

## **HON. TREASURER'S REPORT FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2023**

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 overall deficit of income over expenditure of (£18,101.02). This amount does not include the net costs (£3,223.33) for the projector we purchased for 'Our House,' as this item has been converted to a fixed asset on the Balance Sheet until ownership is passed onto the purchaser.

The main reasons for this year's loss are the deficits on the productions (outlined further below) and for our investment in the new storage premises, St Marks, which we outlined at the AGM last year. The St Mark's project came in £1k less than the projected budget at £7k for new storage racking, decoration of the space and the move itself, with the remainder being the monthly payments (Feb to Jun). Other notable costs came from future shows (Grease & Crazy for You) totalling £5.9k, with suppliers demanding larger deposits at an earlier stage than previous years. We anticipated a challenging financial year, so funds were set aside for St Marks, Urinetown, and Our House from large reserves of £21k accumulated over the last 2 years.

In terms of income, the main contribution was a £5,234 surplus from our near sell-out panto 'Robin Hood', with notable income from the bar, ice creams, raffle, and merchandise sales, so well done to all involved. Other significant income came from our Lip Sync fundraising evening which generated an outstanding £2,558; membership subscriptions at £4,170; Gift Aid amounting to £866; and a social event surplus of £383. We also benefited again from a donation of £500 from Lloyds Bank.

As for expenditure, Our House posted a loss of £8,437. Box Office was lower than projected at 34% and set costs were higher than expected as we needed to build parts we could not source. The £5k sponsorship from MKM and £1k from John Moore assisted here, but increasing supplier costs were a major challenge. We had a similar situation with Urinetown where the Box Office was 31% and there was a £4,954 cost for the financial year and £7,026 loss overall. It would be safe to say both were fantastic productions that deserved larger audiences. Lower box offices are in line with theatres nationally during the current economic climate. In addition to St Marks and the future shows, the other main expenditure was Insurance at £1,309 and Regents House at £1,335.

As a reminder the Management Team will be reviewing the 'Reserves Policy' we established in 2013, and after the 2022/23 financial statements are finalised an update will be handed out at the AGM. Good housekeeping and another considerable team effort ensures our balance sheet remains strong despite a more challenging year than was predicted. We must continue a cautious approach financially and continue to look for additional income streams such as sponsorship and fundraising to continue performing in the larger venues on a regular basis.

### **Hessle Theatre Company (HTC) – Reserves Policy (August 2023)**

#### **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 22nd August 2023). 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 team 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 30<sup>th</sup>) and before our AGM in September.

#### **Current Reserves**

As at our last financial year-end (30/06/2023), the total cash reserves were £46,447.16, split as follows:  
National Savings = £31,985.24.  
Nat West Current Account = £14,461.92  
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 £31,985.24). 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 net cost of the New Theatre production usually ranges from £30k to £50k, 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 (30/6/23 year-end £14,461.92). 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% to 1.2%), all Nat West funds have stayed in the current account during the last 12 months.

Richard Carmichael  
Hon. Treasurer  
20<sup>th</sup> August 2023



**Smailes Goldie Group**  
CREATING ADVANTAGE



Charity number 500483

# **Hessle Amateur Operatic and Dramatic Society**

## **Financial Statements**

**30th June 2023**



SD-0210741-1-6

# Hessle Amateur Operatic and Dramatic Society

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# **Unaudited Financial Statements**

*for the year ended 30th June 2023*

## **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, 2023 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](http://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](http://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 2023 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. We have not been engaged to complete either an independent examination or audit of the financial statements and therefore our work does not provide any such assurance over the financial statements.

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

20th September 2023

# Hessle Amateur Operatic and Dramatic Society

## Receipts and Payments Account

for the year ended 30th June 2023

	2023 £	2022 £
<b>Income</b>		
Subscriptions	4,170	3,120
Donations	600	500
Fundraising	2,559	-
Bank interest:		
National Savings Bank	30	3
Inland Revenue - tax recoverable	867	1,157
Sundries (net)	383	-
Surplus on productions:		
"Shrek"	245	11,746
"Robin Hood Panto"	5,234	-
"Robinson Crusoe"	-	1,716
	<hr/>	<hr/>
	14,088	18,242
	<hr/>	<hr/>
<b>Expenditure</b>		
Marketing/website	181	-
Subscriptions – NODA	190	200
Insurance	1,310	1,455
Venue Hire – Meetings	347	172
Accountancy	384	360
Regent's House – storage etc	1,335	2,582
Umber/St Marks – storage etc	8,199	-
Sundries (net)	309	124
HTC Centenary event	-	1,521
Trophies	374	-
Bank charges	230	-
Deficit on productions:		
"Urinetown"	4,955	642
"Our House"	8,437	94
"Crazy For You"	3,482	-
"Grease"	2,455	-
	<hr/>	<hr/>
	32,188	7,150
	<hr/>	<hr/>
<b>(Deficit)/Surplus before asset and investment purchases</b>	<b>(18,100)</b>	<b>11,092</b>
<b>Asset and investment purchases</b>		
Fixed assets - projector	3,224	-
	<hr/>	<hr/>
(Deficit)/Surplus for the year	(21,324)	11,092
Cash funds brought forward	67,771	-
	<hr/>	<hr/>
Cash funds carried forward	46,447	67,771
	<hr/> <hr/>	<hr/> <hr/>

All amounts relate to unrestricted funds.

# Hessle Amateur Operatic and Dramatic Society

## Statement of Assets and Liabilities

at 30th June 2023

	2023 £	2022 £
<b>Cash funds</b>		
National Savings Bank Investments Account	31,985	31,956
Bank balances	14,462	35,815
	<hr/>	<hr/>
	46,447	67,771
	<hr/>	<hr/>
<b>Assets retained for the charity's own use</b>		
Projector	3,224	
	<hr/>	<hr/>
<b>Net assets</b>	49,671	67,771
	<hr/> <hr/>	<hr/> <hr/>

The above financial statements were approved by the board of trustees on 20 September 2023 and were signed on its behalf by:

..... **N. Wilson** (Chairman)

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

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

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