

COMPANY REGISTRATION NUMBER: 02187213
CHARITY REGISTRATION NUMBER: 700055

**NORTHERN STAGE
(THEATRICAL PRODUCTIONS) LIMITED**

TRADING AS NORTHERN STAGE

Company Limited by Guarantee

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

**NORTHERN STAGE (THEATRICAL PRODUCTIONS) LIMITED
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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 2023.

Chair's Report

In the 12 months of this report many of us experienced what theatre can do. We sat in audiences that have been curious, rapt, hushed, laughing or cheering. We saw stories of so many different lives that informed or changed our thinking. So many emotional journeys, so much anger, joy, love and heartache. We were entertained, surprised and enchanted. You will read in the following pages about the work, but it's been a strong year of theatre at Northern Stage. My motivation as Chair has been to ensure that it can survive and thrive so that as many people as possible, regardless of their circumstances, can experience what we experience in those audiences. The balance of my report this year is unapologetically about money, because sitting round the Board table for 8 years, it always comes back to money.

On November 4th, 2022, we were delighted to receive a 3-year NPO award from Arts Council England of a little under £1.6 million per year. A lot of work went into the submission and a lot of work has gone in over the previous decade to build credibility and to demonstrate that we continue to deserve the confidence of our major funder. Grateful though we are, the award is again a stand-still versus previous years – and by the end of this cycle in 2026, the real term effect of stand-still funding is that the value of the award by then will be at least 40% less than it was in 2015. That erosion in real terms hits hardest as we strive to bring back hesitant audiences in a cost-of-living crisis, and we also have large increases in costs to produce work or host touring work, for utilities for the building, as well as ensuring that our staff and freelancers are paid reasonably. Purely commercial businesses inevitably pass on increased costs to the consumer – for us, our values make that less straightforward. Being for everyone means that we have to have affordable tickets and that our prices at the café bar are not out of reach. To say that we are all in challenging times is putting it mildly.

In each Board meeting we work together with the Executive on our current status, what's needed and what's possible. Across the pandemic, we built reserves that we knew we would need as we re-opened, so it was no surprise to end financial year 22/23 with a deficit of about £350K on the management accounts. In 23/24, that deficit has to be much lower – and in the 2 years after we need to get significantly closer to break even. Doing that will require all the talent, ingenuity and energy of everyone in Northern Stage, our partners, collaborators, stakeholders and communities.

The easy thing is to say 'It's not fair! Give us more money!' And like many things, it's not fair. It's not fair that people are prevented from being able to live a full cultural life, in which their imaginations can be stimulated and horizons widened. It's not fair that the benefits to mental wellbeing that engagement with the arts is proven to have are denied to so many who simply can't afford a ticket or even the bus fare. Nor is it fair that the economic benefits to towns and cities of thriving arts communities are seldom fully realised. Lots of unfairness there.

Taken as a whole, the case for increased funding of the arts is strong because it creates value for individuals, families, organisations and communities. Many would agree with that, but of course paying for it is another matter. Like many charities, we work tirelessly to raise money through commercial activity, grants and individual giving and will continue to do so. It's reasonable that a good government should prioritise spending on reducing poverty, better health & social care, decent homes and skills development, so money for the arts per se will seldom be a focus, despite the very real merit of it. The arts can and should attract funding that fits with that social agenda, but still needs more. From where? Well, the UK has a multi-billion-

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pound film and television industry, with creators and makers recognised globally, the vast majority of whom started out in subsidised theatre. (In future, there will be fewer, because subsidised theatres now have to co-produce most of their work to better manage costs, so fewer creators and makers are employed, making less work.) It would be a much greater contribution to fairness given their wealth, if those industries provided significant and sustained financial support to the theatres that find and grow the talent. Whatever the source, more funding is needed or across the country in the next few years we will inevitably see many theatres close or reduce their output drastically.

