

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 2023

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 2023

Trustees David Aldington
Roderic De Lorme
Michael Dickinson
Victoria Hayhow
Chris Hynd
Christopher Loft
Kerensa Thompson
John Winson (resigned 14 March 2023)
Carol Wrate
Ian White (appointed 11 April 2023)

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
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Medway Little Theatre Ltd
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Chairman's statement
For the year ended 31 August 2023

The chairman presents his statement for the year.

Well, another eventful year! Firstly, and at last, in May we successfully put on our delayed production of 'Hamlet', skilfully edited by director, Michael Bath, to run for just two and a half hours, with Barry Kearns putting on an outstanding performance in the titular role, ably supported by faces familiar and new. This was followed in June, by 'Lilies on the Land', again with familiar faces and new, and then July once again brought us to the Duncan Rand One Act Play Festival. With more entrants than in 2022, this was very encouraging leading us to hope for even more entrants this year.

The 2023/24 season started with the play 'Kodachrome', which other than a university performance, had never been produced in the UK, so a first for MLT! Brought to us by director, Dave Wilson, it was exciting to meet the technical challenges the play required as well as to be able to bring something new to our audiences. This was followed in November by our Youth Group's successful production of 'Wendy & Peter Pan', a retelling of the Peter Pan story from Wendy's point of view.

Unfortunately, our December production of 'Comfort and Joy' fell by the wayside owing to casting difficulties and other reasons which became insurmountable leading to the difficult decision to cancel the show. Disappointing as this was for both the theatre and our audiences, we learned some lessons along the way so that hopefully this will not happen again.

On a brighter note though, our January 2024 production of 'The Weir' was a tremendous success, followed by our equally successful Youth Group's production of 'Our Day Out' in February, both shows being virtual sell outs. These shows were also entered into the Kent Drama Association (KDA) Full Length Play Festival, with both receiving very favourable adjudications. This brings me to our entries into the festival last year, where Fiona McGahren won Best New Festival Director award for her production of 'Death and the Maiden' which also came third as Best Play. Camron Thompson also won the Best Young Player award for his performance in the title role in 'Private Peaceful', presented by the MLT Youth Company, which also won the award for Best Use of a Limited Space. Other members of both companies were also runners up. My congratulations to all, and I wish our entrants equal if not greater success in this year's festival.

I would like to mention that we also entered the KDA Radio Play Festival towards the end of last year, our entry being a new play, 'Captain Dauntless on the Planet Earth!' penned by one of our newer members, Matt Crane, who also directed. Whilst due to various reasons the recording took place on the cusp of the entry deadline, we did it, and with successful results. The play came third in the Best Overall Production category; Hayley Bullivant won the Best Supporting Actress Award and Az Mumin was joint winner in the Best Actor in a Cameo Role category. We were also runners up in many of the other categories both acting and technical. So, my thanks go to everyone who made this happen. I would also mention that we held the awards evening at the theatre in January, which went well and was much appreciated by all the groups involved.

In addition to our own productions, in February, we again hosted local theatre company, Alternate Shadows, with their 2024 pantomime, 'Mother Goose', which sold out. Again, we also hosted local community theatre company Pretending People, with their production of 'Grimm Tales', who also ran two children's workshops. On the music front, we have again hosted The Singing Loins, alongside Wild Billy Childish and The Chatham Singers on more than one occasion; Track Dogs, an international group whose music is a fusion of folk, Latino, Americana and bluegrass, both groups selling out their performances. We also hosted a murder mystery night and even managed to fit in a book launch for local author and photographer, Neil Thorne, who has photographed many of our shows over the years.

With the hope that our extra events in the theatre have brought in more members to the theatre, if not additional audience, I am pleased to advise that our current membership stands at 148 members (Split: 84 Full Members and 64 Audience Members) an increase of 22 from this time last year.

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Chairman's statement (continued)
For the year ended 31 August 2023

This brings me to the box office, where I am pleased to advise that, Kate Brookes, who took over at the beginning of last year, is well established in her role, introducing a three-day priority booking period for members before tickets go on general sale, which has been successful, as well as recently instigating the reintroduction of our charity preview nights. Whilst most of our bookings take place online, there is still a lot Kate deals with behind the scenes as well as manning the box office at the theatre on most performance nights, unless of course she happens to be in a show. If there is anyone who would like to help on performance nights, it would be much appreciated.

On to the introduction of LED lighting, a second purchase of more LED lights plus a new lighting desk, made possible from the late Andrew Coulson's legacy to the theatre, has already added to the technical versatility we can bring to our productions. (For those newer members who did not know Andrew, he was our lighting expert of many, many years, who sadly passed away at the end of 2022)

Andrew's partner, Frances, has also donated to the theatre, in memory of Andrew, a most generous sum to be used specifically as a bursary, yet to be awarded, for a young person to train as a lighting and sound technician.

