

HON. TREASURER'S REPORT FOR THE YEAR ENDED 30TH JUNE 2022

I am pleased to present the income and expenditure accounts that have been submitted to our independent examiner (Smailes Goldie, Chartered Accountants), for which there is an excess of income over expenditure of £11,091.71.

A very pleasing financial year which of course included the first half of our Centenary. The main contribution to income was from our production of 'Shrek' with a £11.7k surplus in the financial year and an £8.7k surplus overall. It was fantastic to be back performing on stage in front of live audiences again, and whilst there was understandably still some caution from the public in attending live events, a box office over 70% for Shrek was a great achievement.

Other main sources of income came from our panto, 'Robinson Crusoe', which generated a surplus of £1,716.01, and again we had a well-attended production given the challenges with Covid last December. There was notable income from the bar, raffle, merchandise and ice cream sales, so well done to all involved. In addition, membership subscriptions amounted to £3,120. We also received a donation of £1,000 from Jan Brumby for the HTC Centenary party and £500 from Lloyds Bank. Finally, Gift Aid income was £1,156.76 which covered the last 2 years, and also assisted by a larger number of members supporting this.

As for expenditure, the main costs were Regent's House at £2,582, up from £2,438 last year, and our insurance costing £1455, partly due to extra costs for Shrek. There was also a deficit of £1,520.76 for the HTC Centenary Party that we had budgeted for, with a donation agreed for the event from HTC for this wonderful celebration night. Again, well done to all involved.

As a reminder, the management team will be reviewing the 'Reserves Policy' we established in 2013 and after the 2021/22 financial statements are finalised, an update will be sent out prior to and discussed at the AGM. Good housekeeping and a considerable team effort ensures our balance sheet remains strong. We must continue to look for additional income streams such as sponsorship and fundraising, in order to continue performing in the larger venues on a regular basis.

Hessle Theatre Company (HTC) – Reserves Policy (August 2022)

Introduction – Why a Reserves Policy?

As per communications from the Charity Commission and their 'Statement of Recommended Practice' (SORP), we formulated this policy in December 2012 (since revised and agreed at HTC Committee Meeting on Tuesday 30th August 2022).

In putting this together, we have taken guidelines from a number of articles and information booklets written by the Charity Commission and various other professional bodies. We have also discussed and agreed the policy at length in HTC management committee meetings. By looking to identify risks and operational requirements, this has enabled us to determine the amounts of reserves required. This policy will form part of the 'Treasurer's Annual Report' and the 'Trustees Annual Report', submitted annually to the Charities Commission for public viewing.

Reserves Policy for HTC

The guidelines on putting together a Reserves Policy state that "the level of reserves must be right for that charity". HTC have decided on a range of reserves that are needed for the purposes described below, rather than a specific amount, due to the peaks and troughs we see in our type of business. The reserves we currently have enable us to perform at some of the region's most prestigious venues, putting on quality, large scale productions with some financial confidence. Without these reserves, the likelihood is we wouldn't have the resources or assurance to do this, due to the varied and often unknown amounts of income from productions, back into our business. This policy will be reviewed at least annually after our year end (June 30th) and before our AGM in September.

Covid update – The Charity Commission have given guidance and said that "reserves can be used to help with unexpected events like those unfolding at the present". Organisations should carefully consider the wider and long-term impacts of using reserves and any such decision to use such funds must be taken collectively, and significant decisions and action points noted in writing." At the time of writing (Aug 2022) HTC have not had to consider utilising our reserves and we will continue to monitor this.

Current Reserves

As at our last financial year-end (30/06/2022), the total reserves were £67,770.61, split as follows:

National Savings = £31,955.50.

Nat West Current Account = £35,185.01.

Nat West Reserve Account = £0.00 (**see Nat West Current & Reserves Accounts paragraph below).

Range of Reserves and rationale

National Savings – reserves range of £30k to £35k (currently £31,955.50). These could probably be considered as 'Designated Funds' as the main purpose of these savings is primarily to replace lost income from any main theatrical production. The core cost of the New Theatre production usually ranges from £30k to £40k, so this covers us for any unforeseen event that is uninsurable, for example, very low box office for whatever reason. However, if this was needed for any other emergency, the funds are readily available.