With a foot firmly planted in reality, I'm aware that a sudden eruption of generosity isn't about to happen any time soon. Until it does, Northern Stage will carry on doing everything it can to ensure this extraordinary theatre is here and open to welcome everyone. I want to acknowledge the people who do that: our Joint Chief Executives, Kate Denby and Natalie Ibu, the Senior Team and the whole staff of the company, without whom there would not be a Northern Stage. I want to thank the Board, in particularly Laura Collier and Julie Sanders who left during the year, Tim Smith who steps down in September 2023 and everyone who has served in the last 8 years. This year, the Northern Stage Board was awarded the Trustee Board of the Year at the North East Charity awards and every one of them deserves that accolade. Last but never least, I want to thank the audiences and participants who came, engaged, bought tickets, and kept believing. Participating in theatre or sitting in those audiences are experiences everyone deserves, and everyone associated with Northern Stage will continue to strive for that, today, tomorrow and in the years ahead.

Simon Elliott
Chair, Northern Stage
August 2023

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Reference and Administrative Details

Registered Charitable Company Northern Stage (Theatrical Productions) Limited

Directors	R E Boggie	V Kumar
	A Bonner	J Levick
	N Blagburn	A Mann (Resigned Oct 2022)
	L Collier (Retired Sep 2022)	C S Penn
	S Elliott (Chair)	J Robinson (Appointed Dec 2022)
	M S Iqbal	T R Smith
	A Killey	D Treseder
	Prof. J Sanders (Retired Dec 2022)	C R Thomas

Trustees The Directors

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 Development & Strategic Partnerships – Zoe Hull (Joined Sep 2022)
 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.

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 the charity has provided public benefit in a number of ways:

- Presented a programme of live events across the three stages in our venue
- Worked in collaboration with other theatres to produce and tour new productions
- 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 2023.

Achievements and Performance

Performance Programme

As we began the financial year, our programme and operations were still being affected by the circumstances of the pandemic. Our building was open to the public, but through summer 2022 we continued to have a reduced programme across the three auditoria; the strategy was to pace the reopening of our own venue with the gradual reopening of society, to enable our audiences to rebuild their trust and comfort with returning to cultural life. From autumn 2022 we increased the volume of concurrent programming across the three spaces, and began to resume regular participation activities.

Northern Stage Productions & Co-Productions

We believed theatre had an important role to play as we began to emerge from the pandemic, and so in 2022 we wanted to hold space for collective recovery, reflection and processing. The 2022 programme was presented under the banner of THIS IS NOW, a year-long festival of shows and events asking important questions about the issues of today, and inviting conversation about who we are and who we want to be.

Bridging the start 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 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 ★★★★★

In April we opened **THE WHITE CARD** by Claudia Rankine, a European premiere directed by Natalie Ibu and co-produced with Birmingham Rep, Leeds Playhouse and Soho Theatre, in association with HOME Manchester. The play grappled with challenging subjects of racism, oppression and White privilege, and was made by a Global Majority creative team. The production had strong reviews from critics and audience:

“The play finds its mark, both in Rankine’s writing and in Natalie Ibu’s tightly orchestrated, intelligent production.”
The Times ★★★★★

“Blown away by #TheWhiteCard at @northernstage tonight. So very much to consider about what my whiteness does, upholds and inflicts. Big thinking. Must also say that the sound and lighting design on this show are UNREAL. Cinematic.”

THE WHITE CARD was a provocation to audiences, and we used the work to inspire a wraparound programme, *Playing the White Card*, with a series of films exploring race, racism and whiteness presented in collaboration with Tyneside Cinema.

In Autumn we collaborated with Shakespeare North Playhouse and Not Too Tame to present a raucous production of **A MIDSUMMER NIGHT’S DREAM**. The production provided a step-change in our desire for

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representative companies with the engagement of a profoundly deaf actor; the beauty of uninterpreted BSL was a standout observation amongst our audiences.

