medway Little Theatre Ltd
(A company limited by guarantee)
Registered number: 01526454

Balance sheet
As at 31 August 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	9	<u>43,418</u>	<u>46,369</u>
		43,418	46,369
Current assets			
Debtors	10	2,617	4,446
Cash at bank and in hand		<u>113,481</u>	<u>103,906</u>
		116,098	108,352
Creditors: amounts falling due within one year	11	<u>(2,740)</u>	<u>(1,273)</u>
Net current assets		<u>113,358</u>	<u>107,079</u>
Total net assets		<u>156,776</u>	<u>153,448</u>
Charity funds			
Unrestricted funds	12	<u>156,776</u>	<u>153,448</u>
Total funds		<u>156,776</u>	<u>153,448</u>

The charity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Christine Hynd
Chris Hynd

Date: 14th March 2023

The notes on pages 12 to 19 form part of these financial statements.

Medway Little Theatre Ltd
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Notes to the financial statements
For the year ended 31 August 2022

1. General information

Medway Little Theatre Limited is a charitable company registered in England, with the company registration number 01526454 and the charity number 1056994. Its principal office is 256 St Margarets Banks, High Street, Rochester, Kent ME1 1HY.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Medway Little Theatre Ltd meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements have been prepared in British Sterling and are rounded to the nearest Pound.

2.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Charity's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

2.3 Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the charity's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

Notes to the financial statements
For the year ended 31 August 2022

2. Accounting policies (continued)

2.5 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of financial activities as the related expenditure is incurred.

2.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.7 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Freehold property is not depreciated.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Fixtures and fittings	-	10%
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2.8 Debtors

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

2.9 Cash at bank and in hand

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

2.10 Liabilities

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

2.11 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

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Notes to the financial statements
For the year ended 31 August 2022

2. Accounting policies (continued)

2.12 Fund accounting

General funds are unrestricted funds which 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.

3. Income from donations and legacies

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations	4,369	4,369	133
Membership subscriptions	2,590	2,590	-
Government grants	2,667	2,667	13,051
	<u>9,626</u>	<u>9,626</u>	<u>13,184</u>

4. Income from charitable activities

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Box Office / Production	23,608	23,608	-
	<u>23,608</u>	<u>23,608</u>	<u>-</u>

5. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Bank interest receivable	5	5	170
	<u>5</u>	<u>5</u>	<u>170</u>

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6. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Box Office / Productions	23,998	5,913	29,911	17,108
Total 2021	<u>12,273</u>	<u>4,835</u>	<u>17,108</u>	

Analysis of direct costs

	Charitable activities 2022 £	Total funds 2022 £	Total funds 2021 £
Production costs	5,727	5,727	178
Promotion and publicity costs	861	861	85
Rent, rate, insurance, fire, pest and rubbish	7,370	7,370	8,253
Repairs	1,396	1,396	462
Heat and light	3,626	3,626	2,663
Box office costs	1,799	1,799	-
Sundry expenses and cleaning	3,219	3,219	632
	<u>23,998</u>	<u>23,998</u>	<u>12,273</u>

Analysis of support costs

	Charitable activities 2022 £	Total funds 2022 £	Total funds 2021 £
Depreciation	2,951	2,951	2,729
Bank charges	4	4	2
Accountancy and independent examination fees	1,740	1,740	840
Telephone	1,218	1,218	1,189
Governance costs	-	-	75
	<u>5,913</u>	<u>5,913</u>	<u>4,835</u>

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7. Independent examiner's remuneration

	2022	2021
	£	£
Fees payable to the charity's independent examiner for the independent examination of the charity's annual accounts	1,740	840

8. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 August 2022, expenses totalling £1,617 were reimbursed or paid directly to 6 Trustees (2021 - £347 to 5 Trustees). All expenses are re-imbursements of money spent by the Trustees on behalf of Medway Little Theatre.

9. Tangible fixed assets

	Freehold property	Fixtures and fittings	Total
	£	£	£
Cost or valuation			
At 1 September 2021	16,860	57,436	74,296
At 31 August 2022	16,860	57,436	74,296
Depreciation			
At 1 September 2021	-	27,927	27,927
Charge for the year	-	2,951	2,951
At 31 August 2022	-	30,878	30,878
Net book value			
At 31 August 2022	16,860	26,558	43,418
At 31 August 2021	16,860	29,509	46,369

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10. Debtors

	2022	2021
	£	£
Due within one year		
Other debtors	594	192
Prepayments and accrued income	2,023	2,254
Grants receivable	-	2,000
	<u>2,617</u>	<u>4,446</u>
	<u>2,617</u>	<u>4,446</u>

11. Creditors: Amounts falling due within one year

	2022	2021
	£	£
Trade creditors	971	433
Accruals and deferred income	1,769	840
	<u>2,740</u>	<u>1,273</u>
	<u>2,740</u>	<u>1,273</u>

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Notes to the financial statements
For the year ended 31 August 2022

12. Statement of funds

Statement of funds - current year

	Balance at 1 September 2021 £	Income £	Expenditure £	Balance at 31 August 2022 £
Unrestricted funds				
Designated funds				
Fixed asset fund	46,369	-	(2,951)	43,418
General funds				
General fund	107,079	33,239	(26,960)	113,358
Total Unrestricted funds	153,448	33,239	(29,911)	156,776

The designated fixed asset fund represents the net book value of the charity's fixed assets.

Statement of funds - prior year

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 August 2021 £
Unrestricted funds					
Designated funds					
	43,508	-	(2,729)	5,590	46,369
General funds					
	113,694	13,354	(14,379)	(5,590)	107,079
Total Unrestricted funds	157,202	13,354	(17,108)	-	153,448

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13. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	43,418	43,418
Current assets	116,098	116,098
Creditors due within one year	(2,740)	(2,740)
Total	156,776	156,776

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	46,369	46,369
Current assets	108,352	108,352
Creditors due within one year	(1,273)	(1,273)
Total	153,448	153,448

14. Related party transactions

During the year, the charity received cumulative membership income of £160 from the Trustees (2021: £nil).

The charity has not entered into any other related party transactions during the year, nor are there any outstanding balances owing between related parties and the charity at 31 August 2022.