

COMPANY REGISTRATION NUMBER: 02187213
CHARITY REGISTRATION NUMBER: 700055

**NORTHERN STAGE
(THEATRICAL PRODUCTIONS) LIMITED**

TRADING AS NORTHERN STAGE

Company Limited by Guarantee

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

**NORTHERN STAGE (THEATRICAL PRODUCTIONS) LIMITED
TRADING AS NORTHERN STAGE**

**REPORT AND FINANCIAL STATEMENT FOR
YEAR ENDED 31 MARCH 2022**

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The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 March 2022.

Chair's Report

In the last week of August 2021, Stage 2 of Northern Stage opened its doors and welcomed audiences in person back into the theatre. Since March 2020, for 17 months, the company did what it could with online theatre, with community food parcels and doorstep performances, with freelancers supported to make work in any number of outdoor places across the region, with the necessary and painstaking work of completing funding applications and preparing for welcoming audiences back into the building.

The months since April 2021 were particularly busy, with staff returning from furlough and discovering with others how to stage open air work, including ETT's trailer in Leazes Park and Paines Plough's Roundabout tent in Byker. That summer was a hopeful time, with the strictest lockdown constraints removed and at last the capability for Northern Stage to invite people to come in again.

That first production, in Stage 2 reminded everyone just why theatre is fundamentally a live experience. Free School Meals, co-produced with Unfolding Theatre Company, sat the audience at tables while 16 children took their orders and served food. Key Greyson's rap and Alex Elliott's gentle comedic touch accompanied the children through their pandemic story. The experience of being in that space and having that immersion after a year and a half was strange and wonderful: at times for some it had felt like we would never have this back and yet here it was. Northern Stage once again could meet its audience in its theatre spaces.

The sheer amount of work by the Northern Stage team to make that happen was underpinned by an unfaltering belief that it would happen. And then we had the return of The Ballad of Johnny Longstaff, Road, The Sorcerer's Apprentice, The Invisible Man and so much more and with hesitancy and excitement (and occasional interruption due to the Omicron variant) audiences mostly came back. I want to make specific mention of Road, as the debut direction on Stage 1 of Natalie Ibu as Artistic Director: a powerful piece of storytelling, entertaining and thought provoking by turn, it proved as relevant in 2021 as when it was written. Next year's report will reference the excellence of Natalie's second piece, The White Card, which came later in the year. Last but not least, March 2022 saw the premiere of Red Ellen, which Northern Stage had been developing with partners for over 6 years. It proved an outstanding work, appreciated by audiences and critics in Newcastle, Edinburgh and around the country.

Internally, Northern Stage in 2021/22 undertook reflection in two very important areas: poverty proofing (with Children North East) and equity, diversity & inclusion (with Diverse Matters). The organisational work that flows from these is important and long lasting and we look forward to it becoming ever more visible as progress is made.

On governance, we said farewell to Keith Proudfoot who served for many years as both a Trustee and the leader of the Finance Sub-Group. We continued the mission to ensure the Board had the talents and experiences that the organisation needs, as well as reflecting ever better the community we serve and welcomed Ash Mann, Shawab Iqbal and Richard Boggie as new Trustees.

We initiated a trading advisory group, led by trustee Andrew Killely and I am grateful that Charles Penn, Chloe Stott, Kate Denby, Nigel Penn and Daniel Russell all agreed to join. I want to acknowledge everyone in governance roles for Northern Stage because as well as the worries of their own health and the health of their families, their concerns about their own livelihoods and their futures and the many uncertainties that the pandemic brought, each of them also had the legal responsibility as Trustees for Northern Stage, for its staff and its future. Governance roles are unpaid and take time and commitment, perhaps more so than ever during the pandemic and it is all too often a thankless task. For everyone who has done and does perform those roles for Northern Stage, I want to express my immense gratitude and appreciation.

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Looking ahead, the quality of work being made in Newcastle and beyond gives hope and encouragement. The environment, though, remains deeply challenging and at the time of writing, inflation of 10% and predictions ranging up to 18% present a grave threat to the future of theatres and theatre companies throughout the UK as production and touring costs escalate and audiences have to cut back. The years ahead look extremely difficult, and the resilience and creativity of Northern Stage will be tested again. That resilience and creativity, however, is significant.

In closing I want to thank our Joint Chief Executives – Kate Denby and Natalie Ibu – without whom Northern Stage would not have so successfully hibernated then re-emerged blinking into the light – as well as the entire staff, and the freelance community and companies who created work with us. Thanks are due too to the Department for Culture, Media & Sport, Arts Council England and our major funders for their financial support in such extraordinary times.

Above all, though, I want to thank the audiences and participants who came, engaged, bought tickets and kept believing that they would return to Northern Stage. Without them, theatre doesn't exist, so for all of them and for the audiences and participants we have yet to reach, we're back!

Simon Elliott
Chair, Northern Stage
August 2022

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Reference and Administrative Details

Registered Charitable Company Northern Stage (Theatrical Productions) Limited

Directors	S Elliott (Chair)	V Kumar
	C Penn	J Levick
	Prof. J Sanders	C Thomas
	L Collier	D Treseder
	K M Proudfoot (Retired Dec 2021)	A Killey
	T R Smith	R Boggie (Joined Dec 2021)
	N Blagburn	A Mann (Joined Dec 2021)
	A Bonner	S Iqbal (Joined Dec 2021)

Key Management Personnel The board consider the following to be Key Management Personnel of the charity and have delegated the day-to-day management responsibilities:
Joint Chief Executive & Artistic Director – Natalie Ibu
Joint Chief Executive & Executive Director – Kate Denby
Director of Communications & Sales – Amy Fawdington
Director of Finance – Helen Graham
Director of Participation – Jill Adamson
Head of Technical and Production – Chris Durant
Head of Commercial and Operations – Peter Robson

Secretary H Graham

Registered Number 02187213

Charity Number 700055

**Business Address
& Registered Office** Northern Stage
Barras Bridge
Newcastle upon Tyne
NE1 7RH

Auditor Azets Audit Services,
Chartered Accountants and Statutory Auditor,
Bulman House
Regent Centre
Newcastle upon Tyne
NE3 3LS

Bankers Natwest Bank Plc
16 Northumberland Street
Newcastle upon Tyne
NE1 7EL

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About Northern Stage

Northern Stage is a theatre where ideas meet, and where futures change.

As a registered charity with industry-leading facilities and know-how, we are at the heart of a creative community stretching from Tweed to Tyne and Tees. A partnership of artists, writers, makers, digital creators and businesses who exist for more than profit. Prior to the Covid pandemic, our work reached over 82,000 people in the North East and on tour.

Every year thousands come from across the North to create and share unique live experiences at Northern Stage, to laugh, discover, challenge and learn – to think, and rethink. Our home in Newcastle is an inspirational and creative place where everyone is welcomed.

Whether it's for an audience member in one of our 700 seats, for the person discovering new skills in a community workshop, or for theatre makers everywhere carrying an as yet untold story – our team reach beyond the ordinary, every time.

Objects & Activities

The objects of the charitable company as set out in the memorandum of articles are:

- To promote and advance artistic and aesthetic education and the public appreciation of the arts and drama, literature, poetry, opera, mime, music, dance and ballet, whether presented by living persons on the stage or by films, broadcast, television or other forms of mechanical reproduction

In pursuit of this goal our governing document outlines a number of objects that we consider core to our purpose; these include:

- To manage a producing theatre company of actors and creatives with a view to raising the general standard of dramatic production in the UK and educating the taste of the public
- To present and promote works of cultural, educational or literary merit, and to further the development of modern drama and produce translations of foreign drama, ancient or modern
- To stimulate the arts of acting and music and to promote both the education and training of students in drama, music and other arts
- To manage and maintain any buildings or property necessary for the promotion of these objects.