Nat West Current & Reserve Accounts – reserves range of £10k to £35k (30/6/22 year-end £35,185.01 and £30,747.63 at 30/8/22). These accounts reserves vary in amount over the course of the year dependent on ongoing productions. The interest-bearing Reserve Account feeds the Current account by transferring funds across as required depending on profit and loss projections for that production. It will usually pay for up-front costs of the production amounting to many thousands e.g. royalties, set, sound, costumes, props, orchestra etc. before any box office income is received. It will also fund any unforeseen day to day expenses that cannot be supported by funds in the current account and cover potential losses on productions.

**Due to complexities of moving funds to the current account including monitoring of cash flow and the low interest rate in the Reserve account (0.1%), all Nat West funds have stayed in the current account during the last 12 months.

Richard Carmichael
Hon. Treasurer
30th August 2022



Smailes Goldie Group
CREATING ADVANTAGE



Charity number 500483

Hessle Amateur Operatic/Dramatic Society

Financial Statements

30th June 2022



SD-0205901-1-6

Hessle Amateur Operatic and Dramatic Society

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Unaudited Financial Statements

for the year ended 30th June 2022

Chartered Accountants' Report to

Hessle Amateur Operatic and Dramatic Society

In accordance with our terms of engagement we have prepared for your approval the financial statements of The Hessle Amateur Operatic and Dramatic Society for the year ended 30th June, 2022 on pages two to three from the accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at icaew.com/members handbook.

This report is made solely to you, in accordance with our terms of engagement. Our work has been undertaken solely to prepare for your approval the financial statements of The Hessle Amateur Operatic and Dramatic Society and state those matters that we have agreed to state to you in this report in accordance with the guidance of ICAEW as detailed at icaew.com/compilation. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than you for our work or for this report.

You have approved the financial statements for the year ended 30th June 2022 and have acknowledged your responsibility for them, for the appropriateness of the financial reporting framework adopted and for providing all information and explanations necessary for their compilation.

We have not verified the accuracy or completeness of the accounting records or information and explanations you have given us and we do not, therefore, express any opinion on the financial statements.

Smailes Goldie
Chartered Accountants
Regent's Court
Princess Street
Hull
East Yorkshire HU2 8BA

21st September 2022

Hessle Amateur Operatic and Dramatic Society

Income and Expenditure Account

for the year ended 30th June 2022

	2022 £	2021 £
Income		
Subscriptions	3,120	3,045
Donations and fundraising	500	2,600
Bank interest:		
National Savings Bank	3	229
Inland Revenue - tax recoverable	1,157	-
Sundries (net)	-	35
Surplus on productions:		
"Shrek"	11,746	8,511
"Regina Monologues"	-	348
"Robinson Crusoe"	1,716	-
	<u>18,242</u>	<u>14,768</u>
Expenditure		
Marketing/website	-	300
Subscriptions – NODA	200	72
Insurance	1,455	959
Venue Hire – Meetings	172	-
Accountancy	360	366
Regent's House – storage etc	2,582	2,439
Sundries (net)	124	-
HTC Centenary event	1,521	-
Deficit on productions:		
"Urinetown"	642	-
"Songs for New World"	94	305
	<u>7,150</u>	<u>4,441</u>
Surplus for the year	<u>11,092</u>	<u>10,327</u>

Hessle Amateur Operatic and Dramatic Society

Statement of Assets and Liabilities

at 30th June 2022

	2022 £	2021 £
Fixed assets	-	-
Investments		
National Savings Bank Investments Account	31,956	31,952
Current assets		
Bank balances	35,815	24,727
	<u>67,771</u>	<u>56,679</u>
Current liabilities		
Creditors	-	-
	<u>67,771</u>	<u>56,679</u>
Net current assets		
	<u>67,771</u>	<u>56,679</u>
Accumulated funds		
At 1st July 2020	56,679	46,352
Surplus of income over expenditure for the year	11,092	10,327
	<u>67,771</u>	<u>56,679</u>

..... **K. Todman** (Chairman)

..... **R. Carmichael** (Hon. Treasurer)

..... **M. Beaumont** (Hon. General Secretary)



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