Not Too Tame's take on A Midsummer Night's Dream is controlled comedic chaos. If you think Shakespeare isn't for you, think again. Living North Review

We LOVED everything about this incredible production! It pushed our own boundaries about enjoying theatre by experiencing deaf performers on stage and we loved it! I could talk all day about how different this was to any of the (very many) productions I've seen over the years and how fantastic it was. Audience Feedback

Our Christmas 2022 production was a remount of **THE SORCERER'S APPRENTICE**, which had closed after 2 weeks the previous year due to cases of Covid among the cast and crew. The production was remounted with an improved script and production that thrilled audiences and critics. With the addition of two swing/understudies, we lost only a week of performances due to Covid.

Visiting Productions

Our programme of visiting work is curated to complement the produced programme, and invites some of the best UK touring companies to present their work in Newcastle. Touring theatre was particularly challenging to plan for under Covid-restrictions, which meant there was limited availability of touring drama for Spring 2022, particularly for Stage 1. However, by Autumn availability had increased, and we welcomed productions of Fat Rascals' UNFORTUNATE, ETT's THE IMPORTANCE OF BEING EARNEST and Pilot Theatre's NOUGHTS AND CROSSES, followed in Spring 2023 with Theatre RE's THE NATURE OF FORGETTING and Gecko's KIN.

We established a new collaboration with Dance City to expand the range of large-scale contemporary dance shown in the region, presenting Humanhood Dance Company's INFINITE and (also with Gem Arts) Aakash Odedra Company's SAMBARA. The latter was an incredibly successful event drawing an audience of regular dance attenders, and new audiences attracted by the fusion of traditional Kathak, Chinese folk, ballet and contemporary dance

Small-scale work for Stages 2 and 3 was much quicker to resume touring. We welcomed a range of work to appeal to different audiences and ensure diversity and representation across our stages, including Deafinitely Theatre's EVERYDAY, Vital Xposure's QUIET REBELS, Cutting Edge Theatre's DOWNS WITH LOVE and Riksteatern's THE CITY AND THE TOWN. We also gave platform to new work from local artists including Hannah Walker, Brash Theatre, Jenni Winter, Blowin' a Hooley, Bobaline and Curious Arts.

Theatre for young audiences continued to be some of our most popular programming, including RAPUNZEL, OI FROG & FRIENDS, HANDA'S SURPRISE, AIDY THE AWESOME and THE BIRD IN THE WINDOW. We continued our under 5's Christmas collaboration with local theatre company Kitchen Zoo on their new production, HEY DIDDLE DIDDLE.

Attendances

During Spring 2022 we continued to present a reduced 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. From Autumn 2023 we resumed concurrent programming across the three spaces, though still below pre-Covid volumes. This was primarily to enable us to increase the volume of seats available for

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sale in line with expectations around audience growth; while audiences are increasing, they have not yet reached pre-pandemic levels or frequency of reattendance.

49,000 tickets were sold to performances at our Newcastle venue in 22/23, an increase of 63% on the previous year, but only 58% of our pre-Covid audience levels.

6,444 new customers made their first visit to Northern Stage, purchasing 30,965 tickets. Full price ticket buyers comprised 61% of all ticket purchases, a decrease of 6% on the previous year, and a 1% decrease on 2019/20, the last full year pre-Covid. Discounted tickets accounted for 39% of sales. We achieved average occupancy of 51% across all three stages.