In shaping our objectives for the year and planning our activities, the trustees confirm that they have complied with the duty in section 4 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit, *Charities and Public Benefit*. The theatre relies on grants and the income from fees and charges to cover its operating costs. Affordability and access to our programme is important to us and is reflected in our pricing policy set out in detail later in this report.

The strategies employed to achieve the charities aims and objectives are to:

- Create and produce in-house productions, co-productions and tours, reflecting the landscape and experience of the people of the North East through the stories told on stage
- Present a performance programme of classic and contemporary drama, dance and comedy across three stages in our Newcastle venue, welcoming the best local, national and international touring theatre companies working on the small- and mid-scale;
- Deliver an innovative artist development programme, supporting a diverse range of artists both emerging and established, to create ambitious, adventurous theatre
- Offer opportunities for people of all ages to participate in creative activity in both formal and informal education settings;

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- Celebrate the diversity of our communities by developing work by and with artists of different cultural backgrounds, and engaging proactively with the Creative Case;
- Provide and maintain our building and assets as a civic resource for both commercial and charitable use by local community organisations, businesses and educational providers.

We put these strategies into action via three major areas of charitable activity: professional performance, talent development and participation. These are supported with additional trading activities to generate income to support our charitable work, in particular running a café bar and scenic services workshop.

Our Volunteers

The charity places a great value on the contributions that volunteers made to the organisation. Over the course of the year, we benefitted greatly from the considerable time, energy and expertise given by the Board of Trustees.

Public Benefit

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission guidance on the public benefit, including the guidance on public benefit and fee charging. The theatre relies on grants and income from fees and charges to cover its operating costs. In setting levels of fees, charges and concessions, the trustees give careful consideration to the accessibility of the theatre for those on low income.

During the year, and despite the continued impact of the Coronavirus pandemic, the charity has provided public benefit in a number of ways:

- Produced a programme of live events and performance in outdoor settings to reengage people in cultural activities within their neighbourhoods
- Reopened our building and welcomed back audiences to live performance within the theatre
- Continued to produce digital productions for audiences to enjoy in their homes during lockdown
- Invested in developing talent
- Worked to maximise accessibility through extensive participation activities
- Delivered a pricing policy that is fair and accessible with a range of price points, while maximising potential income to the charity
- Celebrated diversity by programming work by and with artists of different cultural backgrounds, gender, sexual orientation and age.

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Strategic Report

The Trustees present their Strategic Report for the year ended 31 March 2022

Achievements and Performance

Operations continued to be affected by the circumstances of the pandemic. Theatres were permitted to reopen with significantly reduced capacity and strict covid safety measures from May 2021, with restrictions gradually easing over the summer and into autumn. We adapted our activity to support and respond to the gradual reopening of society after 12 months of lockdown. Throughout the pandemic, Northern Stage was able to deliver a considerable amount of work for audiences and communities, and continued to meet the KPI's of our major stakeholders.

Performance Programme

In April we launched OUT ON THE TOON, the second strand of our 2021 programme, aimed at stimulating the local theatrical ecology and meeting audiences in their neighbourhoods. Funding from the Garfield Weston Cultural Recovery Fund enabled us to commission a season of outdoor performances across a range of scales and locations, working in a hyper-local and multi-local way to lead audiences on a journey back to public life and, ultimately, the theatre:

- Milk Presents' HI-VIS at Grey's Monument in Newcastle: part performance, part installation, Milk's 'loud and proud hailer' broadcast celebratory declarations of queerness to the city
- Digital micro commissions animated local spaces, including Magic Hat Café, Wallsend Community Centre, Newcastle City Libraries and Community Library Hubs in Denton Burn and High Heaton
- Neighbourhood Commissions popped up across the Northeast, including Hexham, Consett, South Shields and Stockton, as 10 North East makers created work in 9 of the region's 12 local authorities; these new works breathed new life into the places and spaces that were the backdrop to lockdown, celebrating the diversity of our region and bringing communities together.
- ETT's STORY TRAILER presented a diverse cultural programme from a converted truck installed at Leazes Park in Newcastle, showcasing national and local artists
- Paines Plough's ROUNDABOUT, a pop-up performance space, was based at Harbottle Park in Byker during August, allowing us to introduce our good quality, accessible performance programme to audiences in Byker, and host activity for our BEST SUMMER EVER community programme.

Northern Stage Productions & Co-Productions

HOUSEWARMING was the final strand in our 2021 programme and completed the journey from lockdown to the outdoors and back into the theatre. With ongoing covid restrictions and safety concerns, the viability of co-production and touring was affected and so we prioritised a programme of self-produced work and co-production with local companies, creating 5 produced shows, and

On 25 August we reopened our building and welcomed audiences back to live indoor theatre with FREE SCHOOL MEALS. Written by Luca Rutherford, directed by Annie Rigby, in co-production with Unfolding Theatre, the show invited audiences to step into a restaurant run by children, exploring power, ambition and the ingredients children need to thrive.

"Bold, big hearted. Local but universal. A defiantly live experience"

★★★★ The Stage

THE BALLAD OF JOHNNY LONGSTAFF, a co-production with The Young'uns and Harbourfront Centre in Toronto, returned to Northern Stage prior to a short national tour; the show will transfer to Toronto in 2022/23. The show was the last Northern Stage production pre-pandemic, and so was a fitting production to include in our reopening season.

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"...entertaining, enchanting, engaging, educational, enthralling and an exhilarating experience...a show not to be missed." ★★★★★ The Reviews Hub

ROAD by Jim Cartwright marked Artistic Director Natalie Ibu's debut production for Stage 1. A snapshot of Northern life in 1980s Thatcher's Britain, where jobs and hope are scarce, but the party must go on, the production set out some of the features of future programming at Northern Stage: of the acting company, 60% were from the North East, 50% were people of colour, and 20% had their professional debuts, while the freelance team achieved representation across gender, sexuality, race, disability, neurodiversity and class.

"Natalie Ibu's revival of ROAD is an ambitious calling card for the new artistic director of Northern Stage." ★★★ The Times

THE THREE BEARS, created in association with Kitchen Zoo, would usually have been our Christmas offering for under 5s, but was moved to October/November to reduce the volume of customers in the building over the Christmas period. School and nursery groups still booked in strong numbers outside the festive period, evidencing an appetite for cultural experiences for children and families who missed so much during lockdown

"The team at Kitchen Zoo are absolute geniuses." The Daddy Voyage blog

Our Christmas production, THE SORCERER'S APPRENTICE, began previews on 27 November to a full auditorium, but after several members of the cast and company were diagnosed with Covid, we had to take the difficult decision to cancel all remaining performances from 14 December. This was incredibly disappointing, as we had received positive reviews and lovely feedback from audiences.

"A modern fairy tale which is clever, witty and off the wall, funny and insightful, full of great characters...It was great! The glory days of Northern Stage Christmas Shows have returned."
British Theatre Guide

In the new year we opened the third and final of our trilogy of NORTH touring productions, which supports early-career performers and theatre makers to create new work. THE INVISIBLE MAN opened to full houses at Northern Stage before embarking on a tour of small-scale venues across the North. With so little touring product available so soon after lockdown, the production was eagerly received by small presenting venues.

"A thoughtful and ambitious update of the HG Wells classic, elevated by clever design."
★★★ The Stage

In March we were delighted to finally open HERE by Curious Monkey. The show had been due to open in March 2020, the week the theatres were forced to close due to the Covid-19 pandemic, so it had never met an audience. We continued to support Curious Monkey through lockdown and brought in additional co-producer Newcastle University to support the remount.