With regards to the upkeep of the theatre, we have been aware for some time that the outside of the building needs some considerable attention, not to mention smartening up, and to this end we invited, at the recommendation of Cazz Wrate, our Membership Secretary, architect, David Mills, to produce a short report on the condition of the building, including the adjoining cottage, which we currently use for storage. We subsequently commissioned a structural engineer to report on some of the issues raised, much of which concerns the age of the building and the subsequent wear and tear over the years. Unfortunately, we have yet to take the recommendations forward as those of us who need to do this have been tied up in the general running of the theatre, but we have started making enquiries of local building firms who specialise in old buildings.

The inside of the theatre also needs some attention: general housekeeping and repairs, tidying and clearing out of our props and furniture galleries as well as smartening the place up. Any help in organising and carrying out these tasks would be much appreciated.

This brings me to asking for additional help in general. We desperately need more people to help backstage in our shows: stage managers, assistant stage managers (ASMs), props persons, as well as set builders and designers. More and more we are relying on the same few people, not to mention the casts themselves. I do realise that life, both work and personal, is now different from years ago and people do not seem to have the same free time, but all these jobs can be shared so that the commitment is not so great.

Equally, there are times when filling the bar and front of house rotas can still be challenging, and if it were not for the small group of audience members who now also regularly help out, there might have been evenings where we would have had to cancel a show. Not something we would want to do! At this point though, I would like to thank all those people who do and have helped out over the past year..... What would we do without you?

Now, to thank all those people I have not mentioned: Chris Hynd, who valiantly continues her treasury role; Kerrie Thompson, our secretary and youth leader; Del de Lorme, our house manager, who carries out all our running repairs as well as building the odd set or two; Dawn Jones, our front of house manager, who is also one of our main stage managers not to mention set painters. Dawn is also our Little Theatre Guild (LTG) representative, who attends various conferences and reports back on like theatres from around the country: their challenges (many similar to our own) and their successes, all of which we can learn from. Mic Aldington, our stage director, who alongside his various responsibilities has also instigated the purchase and installation of the new LED lighting. Menno Willemse, who now lights many of our shows. Mike Dickinson, our publicity officer, Cazz Wrate, our membership secretary, who is unfortunately standing down this year, and Elaine Thomas our wardrobe manager, who aside from costuming our shows, valiantly continues to pare down those costumes beyond repair or no longer required. Of course, I must also mention our production committee: Ian White, who has masterfully chaired the committee over the past year, but who also regrettably is standing down, Kate Brookes, Chris Parnell, Cazz Wrate, Sean Stephens, who was co-opted on to replace Barry Kearns who had to step down part way through the year, and Candice Fanning. For our Youth Group and Children's Workshop, my thanks go, in addition to Kerrie Thompson, Kairn Bignall, Carol Scott, Derek Thompson, Ginny Day and David Hutley, all of whom do a magnificent job in running the weekly workshops and producing their splendid shows.

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Chairman's statement (continued)
For the year ended 31 August 2023

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

Chris Loft
Chairman

March 2024

Chairman
Date:

Medway Little Theatre Ltd
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Trustees' report
For the year ended 31 August 2023

The Trustees present their annual report together with the financial statements of the charity for the year ended 31 August 2023. 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.

We are not fully back to a pre-covid programme but we have increased and varied our activities to provide a variety of diverse and inclusive events for the local community. Always open to providing space for other groups, we continue to increase our external bookings to offer something new to our audiences that will swell their numbers and ensure the continuance of the theatre. A one-off comedy night is the latest new offering which if successful, could provide another option for entertaining the people of Medway.

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 2023

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 continue to partner 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. Folk music, jazz, poetry, panto, murder mysteries, workshops are some of the events that have taken place this year in addition to our programme of plays. We also hosted a book launch, with another one coming up soon. It's a while since we hosted a comedy night but that is another event that is coming up soon as well as another book/DVD launch.

We could still do more to improve our offering to the artistic community. There is no news on the proposed building mural. Performance is our main focus, so perhaps we should be looking to host some performance artists as a way of expanding in this direction. That is certainly something to think about in addition to considering ways that we could accommodate temporary or permanent exhibitions at the theatre.

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Trustees' report (continued)
For the year ended 31 August 2023

Objectives and activities (continued)

c. Activities undertaken to achieve objectives

Productions offered by MLT during the 2022/23 Financial Year were as follows :-

Taking Steps - a play performed by the adult company;
Romeo and Juliet/We're All Zoomed - two one Act plays performed by both of our youth sections;
Goodnight Mister Tom – our Christmas play performed by adult and youth members;
Private Peaceful – a play performed by our youth company;
Death and the Maiden – a play performed by the adult company;
Children's Workshop – short plays performed by our youngest members;
Hamlet – a play performed by the adult company;
Lilies on the Land – a play performed by the adult company and
The Duncan Rand One Act Play Festival – a competition for youth and adult drama groups.