Talent Development

We have been developing our Talent Development strategy following a year of deep listening. Opportunities for talent and professional development are being integrated into our core performance programme, ensuring Northern Stage supports the ecology in the North East and beyond to develop the skills needed by the organisation now and in the future – a unique contribution that Northern Stage can offer as the only mid-scale producing venue in the region. Activities have included:

- Supporting a number of assistant positions attached to produced shows, including:
 - Assistant Director on THE WHITE CARD (supported by an RTYDS 3-month placement)
 - 18-month RTYDS Director Residency, shared with Live Theatre, working on THE SORCERER'S APPRENTICE
 - Assistant Director & Design Assistant/Propmaker on A MIDSUMMER NIGHT'S DREAM
- 3 Days' Open Auditions as well as Open Call for A MIDSUMMER NIGHT'S DREAM meeting over 100 North East actors
- 10 Come In sessions, opening up our rehearsal rooms to our local creative community
- Working with Generator, Live Theatre, NGCV and Newcastle College to develop a new Level 3 qualification in Technical Skills for Live Performance, to counter the regional shortage in technical and production skills

Participation

The year-long Reinvent Residency programme, funded by Esmee Fairbairn, realised our ambition to involve more artists in the delivery of our participatory activity. The residencies supported three artists to develop their socially engaged practice through training and apply their learning through delivery of independent projects supported by Northern Stage.

Our **Young Company** programme is targeted towards young people aged 14-21, enabling them to experience the breadth of performance making and producing activity undertaken at Northern Stage.

- **Creators** work together to create a new production reflecting the life of young people in the region today.
- **The Team** gain professional/life skills, strengthen connections and decrease social isolation by cooking together, exploring their interests and producing an event for their community
- **Protestors** explore social action and work with protest artists to develop their own change making project.
- **Work experience** opens up careers in backstage roles, offering hands on experience of lighting and sound design, stage management and producing.

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Building on our long association with Byker we established **Cultural Encounters**, a new project bringing together adult residents to experience a range of cultural events and then programme and promote work for their own community. This culminated in a community event in January at St Michael's Church in Byker, with over a 100 people taking part. The group is continuing to meet and will start working with Artistic Planning to share their voice to future programming at the theatre.

We continued our long-term partnership with the Royal Shakespeare Company to deliver the **Associate Schools** programme and Playmaking festival, with 6 schools collectively performing an abridged version of *Much Ado About Nothing*. We also collaborated with Newcastle University, Live Theatre and New Writing North to deliver the RSC's ambitious **37 Plays** programme within the region.

Our summer programme for Byker residents, **Best Summer Ever**, moved to our Barras Bridge venue in summer 2022. The theatre became the food hub and activity centre, with a daily bus service provided between Byker and the city centre. This decision was influenced by changes to the funding criteria, and enabled us to develop our Byker strategy to increase connection and a sense of ownership of the theatre building. 125 children registered for the

Arts Council National Portfolio

In June 2022 we submitted our application to remain part of Arts Council England's National Portfolio, and in November 2022 we were awarded annual funding of £1.59m for the three financial years 2023-2006. Arts Council Funding currently accounts for approx. 50% of annual turnover (though this will decrease as trading income returns), and so forms a vital part of our funding mix.

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 Strategic Partnerships & Development Director 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.

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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.

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.

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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.

Financial Review

Financial Position

Trading activity was unpredictable during the year as society reopened following 2 years of restrictions due to government guidelines. We began to rebuild audiences, but at a slower rate than we anticipated, and so we delayed the expansion of our café bar food service until audiences and therefore income could be more predictable. As a result our annual revenue turnover remained stable at £3.08m compared with the previous financial year, as trading activity replaced the CRF and JRS funding that had supported the organisation during the pandemic.

In June 2022 we submitted our application to remain part of Arts Council England's National Portfolio, and in November 2022 we were awarded annual funding of £1.59m for the three financial years 2023-2006. Arts Council Funding currently accounts for approximately 50% of annual turnover, and while this proportion will reduce as trading income grows, this funding continues to be vital to the stability of the organisation.

In anticipation of a slow recovery from the Covid closures, funds were designated in 2020/21 and 2021/22 to support the delivery of artistic and participation activity in future years. The Board have approved the use of reserves to offset operational deficits in 2023/24 and 2024/25, with goal of returning to a balanced operating budget in 2025/26.