"A timely and moving but often funny production about the refugee and migrant experience that sees an engaging cast directed with flair" ★★★★★ The Stage

The final production of the financial year was RED ELLEN by Caroline Bird, created in co-production with Nottingham Playhouse and the Royal Lyceum in Edinburgh. The show had been first commissioned in

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2015 and originally scheduled to perform in 2020, but was delayed due to covid restrictions, and so the opening was eagerly anticipated. Despite covid affecting the production during rehearsal and tech, we lost only two performances and successfully implemented actor cover to protect the rest of the run. The show opened to fantastic reviews from critics

"Bettrys Jones gives towering performance in life of political pioneer...Inspirational...Red Ellen crackles with modern day resonances" The Guardian ★★★★★

"A trenchant portrait of a political trailblazer...Shifts between scenes are fluently choreographed, making efficient use of Camilla Clarke's flexible set design" The Times ★★★★★

Attendances

During the reopening season in Autumn 2021 we restricted our audience capacity 50% and reduced the volume of programming across the three stages to manage the numbers of people on site and minimise the potential for covid transmission. This was an important part of our strategy to promote our covid safety and encourage audiences back to live performance. Audience capacities were gradually increased during Spring 2022, but we don't expect to reach the full volume of programming until 2023.

30,000 audiences saw work at Northern Stage, on tour and in outdoor settings across the region in 21/22, slightly lower than our 35,000 target, but had we been able to complete the full run of the Christmas production we would have exceeded our goal. 33% of all tickets were sold at a discounted rate, primarily to children and young people, and a further 500 tickets were sold to for digital streaming productions.

Talent Development & Sector Support

Our talent development programme was focussed on reconnecting artists both with us and the building, and with each other, and engaging in deep listening as we prepared to be of service to a radically changed region and sector, as a result of the pandemic. Activities included:

- A DEVOTED AND DISGRUNTLED session about the future of talent development in the region, which raised key themes around valuing and caring for artists, development that spans beyond 'emerging' artists, and ways to keep artists within the region
- Open auditions, meeting over 80 North East actors over three days and hosting a panel of independent theatre makers and companies
- 7 roundtable discussions with freelance artists, facilitated by an independent moderator, focused on the immediate support needs of the sector, with 45 artists across 10 disciplines
- 6 professional practice workshops connected with the performance programme, enabling artists to learn from the creative practitioners working in the building
- NEW DIRECTIONS NORTH, a partnership with RTYDS, Royal Exchange, Leeds Playhouse and Theatre by the Lake creating a northern hub for early career directors in the North offering entry points to the sector for those who feel theatre is neither accessible to them or inclusive of them
- BEYOND, a collaboration with Graeae Theatre and a national network of theatre partners supporting Deaf and disabled artists to access artist development opportunities
- Collaboration with Live Theatre on the appointment of a shared RTYDS 18-month director residency
- Supporting a number of assistant positions attached to produced shows, including:
 - Assistant Director on THE WHITE CARD (supported by an RTYDS 3-month placement)
 - Assistant Sound Designer on THE INVISIBLE MAN
 - 18-month RTYDS Director Residency, shared with Live Theatre, working on RED ELLEN and THE SORCERER'S APPRENTICE

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After a 12-month delay, the final cohort of NORTH supported companies began their year-long programme of bespoke support and group workshops. Of the 5 supported companies/artists, 3 received ACE funding from project grants for their work as part of the programme; 1 received Developing your Creative Practice funding; 2 are presenting their work within future Northern Stage seasons; and all 5 are planning to tour future work in 2023.

Participation

Northern Stage acts as the accountable body for the Byker Children & Young People's Partnership (BCYPP) and secured funds for a third year of BYKER'S BEST SUMMER EVER, a programme of summer activity for children & young people in Byker. Working with partners from the network including Food Nation, Big River Bakery, Seven Stories and Northern Cultural Projects, we secured increased funding of £68k to provide hot meals for up to 200 people each day across two food hubs, and activities for up to 80 young people each day, including gardening, clowning, surfing, baking and cooking, music and dance sessions.

With young people returning to school after lockdown we relaunched our Work Experience programme in June 2021, receiving 49 applications from 24 different schools for 15 places. As a result of this high demand, we added an extra week of work experience, so that we could double the number of young people taking part.

Our partnership with the RSC Associate Schools programme relaunched in Autumn 2021. 7 schools participated in the programme, led by Sacred Heart Secondary School, with pupils working towards a Playmaking Festival in June 2022. We are also working alongside the RSC, Newcastle University, New Writing North and Live Theatre to support delivery of the RSC's ambitious 37 PLAYS programme within the region.

Our ambition to involve more artists in delivery of our participatory activity has been realised with new funding from Esmee Fairbairn to support year-long residencies for 3 artists to develop their socially engaged practice. The artists will undertake training to develop and share knowledge and will apply their learning through delivery of independent projects supported by Northern Stage. Our aim is to train more artists in our socially-engaged methodology and approach and create opportunities for future employment.

Organisational Development

Poverty Proofing

We engaged Children North East to deliver their Poverty Proofing Cultural Organisations programme, which aims to identify barriers for engagement for families suffering the effects of poverty and work with organisations to overcome those barriers. Recent figures show that the 12 North East local authorities have seen the biggest increase in child poverty over the last 5 years, with 41% of children in Newcastle now living in poverty. Staff and Board took part in training with Children Northeast, and consultation will be undertaken with both current users and those that don't normally engage our services. The report will be completed in Spring 2022.

Diversity & Access

We engaged diversity experts Diversity Matters to undertake an Equality, Diversity & Inclusion Audit within the company during the year, to review our current practices, and secure agreement across the organisation for our current baseline and targets for future development. The report was delivered in Spring 2022 and we will be working with Diversity Matters consultants to develop our strategy and implement continuous improvement targets for the future.

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Café Bar

The café bar is an important part of the audience experience for theatre goers. Operation of the café bar was brought in house during the pandemic, and with funds from the Cultural Recovery Fund (CRF) significant investment was made into re-equipping facilities, recruiting and training staff and reopening the café in line with the theatre programme. Initially operating with a reduced menu of drinks and bar snacks while audience numbers rebuild, we are delighted that the first part-year of operation has contributed positively to the organisations bottom line. From 2022/23 we expect to set up a separate trading company for café-bar activities and have recruited a sub-committee of Board members and independent experts to advise and support the transition.

Board recruitment

Three new trustees were appointed to the board during the year, increasing the breadth of skill, knowledge and lived experience of our Board.

Fundraising

We are committed to fundraising best practice and abide by the Fundraising Regulators' key principles and behaviours of a fundraising organisation: to be legal, open, honest and respectful. The company has two primary sources of fundraised income: charitable trusts and foundations, to whom we submit applications for funds for our own charitable activities; and individual giving, through the receipt of donations from members of the public. Individual donations are solicited through an 'opt-in' donation that can be added to the ticket purchase, through bucket collections after performances, or through annual donation to a supporters' scheme. We undertake to comply with the relevant law and regulations, including the Charities Act 2016 and the General Data Protection Regulations.

Fundraising activity is led by a Development Associate and overseen by the Executive Director, who reports to the Board of Directors. We received no complaints about the company's fundraising activity during the year.

Structure, Governance & Management

Governing Document

Northern Stage (Theatrical Productions) Limited is a company limited by guarantee governed by its Memorandum and Articles of Association dated 8 October 1987 and amended to allow for the current governance arrangement in April 1993. It is a registered as a charity with the Charity Commission. There cannot be less than 3 or more than 20 board members, and currently there are 12 board members, each of whom agree to contribute an amount not exceeding £1 in the event of the charitable company winding up.

Appointment of the Board of Trustees

There shall be a Board of Directors of the Company of not less than 3 nor more than 20, the membership of which shall be constituted in the following manner

- a) Not more than 14 members of the Board shall be appointed from time to time by the charitable company at one or more General Meeting.
- b) One person may be nominated by Arts Council England, North East
- c) Two persons may be nominated by Newcastle City Council.
- d) Not more than three persons may be co-opted by the Board in its discretion from time to time. The Board shall be entitled to co-opt the Senior Officers of the charitable company under this provision if the Board sees fit.

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Board members may serve for a period of four years from the date mentioned in the appointment, nomination or co-option; after serving for one or more such period or periods of four years a member of the Board shall be eligible for re-appointment. Nominees appointed by Newcastle City Council are subject to the appointment processes of that body and the guidelines on appointment to public office as they apply to Local Government nominees.