External bookings/collaborations included a pantomime, a murder mystery evening, poetry and several different local and international bands playing in a variety of music styles.

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, music and puppetry. This year we have increased the number of musical and other 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 so we will continue to do this when such opportunities arise.

Achievements and performance

a. Main achievements of the charity

The main achievement of the charity in the 2022/23 Financial Year was to present a credible season to our local audiences and to expand our offering by providing a platform for other drama groups and local and international bands and performers.

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 2023

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 £55,000 to the level of £60,000 to take recent inflation figures into account.

Current reserves amount to £118,622 which exceeds the trustees' policy and will enable the charity to continue in operation without additional fundraising being necessary. The level of surplus funds should enable us to commit to a programme of building repairs and improvements.

Designated funds, which comprise the fixed asset fund, total £44,565 at the balance sheet date.

Restricted funds total £14,862 at the balance sheet date.

c. Review of the year

Our turnover for the year was almost back to pre-covid levels but this does not take account of price rises for tickets and refreshments, so we still have some room to improve our income by increasing the number of productions offered to pre-covid levels and beyond. Having said that, our income covered costs during the year, so we still have a healthy amount of money in the bank.

Costs continue to fluctuate, with small savings made on phone services dwarfed by increasing electricity charges. Hopefully the electricity prices will reduce in time but they are currently very high. Building repairs were minimal this past year and future years may see more spending on the fabric of the building.

Towards the end of the Financial Year the Trustees took the decision to move ticket booking platform fees back on to the customer. Further to that we have recently introduced a booking fee for people booking directly over the phone. This will go some way towards paying our box office staff.

Although the Medway Little Theatre is a volunteer-based charity it is becoming increasingly clear that there is a need for more paid staff to stop the wheels falling off. The Trustees have for some time been discussing the need for a theatre manager who could potentially contribute to their own payment by making the theatre more available for day-time activities. No firm decision has been made on this and it continues to be discussed.

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 2023

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:

Chris Hynd

Date:

Medway Little Theatre Ltd
(A company limited by guarantee)

Independent examiner's report
For the year ended 31 August 2023

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 2023.

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:

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 2023

	Note	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:					
Donations and legacies	3	20,000	13,534	33,534	9,626
Charitable activities	4	-	37,959	37,959	23,608
Investments	5	-	35	35	5
Total income		20,000	51,528	71,528	33,239
Expenditure on:					
Charitable activities	6	-	50,255	50,255	29,911
Total expenditure		-	50,255	50,255	29,911
Net income		20,000	1,273	21,273	3,328
Transfers between funds	12	(5,138)	5,138	-	-
Net movement in funds		14,862	6,411	21,273	3,328
Reconciliation of funds:					
Total funds brought forward		-	156,776	156,776	153,448
Net movement in funds		14,862	6,411	21,273	3,328
Total funds carried forward		14,862	163,187	178,049	156,776

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

The notes on pages 13 to 21 form part of these financial statements.

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

Balance sheet
As at 31 August 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	9	44,565	43,418
Current assets			
Debtors	10	26,018	2,617
Cash at bank and in hand		111,922	113,481
		137,940	116,098
Creditors: amounts falling due within one year	11	(4,456)	(2,740)
Net current assets		133,484	113,358
Total net assets		178,049	156,776
Charity funds			
Unrestricted funds	12	163,187	156,776
Total funds		178,049	156,776

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:

Chris Hynd

Date:

The notes on pages 13 to 21 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 2023

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.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the charity has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the charity, can be reliably measured.

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.

Notes to the financial statements
For the year ended 31 August 2023

2. Accounting policies (continued)

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.

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.

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Notes to the financial statements
For the year ended 31 August 2023

2. Accounting policies (continued)

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.

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.

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 costs 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.

3. Income from donations and legacies

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Donations	-	10,564	10,564	4,369
Legacies	20,000	-	20,000	-
Membership subscriptions	-	2,970	2,970	2,590
Government grants	-	-	-	2,667
	<u>20,000</u>	<u>13,534</u>	<u>33,534</u>	<u>9,626</u>
Total 2022	<u>-</u>	<u>9,626</u>	<u>9,626</u>	

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4. Income from charitable activities

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Box Office / Production	36,434	36,434	23,608
Room hire	1,525	1,525	-
	<u>37,959</u>	<u>37,959</u>	<u>23,608</u>

5. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Bank interest receivable	35	35	5
	<u>35</u>	<u>35</u>	<u>5</u>

6. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £	Total funds 2022 £
Box Office / Productions	43,201	7,054	50,255	29,911
	<u>43,201</u>	<u>7,054</u>	<u>50,255</u>	<u>29,911</u>
Total 2022	<u>23,998</u>	<u>5,913</u>	<u>29,911</u>	

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6. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Charitable activities 2023 £	Total funds 2023 £	Total funds 2022 £
Production costs	11,150	11,150	5,727
Promotion and publicity costs	2,211	2,211	861
Rent, rate, insurance, fire, pest and rubbish	6,829	6,829	7,370
Repairs	4,115	4,115	1,396
Heat and light	9,823	9,823	3,626
Box office costs	3,549	3,549	1,799
Sundry expenses and cleaning	5,524	5,524	3,219
	<u>43,201</u>	<u>43,201</u>	<u>23,998</u>

Analysis of support costs

	Charitable activities 2023 £	Total funds 2023 £	Total funds 2022 £
Depreciation	2,712	2,712	2,951
Bank charges	27	27	4
Loss on disposal of fixed asset	1,279	1,279	-
Accountancy and independent examination fees	1,914	1,914	1,740
Telephone	1,122	1,122	1,218
	<u>7,054</u>	<u>7,054</u>	<u>5,913</u>

7. Independent examiner's remuneration

	2023 £	2022 £
Fees payable to the charity's independent examiner for the independent examination of the charity's annual accounts	<u>1,914</u>	<u>1,740</u>

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8. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL).

During the year ended 31 August 2023, expenses totalling £6,763 were reimbursed or paid directly to 6 Trustees (2022 - £1,617 to 6 Trustees). All expenses are re-imburements 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 2022	16,860	57,436	74,296
Additions	-	5,138	5,138
Disposals	-	(1,755)	(1,755)
At 31 August 2023	<u>16,860</u>	<u>60,819</u>	<u>77,679</u>
Depreciation			
At 1 September 2022	-	30,878	30,878
Charge for the year	-	2,712	2,712
On disposals	-	(476)	(476)
At 31 August 2023	<u>-</u>	<u>33,114</u>	<u>33,114</u>
Net book value			
At 31 August 2023	<u><u>16,860</u></u>	<u><u>27,705</u></u>	<u><u>44,565</u></u>
At 31 August 2022	<u><u>16,860</u></u>	<u><u>26,558</u></u>	<u><u>43,418</u></u>

10. Debtors

	2023 £	2022 £
Due within one year		
Other debtors	2,007	594
Prepayments and accrued income	24,011	2,023
	<u><u>26,018</u></u>	<u><u>2,617</u></u>

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11. Creditors: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	2,542	971
Accruals and deferred income	1,914	1,769
	<u>4,456</u>	<u>2,740</u>

12. Statement of funds

Statement of funds - current year

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 August 2023 £
Unrestricted funds					
Designated funds					
Fixed asset fund	43,418	-	(2,712)	3,859	44,565
	<u>43,418</u>	<u>-</u>	<u>(2,712)</u>	<u>3,859</u>	<u>44,565</u>
General funds					
General fund	113,358	51,528	(47,543)	1,279	118,622
	<u>113,358</u>	<u>51,528</u>	<u>(47,543)</u>	<u>1,279</u>	<u>118,622</u>
Total Unrestricted funds	<u>156,776</u>	<u>51,528</u>	<u>(50,255)</u>	<u>5,138</u>	<u>163,187</u>
Restricted funds					
Legacy fund	-	20,000	-	(5,138)	14,862
	<u>-</u>	<u>20,000</u>	<u>-</u>	<u>(5,138)</u>	<u>14,862</u>
Total of funds	<u>156,776</u>	<u>71,528</u>	<u>(50,255)</u>	<u>-</u>	<u>178,049</u>

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12. Statement of funds (continued)

Nature and purpose of designated funds

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

Nature and purpose of restricted funds

Legacy fund - In November 2022 Andrew Coulson, a much loved and respected member of our theatre, passed away. He was kind enough to leave us an amazing legacy of twenty thousand pounds with the stipulation that it should be spent on LED lamps for the theatre and other purchases that would enhance our technical capabilities or improve the lighting box space. Andrew's good friend, fellow techie and a current Trustee, David (Mic) Aldington, was tasked with approving purchases made from this legacy. We have therefore declared this legacy a restricted fund.

Statement of funds - prior 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

13. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	44,565	44,565
Current assets	14,862	123,078	137,940
Creditors due within one year	-	(4,456)	(4,456)
Total	14,862	163,187	178,049

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13. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior 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	<u>156,776</u>	<u>156,776</u>

14. Related party transactions

During the year, the charity received cumulative membership income of £200 from the Trustees (2022: £160).

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 2023.