The Board recognise that to achieve a balanced operating budget in future years, the charity will need to grow earned income, either through maximising income generation from current assets or by developing new income streams. To support this growth, the Board have therefore established designated Innovation Fund, to invest in research and development.

Given the unpredictability of the operating environment, this continues to be a prudent approach to risk management. The Board will continue to monitor financial performance on a quarterly basis and will make dynamic decisions as necessary.

Funds in Deficit

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

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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 rebuild audiences post-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.

Reserves policy

At the end of the year the company had reserves of £4,097,141 of which £3,346,564 was held in restricted funds. £3,244,997 relates to the refurbishment of the theatre completed in 2006 and additional Stage 3 works; £66,375 is from the Culture Recovery Fund towards additional costs relating to the re-opening of the theatre following the Covid-19 pandemic, £16,502 is held towards energy-efficiency improvements made to Stage 1, and the remaining £18,690 is towards other projects during 23/24.

Unrestricted reserves for the year were £750,577, of which £100,000 has been designated for capital refurbishment, and £40,000 has been designated towards strategic innovation projects. General funds for the year were £610,577.

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. 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 reserves 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 free reserves from a minimum equivalent to the resources required to responsibly close

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

**REPORT AND CONSOLIDATED FINANCIAL STATEMENTS FOR
YEAR ENDED 31 MARCH 2023**

the organisation, up to 8 weeks of annual turnover, which would equate to holding between £180k and £473k in free reserves. At the year-end unrestricted reserves, including designated, were £750,577 (2022: £1,102,666), of which £483,368 (2022: £502,523) were held as free reserves. The policy is reviewed by the Board annually.

Plans for future periods

The operating environment continues to be unpredictable: with society settling into a 'new normal', our horizon has extended and we have a much greater ability to plan over multiple years; however the continuing rise in inflation and energy costs mean that cost of living remains high, reducing the household income available to spend on cultural and leisure events, and putting pressure on our own expenditure

budgets. 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 will continue to embed our performance programme in the coming year, both at home and on tour. PROTEST will open at Northern Stage before embarking on a Scottish schools tour; I, DANIEL BLAKE will undertake a studio tour in Spring, before scaling up for national No.1 tour in Autumn; and we will collaborate again with Shakespear North Playhouse and ETT to present MACBETH in Autumn. Christmas 2023 will present a new production of CINDERELLA and return of Kitchen Zoo's popular THE THREE BEARS.

In line with the new Arts Council NPO funding cycle we will finalise our new strategic plan, setting a new purpose and ambition for our performance programme, participation and talent development activity. Trading activity will continue to grow as we expand the café bar offer and increase our performance and commercial hires of the building.

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

**REPORT AND CONSOLIDATED FINANCIAL STATEMENTS FOR
YEAR ENDED 31 MARCH 2023**

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

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 20/12/2023 and signed on behalf of the board of trustees by:

S Elliott

Simon Elliott 20 Dec 2023 16:43:00 GMT (UTC +0)

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 2023**

Opinion

We have audited the financial statements of Northern Stage (Theatrical Productions) Limited (the 'charity') for the year ended 31 March 2023, 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 2023 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 2023**

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 2023**

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 2023**

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 21 Dec 2023 15:22:31 GMT (UTC +0)

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: 21/12/2023

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

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

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITY
FOR THE YEAR ENDED 31ST MARCH 2023**

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £	Total Funds 2022 £
INCOME					
Donations and grants	3	62,374	9,550	71,924	120,177
Charitable activities	4	2,940,270	63,775	3,004,045	2,413,781
Other income	5	-	-	-	551,533
TOTAL INCOME		3,002,644	73,325	3,075,969	3,085,491
EXPENDITURE					
Charitable activities	6	3,668,373	135,123	3,803,496	3,516,484
TOTAL EXPENDITURE		3,668,373	135,123	3,803,496	3,516,484
Net movement in funds before transfers		(665,729)	(61,798)	(727,527)	(430,993)
Transfers between funds	7	313,640	(313,640)	-	-
Net movement in funds		(352,089)	(375,438)	(727,527)	(430,993)
Total funds brought forward		1,102,666	3,722,002	4,824,668	5,255,661
Total funds carried forward		750,577	3,346,564	4,097,141	4,824,668

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 25 to 42 form part of these financial statements.