The Board is committed to reflect the wider community and seeks to ensure that it is representative, taking special care to be inclusive in its approach and mindful of the need to remove barriers to participation as members of people with protected characteristics in law. Naturally, emphasis is also placed on recruiting individuals that have skills or experiences which enable them to best support, challenge and scrutinise the Executive. New Board Members are selected through a mixture of formal and informal means, with a bias towards transparency and open advertising twice in a four-year cycle.

Board induction & training

New Board Members are inducted through meetings with senior staff, a comprehensive information pack and visits to various parts of the organisation. Board development takes place through an annual away day, which gives members the opportunity to consider major issues and legislative changes in detail. Board members receive regular updates of legislation relevant to the responsibilities of Directors. Board members are encouraged to attend training days and seminars offered by outside bodies relevant to their particular field of interest.

Organisation

The Board of Directors, which has up to 20 members, administers the charitable company. The Board meets five times a year and there is a finance sub-committee which meets prior to every Board meeting. In addition, there is a Board sub-committee focussing on Employment & Policy, with additional task and finish groups established as necessary. Each sub-committee meets 2-3 times each year.

An Executive and Artistic Director are appointed by the Board to manage the day-to-day operations of the charitable company. To facilitate effective operations, the Executive and Artistic Directors have a delegated authority within terms of delegation approved by the Board for matters including operations, communications, administration and artistic performance related activity.

Pay policy for Senior Staff

Pay and remuneration of key management personnel is set by the Board as part of the annual budgeting process, and pay is benchmarked against other cultural organisations in the region and regional theatres elsewhere in the country.

Going Concern

The charity's forecasts and projections for the next twelve months show that the charity should be able to continue in operational existence for that period, taking into account reasonable possible changes in trading performance and the potential impact on the charity of possible future scenarios arising from the impact of COVID-19. This also considers the effectiveness of available measures to assist in mitigating the impact. The charity has strong positive cash balances and is forecasting for this to continue to be the case. The trustees have stress tested their forecasts, taking into account various scenarios, and remain confident that the uncertainties do not cast significant doubt on the company's ability to continue as a going concern.

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Financial Review

Financial Position

Trading activity resumed part way during the year, although audience occupancy was initially restricted due to government guidelines. As a result, our annual revenue turnover was £3.08m in comparison to £3.29m achieved in the previous financial year; a 6% decrease on previous year's turnover.

In anticipation of a difficult trading year, funds were designated in the 2020/21 to support the delivery of artistic and participation activity in 2021/22. In addition, we secured additional funding from the Coronavirus Job Retention Scheme and the Cultural Recovery Fund rounds 2 and 3, to stabilise operating budgets and reflate reserves. Dynamic decision making in response to the rapidly changing external environment enabled us to navigate this challenging year and return a balanced operating budget by year end, with reserves increased to 8 weeks of pre-covid turnover.

We have maintained our excellent track record in robust and successful financial and risk management, which will support our activity and expectation of future depressed audiences and trading in the next financial year.

Funds in Deficit

No funds were in deficit at the end of the financial year.

Borrowings

The charity did not have any borrowings from either providers of funding or from other sources at the balance sheet date.

Risk Management

The finance committee and the Board continue to monitor strategic, business and operational risk. There is a system of policies, systems and procedures in place to mitigate those risks identified. Should any risk materialise there are systems in place designed to manage or minimise the potential of any impact on the charity.

The current major risk is the effect on trading as we continue to experience the effects of the coronavirus pandemic. This risk will be managed by strictly controlling expenditure, taking advantage of government and sector grants and working closely with senior managers and board to undertake regular reforecasting and review of future plans. Having built up adequate reserves and strong financial management over the last 10 years, we are in a good position to mitigate the uncertainty of future trading.

Pricing Policy

Our pricing policy is intended to enable people from across our region to engage with our work, regardless of their financial means. Full price tickets range from £10 to a level determined by dynamic pricing, usually to a maximum of £32. There are always £10 tickets available for every show to make them accessible to all, and 33% of our tickets were sold at discounted prices during the year.

Investment powers and policy

Under the Memorandum and Articles of Association, the charity has the power to invest in any way the trustees wish. The Board, having regard to the liquidity requirements of operating the theatre and to the reserves policy have operated a policy of placing available funds on longer term deposit when possible.

**NORTHERN STAGE (THEATRICAL PRODUCTIONS) LIMITED
TRADING AS NORTHERN STAGE**

**REPORT AND FINANCIAL STATEMENT FOR
YEAR ENDED 31 MARCH 2022**

Reserves policy

At the end of the year the company had reserves of £4,824,668 of which £3,722,002 was held in restricted funds. £3,539,997 relates to the refurbishment of the theatre completed in 2006 and additional Stage 3 works; £16,392 is from Backstage Trust towards a feasibility study of Raby Street Youth Centre Project; £79,515 is from the Culture Recovery Fund towards additional costs relating to the re-opening of the theatre following the Covid-19 pandemic, £22,002 is held towards energy-efficiency improvements made to Stage 1, and the remaining £64,096 is towards other projects during 22/23.

Unrestricted reserves for the year were £1,102,666, of which £100,000 has been designated for capital refurbishment, £150,000 has been designated for activity delayed from 21/22 to 22/23, and £250,000 has been designated towards productions in 22/23. General funds for the year were £602,666.

As anticipated at the end of 2021, it has been necessary to draw upon the charity's reserves to support operational activity during the coming year. We secured funding from the Cultural Recovery Fund Round 3 to reflate our reserves to the equivalent of 8 weeks of pre-covid turnover. This is providing vital stability for the coming period as the board anticipate drawing upon these reserves over the coming years as we rebuild our income generating activities.

Having reviewed the definition included in the charity's statement of recommended practice (SORP), which provides recommendations for accounting and reporting charities, the trustees have examined the requirements of the charity to hold free reserves- those reserved not invested in tangible fixed assets, excluding long term liabilities, or designated for a particular purpose. The Trustees considered it would be appropriate to hold the equivalent of 8 weeks of pre-Covid annual turnover, which would equate to holding approx. £491k in free reserves. At the year-end reserves, including designated were £1,102,666 (2021: £766,299), of which £502,523 (2021: £315,150) were held as free reserves. The policy is reviewed by the Board annually.

Plans for future periods

The pandemic continues to cast a shadow over the company's operations, with productions vulnerable to illness in the cast and company and In addition, rapidly rising inflation and the crisis in energy costs are putting pressure on the cost of living and reducing the household income available for cultural and leisure events. The Board and Executive will be working closely to monitor the external environment and consider the impact for the charity. Northern Stage benefits from having had excellent financial management and strong financial performance and controls in recent years, which resulted in increased reserves from which it can draw.

We plan to continue rebuilding our performance programme in the coming year both at home and on tour. Our production of RED ELLEN will visit Nottingham and Edinburgh, while a new co-production of A MIDSUMMER NIGHT'S DREAM will open at the new Shakespeare North Playhouse in Prescott before transferring to Northern Stage. Natalie Ibu will direct the European Premiere of Claudia Rankine's THE WHITE CARD in Newcastle, and the show will tour nationally, visiting Leeds, Manchester, Birmingham and London. Our festive production of THE SORCERER'S APPRENTICE will return to Northern Stage to complete the performance run so sadly cut short in 2021 due to covid illness.

Our participation and talent development activity will also evolve during the year, reconnecting with audiences and communities. Flagship projects like Best Summer Ever and Young Company will return, alongside new community activities like Cultural Encounters, and a training programme for artists in socially-engaged practice.

**NORTHERN STAGE (THEATRICAL PRODUCTIONS) LIMITED
TRADING AS NORTHERN STAGE**

**REPORT AND FINANCIAL STATEMENT FOR
YEAR ENDED 31 MARCH 2022**

TRUSTEES' RESPONSIBILITIES

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

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the 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 in the charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

Auditor

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Reappointment of auditor

Azets Audit Services Limited, trading as Azets Audit Services, were appointed auditor to the company following their acquisition of the trade of Tait Walker LLP, trading as MHA Tait Walker, on 1 May 2022.

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Azets Audit Services as auditors of the charity is to be proposed at the forthcoming Annual General Meeting.

The trustees' annual report and the strategic report were approved on 24/11/22 and signed on behalf of the board of trustees by:



Simon Elliott
Chair

**NORTHERN STAGE (THEATRICAL PRODUCTIONS) LIMITED
TRADING AS NORTHERN STAGE**

**INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF NORTHERN STAGE (THEATRICAL
PRODUCTIONS) LIMITED
AS AT 31ST MARCH 2022**

Opinion

We have audited the financial statements of Northern Stage (Theatrical Productions) Limited (the 'charity') for the year ended 31 March 2022, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements were authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

**NORTHERN STAGE (THEATRICAL PRODUCTIONS) LIMITED
TRADING AS NORTHERN STAGE**

**INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF NORTHERN STAGE (THEATRICAL
PRODUCTIONS) LIMITED
AS AT 31ST MARCH 2022**

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities [set out on page 15] the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**NORTHERN STAGE (THEATRICAL PRODUCTIONS) LIMITED
TRADING AS NORTHERN STAGE**

**INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF NORTHERN STAGE (THEATRICAL
PRODUCTIONS) LIMITED
AS AT 31ST MARCH 2022**

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiries with management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing board minutes;
- Challenging assumptions and judgements made by management in their significant accounting estimates;
- Review financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

Because of the field in which the client operates, we identified the following areas as those most likely to have a material impact on the financial statements: Health and Safety; employment law (including the Working Time Directive); and compliance with the UK Companies Act and Charities Act.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

**NORTHERN STAGE (THEATRICAL PRODUCTIONS) LIMITED
TRADING AS NORTHERN STAGE**

**INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF NORTHERN STAGE (THEATRICAL
PRODUCTIONS) LIMITED
AS AT 31ST MARCH 2022**

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Simon Brown BA ACA DChA (Senior Statutory Auditor)
For and on behalf of Azets Audit Services
Chartered Accountants
Statutory Auditor

Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Date: 28.11.2022

Azets Audit Services is a trading name of Azets Audit Services Limited

**NORTHERN STAGE (THEATRICAL PRODUCTIONS) LIMITED
TRADING AS NORTHERN STAGE**

**STATEMENT OF FINANCIAL ACTIVITY
FOR THE YEAR ENDED 31ST MARCH 2022**

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £	Total Funds 2021 £
INCOME					
Donations and grants	3	44,705	75,472	120,177	517,296
Charitable activities	4	2,302,068	111,713	2,413,781	1,947,420
Other income	5	356,533	195,000	551,533	826,263
TOTAL INCOME		2,703,306	382,185	3,085,491	3,290,979
EXPENDITURE					
Charitable activities	6	2,680,579	835,905	3,516,484	2,498,530
TOTAL EXPENDITURE		2,680,579	835,905	3,516,484	2,498,530
Net movement in funds before transfers		22,727	(453,720)	(430,993)	792,449
Transfers between funds	7	313,640	(313,640)	-	-
Net movement in funds		336,367	(767,360)	(430,993)	792,449
Total funds brought forward		766,299	4,489,362	5,255,661	4,463,212
Total funds carried forward		1,102,666	3,722,002	4,824,668	5,255,661

The Statement of Financial Activities includes all gains and losses recognised in the year.

All incoming resources and resources expended are derived from continuing activities.

The notes on pages 24 to 38 form part of these financial statements.

**NORTHERN STAGE (THEATRICAL PRODUCTIONS) LIMITED
TRADING AS NORTHERN STAGE**

**STATEMENT OF FINANCIAL ACTIVITY
FOR THE YEAR ENDED 31ST MARCH 2022**

Comparative Statement of Financial Activity for the year ended 31st March 2021

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Total Funds 2020 £
INCOME					
Donations and grants	3	76,573	440,723	▼ 517,296	200,557
Charitable activities	4	1,777,614	169,806	▼ 1,947,420	3,191,787
Other income	5	432,704	393,559	▼ 826,263	-
TOTAL INCOME		2,286,891	1,004,088	3,290,979	3,392,344
EXPENDITURE					
Charitable activities	6	2,127,062	371,468	▼ 2,498,530	3,780,098
TOTAL EXPENDITURE		2,127,062	371,468	2,498,530	3,780,098
Net movement in funds before transfers		159,829	632,620	792,449	(387,754)
Transfers between funds	7	304,240	(304,240)	-	-
Net movement in funds		464,069	328,380	792,449	(387,754)
Total funds brought forward		302,230	4,160,982	4,463,212	4,850,966
Total funds carried forward		766,299	4,489,362	5,255,661	4,463,212

The Statement of Financial Activities includes all gains and losses recognised in the year.

All incoming resources and resources expended are derived from continuing activities.

The notes on pages 24 to 38 form part of these financial statements.

**NORTHERN STAGE (THEATRICAL PRODUCTIONS) LIMITED
TRADING AS NORTHERN STAGE**

**STATEMENT OF FINANCIAL POSITION
AS AT 31ST MARCH 2022**

	Notes	2022		2021	
		£	£	£	£
FIXED ASSETS					
Tangible assets	11		3,741,557		4,004,740
Investments	12		100		100
			<u>3,741,657</u>		<u>4,004,840</u>
CURRENT ASSETS					
Stocks and work in progress	13	9,288		6,270	
Debtors	14	623,428		329,853	
Cash at bank and in hand		956,720		1,159,472	
		<u>1,589,436</u>		<u>1,495,595</u>	
CREDITORS: Amounts falling due within one year	15	<u>506,425</u>		<u>244,774</u>	
			<u>1,083,011</u>		<u>1,250,821</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>4,824,668</u>		<u>5,255,661</u>
FUNDS					
Unrestricted and designated	17		1,102,666		766,299
Restricted	16		3,722,002		4,489,362
			<u>4,824,668</u>		<u>5,255,661</u>

Approved by the Board and authorised for issue on 24/11/22 and signed on its behalf by the following director:



Simon Elliott
Chair

Company Number 02187213

The notes on pages 24 to 38 form part of these financial statements.

**NORTHERN STAGE (THEATRICAL PRODUCTIONS) LIMITED
TRADING AS NORTHERN STAGE**

**STATEMENT OF CASH FLOWS
AS AT 31ST MARCH 2022**

	2022	2021	
	£	£	
Cash flows from operating activities			
Net income/(expenditure)	(430,993)	792,449	
<i>Adjustments for:</i>			
Depreciation of tangible fixed assets	348,122	350,218	
Loss on disposal of fixed assets	8,391	102	
<i>Changes in:</i>			
Stocks	(3,018)	5,500	
Trade and other debtors	(293,575)	22,761	
Trade and other creditors	261,651	(114,045)	
Cash generated from operations	(109,422)	1,056,985	
Net cash from/(used in) operating activities	(109,422)	1,056,985	
Cash flows from investing activities			
Purchase of tangible assets	(93,330)	(83,385)	
Disposal of tangible assets	-	250	
Net cash from/(used in) investing activities	(93,330)	(83,135)	
Net increase/(decrease) in cash and cash equivalents	(202,752)	973,850	
Cash and cash equivalents at beginning of year	1,159,472	185,622	
Cash and cash equivalents at end of year	956,720	1,159,472	
Analysis of changes in net debt			
	1 Apr 2021	Cash flows	31 Mar 2022
	£	£	£
Cash and cash equivalents	1,159,472	(202,752)	956,720
Borrowings	-	-	-
Total	1,159,472	(202,752)	956,720

The notes on pages 24 to 38 form part of these financial statements.

**NORTHERN STAGE (THEATRICAL PRODUCTIONS) LIMITED
TRADING AS NORTHERN STAGE**

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2022**

1. General information & statement of compliance

The charity is a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is Northern Stage, Barras Bridge, Newcastle upon Tyne, NE1 7RH.

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Charities Act 2011.

The charitable company meets the definition of a public benefit entity under FRS102.

2. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared on the historical cost basis.

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

Going concern

The charity's forecasts and projections for the next twelve months show that the charity should be able to continue in operational existence for that period, taking into account reasonable possible changes in trading performance. The charity has strong positive cash balances and is forecasting for this to continue to be the case. The trustees have stress tested their forecasts, taking into account various scenarios, and remain confident that the uncertainties do not cast significant doubt on the company's ability to continue as a going concern.

Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**NORTHERN STAGE (THEATRICAL PRODUCTIONS) LIMITED
TRADING AS NORTHERN STAGE**

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2022**

2. ACCOUNTING POLICIES *(Continued)*

Significant judgements:

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

Assessing indicators of impairment - In assessing whether there have been any indicators of impairment of assets, the members have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no indicators of impairments identified during the current financial year.

Key sources of estimation uncertainty:

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Depreciation - Depreciation is calculated so as to write off the cost of an asset, less its residual value, over the useful economic life of that asset. An estimate of the useful life of assets is detailed in the depreciation accounting policy.

Incoming resources

All income is included in the statement of financial activities when entitlement has passed to the charity, it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- Grants in respect of capital expenditure are credited to the Statement of Financial Activities on a receivable basis. Grants of a revenue nature are credited to income in the period to which they relate.
- Earned income comprises the gross box office income, theatre hire, and sales to outside customers at invoiced amount excluding value added tax and is credited to income in the period to which it relates.
- Voluntary income received by way of donations and gifts to the charitable company is included in full in the Statement of Financial Activities when received.
- Gifts in kind including capital assets are valued and brought in as income and the appropriate expenditure.
- Interest is included when receivable by the charitable company.
- Individual and Corporate memberships are paid in advance and have entitlements at certain points during the year and therefore time apportioned.

**NORTHERN STAGE (THEATRICAL PRODUCTIONS) LIMITED
TRADING AS NORTHERN STAGE**

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2022**

2. ACCOUNTING POLICIES (Continued)

Resources expended

All expenditure is accounted for on an accruals basis.

- Costs of generating funds include fundraising and advertising costs incurred in promoting the charitable company and its activities.
- Charitable activities include all costs relating to activities where the primary aim is part of the objects of the charitable company along with the indirect costs. The indirect costs have been apportioned on a reasonable basis which is consistent with previous years.
- Governance costs include salary costs attributable to the management of the charitable company's assets, organisation and administration and compliance with constitutional and statutory requirements. Governance costs also include audit, accountancy and professional fees.
- Costs incurred in respect of theatre productions held after the year end are held as prepaid expenditure and charged to the SOFA when the theatre show is running.

Defined contribution plans

The charity makes employer contributions to a defined contribution pension scheme on behalf of its employees. Contributions are included within support costs and allocated to the fund as noted in the support costs note.

Tangible Fixed Assets and Depreciation

All assets are capitalised at cost when their cost is in excess of £250.

Depreciation is provided to write off the cost less estimated residual values of all fixed assets over their expected useful lives. It is calculated on the original cost of the assets at the following rates:

Leasehold improvements	Over term of lease
Fixtures and fittings	20% per annum straight line
Motor vehicles	25% per annum reducing balance
Computers	25% straight line
Plant and equipment	10% straight line

Investments

Fixed asset investments are stated at cost less provision for any permanent diminution in value. The asset investment represents the share capital investment into the subsidiary company as described in the 'Fixed Asset Investments' note. The charitable company has not prepared consolidated accounts as the subsidiary company has remained dormant.

**NORTHERN STAGE (THEATRICAL PRODUCTIONS) LIMITED
TRADING AS NORTHERN STAGE**

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2022**

2. ACCOUNTING POLICIES *(Continued)*

Stock

Stock is shown at the lower of cost and net realisable value and represents theatre consumables and goods held for resale.

Debtors

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

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.

Creditors and provisions

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

Leased assets

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they occur.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the charitable company after deducting all of its liabilities.

Funds held as an agent

Funds received by the charitable company as agent are not recognised in the financial statements as the funds are not within its control. Note 9 gives further details of amounts held by the charitable company which are not recognised in the financial statements.

NORTHERN STAGE (THEATRICAL PRODUCTIONS) LIMITED
TRADING AS NORTHERN STAGE

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2022

3. VOLUNTARY INCOME

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Donations and Grants			
Newcastle City Council	-	7,502	7,502
Corporate Donations	25,000	-	25,000
Individual Giving	14,616	-	14,616
Trusts and Foundations	5,089	67,970	73,059
	<u>44,705</u>	<u>75,472</u>	<u>120,177</u>
	<u><u>44,705</u></u>	<u><u>75,472</u></u>	<u><u>120,177</u></u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Donations and Grants			
Newcastle City Council	10,000	-	10,000
Corporate Donations	12,750	-	12,750
Individual Giving	28,823	-	28,823
Trusts and Foundations	25,000	440,723	465,723
	<u>76,573</u>	<u>440,723</u>	<u>517,296</u>
	<u><u>76,573</u></u>	<u><u>440,723</u></u>	<u><u>517,296</u></u>

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £	Total Funds 2021 £
Grants (see below)	1,628,246	111,713	1,739,959	1,843,052
Earned income	673,822	-	673,822	104,368
	<u>2,302,068</u>	<u>111,713</u>	<u>2,413,781</u>	<u>1,947,420</u>
	<u><u>2,302,068</u></u>	<u><u>111,713</u></u>	<u><u>2,413,781</u></u>	<u><u>1,947,420</u></u>

**NORTHERN STAGE (THEATRICAL PRODUCTIONS) LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
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4. INCOME FROM CHARITABLE ACTIVITIES (continued)

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £	Total Funds 2021 £
Grant Income				
Arts Council - NPO Funding	1,591,246	-	1,591,246	1,591,246
Newcastle University	-	-	-	50,000
Newcastle Culture Investment Fund	37,000	-	37,000	32,000
London Marathon Trust	-	-	-	1,000
National Lottery Development Grant	-	23,333	23,333	49,940
National Lottery Covid Response Fund	-	-	-	84,775
HAF (Street Games)	-	83,230	83,230	34,091
NCC Youth Fund	-	5,150	5,150	-
	1,628,246	111,713	1,739,959	1,843,052
	1,628,246	111,713	1,739,959	1,843,052

5. OTHER INCOME

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £	Total Funds 2021 £
Coronavirus Job Retention Scheme	49,533	-	49,533	432,704
Culture Recovery Fund				
Round 1	-	-	-	393,559
Round 2	-	195,000	195,000	-
Round 3	307,000	-	307,000	-
	356,533	195,000	551,533	826,263
	356,533	195,000	551,533	826,263

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6. CHARITABLE ACTIVITIES EXPENDITURE

	Staff Costs £	Depreciation £	Other Costs £	Total 2022 £
Fundraising costs	11,783	-	18,273	30,056
Promotion of dramatic arts	913,288	348,122	1,886,572	3,147,982
Support costs	227,054	-	73,191	300,245
Governance costs	25,228	-	12,973	38,201
	<u>1,177,353</u>	<u>348,122</u>	<u>1,991,009</u>	<u>3,516,484</u>

	Staff Costs £	Depreciation £	Other Costs £	Total 2021 £
Fundraising costs	45,718	-	15,002	60,720
Promotion of dramatic arts	1,021,798	350,218	830,475	2,202,491
Support costs	154,525	-	53,151	207,676
Governance costs	17,170	-	10,473	27,643
	<u>1,239,211</u>	<u>350,218</u>	<u>909,101</u>	<u>2,498,530</u>

Unrestricted expenditure on Charitable Activities was £2,680,579 (2021: £2,127,062)

Restricted expenditure on Charitable Activities was £835,905 (2021: £371,468)

	2022 £	2021 £
Other costs are made up as follows:		
Production/presentation	1,183,211	398,596
Marketing	289,659	79,678
Operational	106,189	80,500
Theatre	351,089	300,887
Workshop	60,861	49,440
	<u>1,991,009</u>	<u>909,101</u>

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6. CHARITABLE ACTIVITIES EXPENDITURE (continued)

Analysis of Governance & Support Costs

The charitable company allocates costs directly to activities as far as possible, then identifies the remaining costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, the remaining support costs together with the governance costs are apportioned between the key charitable activities undertaken in the year. The basis for apportionment and the analysis of support and governance costs is set out as follows:

Direct to governance: Accountancy and audit fees. Direct to support costs: hire purchase interest, bank and credit charges and the loss on disposal of fixed assets. Other expenses have been allocated to direct charitable activity costs as far as possible.

Governance & Support costs are made up as follows:

	Governance costs 2022 £	Support costs 2022 £	Total 2022 £	Total 2021 £
Recruitment	-	5,276	5,276	17,916
Training	-	30,514	30,514	7,845
Travel and Subsistence	1,712	2,922	4,634	1,075
Hospitality	112	1,007	1,119	967
Bank and Credit Card Charges	-	12,217	12,217	3,493
Audit and Accountancy Fees	6,000	-	6,000	3,500
Legal and Professional Fees	2,938	-	2,938	2,400
Contribution To NGCV	139	1,249	1,388	1,200
HR Costs	687	6,187	6,874	2,851
Licences and Subscriptions	970	8,729	9,699	4,597
Postage	22	195	217	1,442
Stationery	393	3,532	3,925	2,423
Sundries	-	1,363	1,363	13,915
Core Payroll	25,228	227,054	252,282	171,695
	38,201	300,245	338,446	235,319
	38,201	300,245	338,446	235,319

7. TRANSFER BETWEEN FUNDS

There is a reserves transfer of £313,640 (2021: £304,240) shown on the face of the Statement of Financial Activities in respect of the transfer of capital grant amortisation from restricted to unrestricted funds, of which £295,000 (2021: £295,000) relates to the capital programme and redevelopment of Stage 3, £13,140 (2021: £9,240) relates to the Culture Recovery Fund, and £5,500 (2021: £nil) relates to energy efficiency improvements in Stage 1.

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8. INFORMATION ON DIRECTORS AND EMPLOYEES

	2022 £	2021 £
Staff costs		
Gross salaries	1,079,882	1,143,154
Pension costs	18,428	22,162
Social security costs	79,043	73,895
	<u>1,177,353</u>	<u>1,239,211</u>

Redundancy and termination payments totalling £nil (2021: £61,734) were made to 0 (2021: 12) employees during the year.

The average number of employees during the year was 73 (2021: 81).

No employee earned more than £60,000 (2021: none).

No trustees were remunerated during the year. Two trustees (2021: 1) were reimbursed travel and accommodation expenses during the year amounting to £249 (2021: £169).

Key management personnel remuneration for the year was £331,778 (2021: £270,504).

9. RESOURCES RECEIVED AND PAID AS INTERMEDIARIES FOR THIRD PARTIES

Received as agents and not included in the Financial Statements

	1 April 2021 £	Received in year £	Released in year £	31 March 2022 £
Newcastle Gateshead Cultural Venues	31,579	13,100	(24,823)	19,856
	<u>31,579</u>	<u>13,100</u>	<u>(24,823)</u>	<u>19,856</u>

The opening and closing funds above are represented by the assets and liabilities held by the charity as an intermediary agent. As the charity is acting as an agent the opening and closing assets and liabilities are not shown in the financial statements.

10. NET MOVEMENT IN FUNDS

	2022 £	2021 £
Net movement in funds is stated after charging:		
Auditors remuneration	6,000	6,000
Depreciation	348,122	350,218
Loss on disposal of fixed assets	8,391	102
Operating lease rentals:		
Land, buildings and equipment	78,000	78,000
	<u>78,000</u>	<u>78,000</u>

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11. TANGIBLE FIXED ASSETS

	Leasehold Improve- ments £	Fixtures and Fittings £	Plant and Equipment £	Computer Equipment £	Motor Vehicles £	Total £
Cost						
As at 1 April 2021	8,174,573	682,926	646,404	98,249	-	9,602,152
Additions	4,792	53,947	26,298	8,293	-	93,330
Disposals	(12,585)	-	-	-	-	(12,585)
As at 31 March 2022	8,166,780	736,873	672,702	106,542	-	9,682,897
Depreciation						
As at 1 April 2021	4,288,415	657,761	566,765	84,471	-	5,597,412
Charge for year	299,319	19,665	20,874	8,264	-	348,122
Disposals	(4,194)	-	-	-	-	(4,194)
As at 31 March 2022	4,583,540	677,426	587,639	92,735	-	5,941,340
Net Book Value						
As at 31 March 2022	3,583,240	59,447	85,063	13,807	-	3,741,557
As at 31 March 2021	3,886,158	25,165	79,639	13,778	-	4,004,740

All assets are held for direct charitable purposes.

Capital Commitments:

At the year end the balance due to be spent was £nil (2021: £nil).

12. FIXED ASSET INVESTMENTS

	2022 £	2021 £
Investment in subsidiary undertaking		
Northern Stage Enterprises Limited	100	100
Ordinary shares of £1 each (100% held)		

On 13 October 2014, Northern Stage Enterprises Limited was incorporated and is a wholly owned subsidiary of the charity. The subsidiary company is yet to start trading and therefore consolidated financial statements have not been prepared. Northern Stage Enterprises Limited is a company incorporated and registered in England.

NORTHERN STAGE (THEATRICAL PRODUCTIONS) LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
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13. STOCKS AND WORK IN PROGRESS

	2022	2021
	£	£
Stocks and work in progress comprise:		
Costumes, materials and merchandise	9,288	6,270
Productions in progress	-	-
	<u>9,288</u>	<u>6,270</u>

14. DEBTORS

	2022	2021
	£	£
Trade debtors	215,090	14,248
VAT	22,531	65,711
Prepayments	125,611	81,825
Accrued income	139,698	62,254
Other debtors	120,498	105,815
	<u>623,428</u>	<u>329,853</u>

Trade debtors includes a bad debt provision of £3,371 (2021: £10,000).

15. CREDITORS: Amounts falling due within one year

	2022	2021
	£	£
Trade creditors	107,832	134,307
Taxation and social security	21,044	17,978
Accruals	90,060	40,195
Deferred income (see below)	148,823	5,699
Other creditors	138,666	46,595
	<u>506,425</u>	<u>244,774</u>

	2022	2021
	£	£
Deferred income		
Deferred income brought forward	5,699	32,649
Released in the year	(2,493)	(27,318)
Income deferred in the year	145,617	368
	<u>148,823</u>	<u>5,699</u>

NORTHERN STAGE (THEATRICAL PRODUCTIONS) LIMITED
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YEAR ENDED 31ST MARCH 2022

16. RESTRICTED FUNDS

	1 April 2021	Incoming	Outgoing (including transfers)	31 March 2022
	£	£	£	£
Capital Programme	3,639,483	-	(279,960)	3,359,523
Catherine Cookson	18,038	-	(1,387)	16,651
Capital donations	360	-	(28)	332
Foyle Foundation	57,716	-	(4,440)	53,276
Hedley Denton	360	-	(28)	332
Fidelity UK	28,858	-	(2,220)	26,638
Wolfson Foundation	36,072	-	(2,775)	33,297
Trust House Foundation	18,038	-	(1,387)	16,651
Bond Dickinson	36,072	-	(2,775)	33,297
The Shears Foundation	10,000	-	(10,000)	-
Backstage Trust	16,392	-	-	16,392
Ballinger	12,000	-	(12,000)	-
BBC Children in Need	7,000	-	(7,000)	-
Community Foundation Soul Food	7,350	-	(7,350)	-
Community Foundation Cultural Encounters	9,903	-	(753)	9,150
Community Foundation Creative Futures 2021	2,000	1,720	(3,720)	-
Culture Recovery Fund (Round 1)	212,586	-	(133,071)	79,515
Esmée Fairbairn - NORTH	30,000	-	(30,000)	-
Garfield Weston - Weston Culture Fund	320,000	-	(320,000)	-
National Lottery Development Grant (20/21)	27,134	-	(22,597)	4,537
Community Foundation European Theatre	-	1,000	-	1,000
Culture Recovery Fund (Round 2)	-	195,000	(195,000)	-
Esmée Fairbairn - Reinvent	-	44,250	(5,500)	38,750
HAF (Streetgames)	-	83,230	(83,230)	-
Joseph Strong Frazer	-	1,000	(1,000)	-
National Lottery Development Grant (21/22)	-	23,333	(16,450)	6,883
Newcastle City Council - Youth Fund	-	5,150	(1,374)	3,776
Newcastle City Council - BEST	-	7,502	(1,500)	6,002
Theatre Trust	-	20,000	(4,000)	16,000
	<u>4,489,362</u>	<u>382,185</u>	<u>(1,149,545)</u>	<u>3,722,002</u>

Capital Programme – Funding relating to the redevelopment of the theatre.

Capital Donations – Individual donations towards the capital programme in Stage 3, including Foyle Foundation £80k, Catherine Cookson £25k, Hedley Denton £500, Fidelity UK £40k, Wolfson Foundation £50k, Trusthouse Fund £25k, Bond Dickinson £50k

The Shears Foundation – Funding towards the Byker Estate Participation Programme.

The Backstage Trust – Funding towards the development of Raby Street Creative Hub in Byker.

Ballinger – Funding towards the Young Company programme.

BBC Children in Need – Funding towards the Connect, Create, Celebrate programme in Byker.

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**NOTES TO THE FINANCIAL STATEMENTS
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16. RESTRICTED FUNDS *(continued)*

Community Foundation – Funding towards participation work, including additional work in Byker and the Creative Futures work experience programme.

Culture Recovery Fund (Round 1) – Arts Council funding to support improvements to the Theatre required following the closure during the Covid-19 pandemic.

Esmée Fairbairn – Funding of the NORTH programme to support the develop of local theatre makers.

Garfield Weston – Weston Culture Fund – To support artistic activity in relation to the reopening of the Theatre following the Covid-19 Pandemic.

National Lottery Development Grant – To support the further development of participation activities delivered as lead partner of Byker Children's and Young People's Partnership.

Community Foundation – Additional funding towards the Young Company's participation in the Festival of European Theatre

Culture Recovery Fund (Round 2) – Arts Council funding to support overheads during the re-opening of the theatre

Esmée Fairbairn – Funding of the Reinvent Residencies to support three local freelance artists to work on community based projects.

HAF (Streetgames) – To support the Best Summer Ever 2021 and Winter Festival programmes in Byker

Joseph Strong Frazer – Funding towards participation work

National Lottery Development Grant – Further funding towards the development of participation activities delivered as lead partner of Byker Children's and Young People's Partnership.

Newcastle City Council – Youth Fund – Funding towards the Young Company programme.

Newcastle City Council – Business Energy Saving Team – Funding towards energy efficiency improvements made in Stage 1

Theatre Trust – Funding towards energy efficiency improvements made in Stage 1

17. UNRESTRICTED & DESIGNATED FUNDS

Included within unrestricted funds are the following which have been designated for specific purposes by the Trustees of the Charity:

	Balance at 1 April 2021	Income	Expenditure (including transfers)	Balance at 31 March 2022
	£	£	£	£
Designated funds				
Capital refurbishment	100,000	-	-	100,000
Delayed activity	46,200	-	103,800	150,000
Production fund	200,000	-	50,000	250,000
General funds	420,099	2,703,306	(2,520,739)	602,666
	<u>766,299</u>	<u>2,703,306</u>	<u>(2,366,939)</u>	<u>1,102,666</u>

NORTHERN STAGE (THEATRICAL PRODUCTIONS) LIMITED
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18. ANALYSIS OF ASSETS

	Fixed Assets £	Net Current Assets £	Total 2022 £
Restricted Funds			
Capital Programme	3,539,997	-	3,539,997
Restricted income funds	101,517	80,488	182,005
	-	500,000	500,000
Designated Funds			
	100,143	502,523	602,666
Unrestricted Funds			
	<u>3,741,657</u>	<u>1,083,011</u>	<u>4,824,668</u>
	Fixed Assets £	Net Current Assets £	Total 2021 £
Restricted Funds			
Capital Programme	3,834,997	-	3,834,997
Restricted income funds	64,894	589,471	654,365
	-	346,200	346,200
Designated Funds			
	104,949	315,150	420,099
Unrestricted Funds			
	<u>4,004,840</u>	<u>1,250,821</u>	<u>5,255,661</u>

19. COMMITMENTS UNDER OPERATING LEASES

As at 31 March 2022 the charitable company had minimum non-cancellable commitments under operating leases as set out below:

	Land & Buildings £	Total 2022 £	Total 2021 £
Operating leases which expire:			
Within one year	63,000	63,000	78,000
Within 2-5 years	192,000	192,000	207,000
Over 5 years	364,000	364,000	412,000
	<u>619,000</u>	<u>619,000</u>	<u>697,000</u>

The lease on the Theatre is until October 2034. The workshop is on a 5-year contract commencing Sept 2017.

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20. RELATED PARTY TRANSACTIONS

The charitable company rents the theatre from Newcastle University and Professor Julie Sanders, Deputy Vice Chancellor & Provost and Professor of English at Newcastle University is also on the board of directors at Northern Stage.

During the year the charity was invoiced £40,613 (2021: £58,225) in relation to rent and £34,178 plus VAT (2021: £28,024 plus VAT) for energy costs and other services. As at 31 March 2022 the amount outstanding was £nil (2021: £11,985) included in trade creditors.

The charity received £nil (2021: £50,000) included as grant income from Newcastle University during the year and £19,150 (2021: £nil) was invoiced relating to hires and contributions to jointly-hosted activities. As at 31 March 2022 the charity was owed £1,800 (2021: £710) included in trade debtors.

Newcastle City Council is a related party as Cllr Ged Bell is an observer of the Board. During the year the charity was invoiced £17,750 (2021: £6,863). As at 31 March 2022 the amount outstanding was £3,664 (2021: £2,106) included in trade creditors.

During the year the charitable company entered into co-production agreements with both Greater Manchester Arts Centre (trading as HOME) and Shakespeare North Playhouse. Artistic Director Natalie Ibu sits on the board for HOME, who were invoiced £16,805.64 plus VAT during the year and this amount is included in trade debtors at the year end. Northern Stage board member Laura Collier is the Creative Director of Shakespeare North Playhouse and Professor Julie Sanders sits on the boards of both Northern Stage and Shakespeare North Playhouse. Both agreements are on normal commercial terms, as with all other theatres with which co-productions are operated.

The charitable company's website developer, Substrakt Ltd, became a related party during the year as its Managing Director Ash Mann joined the board during the year, after the contract had been finalised. Substrakt were paid £30,500 + VAT during the year for design and development services.

21. SECURITY PROVIDED AGAINST GRANTS

Newcastle City Council hold a legal charge of £2,245,798 (dated 29/10/2004) secured on the building known as Northern Stage.

Arts Council England hold a legal charge of £4,199,982 (dated 11/03/2010) secured on the building known as Northern Stage and all other assets.

22. PENSIONS AND OTHER POST-RETIREMENT BENEFITS

Defined contribution plans

The amount recognised in expenditure as an expense in relation to defined contribution plans was £18,428 (2021: £22,162). As at 31 March 2022 the amount outstanding included in other creditors was £938 (2021: £nil).

23. ULTIMATE CONTROLLING PARTY

In the opinion of the directors the charitable company is controlled by the Board of Directors.