NORTHERN STAGE (THEATRICAL PRODUCTIONS) LIMITED
TRADING AS NORTHERN STAGE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITY
FOR THE YEAR ENDED 31ST MARCH 2023

Comparative Statement of Financial Activity for the year ended 31st March 2022

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

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 25 to 42 form part of these financial statements.

NORTHERN STAGE (THEATRICAL PRODUCTIONS) LIMITED
TRADING AS NORTHERN STAGE

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31ST MARCH 2023

	Notes	2023		2022	
		£	£	£	£
FIXED ASSETS					
Tangible assets	11		3,455,083		3,741,557
Investments	12		-		-
			<u>3,455,083</u>		<u>3,741,557</u>
CURRENT ASSETS					
Stocks and work in progress	13	15,869		9,288	
Debtors	14	561,902		623,428	
Cash at bank and in hand		458,982		956,720	
		<u>1,036,753</u>		<u>1,589,436</u>	
CREDITORS: Amounts falling due within one year	15	<u>394,695</u>		<u>506,325</u>	
			<u>642,058</u>		<u>1,083,111</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u><u>4,097,141</u></u>		<u><u>4,824,668</u></u>
FUNDS					
Unrestricted and designated	17		750,577		1,102,666
Restricted	16		3,346,564		3,722,002
			<u>4,097,141</u>		<u>4,824,668</u>

Approved by the Board and authorised for issue on 20/12/2023 and signed on its behalf by the following director:

S Elliott

Simon Elliott 20 Dec 2023 16:43:00 GMT (UTC +0)

Simon Elliott
Chair

Company Number 02187213

The notes on pages 25 to 42 form part of these financial statements.

NORTHERN STAGE (THEATRICAL PRODUCTIONS) LIMITED
TRADING AS NORTHERN STAGE

STATEMENT OF FINANCIAL POSITION
AS AT 31ST MARCH 2023

	Notes	2023		2022	
		£	£	£	£
FIXED ASSETS					
Tangible assets	11		3,455,083		3,741,557
Investments	12		100		100
			<u>3,455,183</u>		<u>3,741,657</u>
CURRENT ASSETS					
Stocks and work in progress	13	185		9,288	
Debtors	14	609,925		623,428	
Cash at bank and in hand		423,303		956,720	
		<u>1,033,413</u>		<u>1,589,436</u>	
CREDITORS: Amounts falling due within one year	15	<u>393,451</u>		<u>506,425</u>	
			<u>639,962</u>		<u>1,083,011</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u><u>4,095,145</u></u>		<u><u>4,824,668</u></u>
FUNDS					
Unrestricted and designated	17		748,581		1,102,666
Restricted	16		3,346,564		3,722,002
			<u>4,095,145</u>		<u>4,824,668</u>

Approved by the Board and authorised for issue on 20/12/2023 and signed on its behalf by the following director:

S Elliott

Simon Elliott 20 Dec 2023 16:43:00 GMT (UTC +0)

Simon Elliott
Chair

Company Number 02187213

The notes on pages 25 to 42 form part of these financial statements

NORTHERN STAGE (THEATRICAL PRODUCTIONS) LIMITED
TRADING AS NORTHERN STAGE

CONSOLIDATED STATEMENT OF CASH FLOWS
AS AT 31ST MARCH 2023

	2023	2022	
	£	£	
Cash flows from operating activities			
Net income/(expenditure)	(727,527)	(430,993)	
<i>Adjustments for:</i>			
Depreciation of tangible fixed assets	352,680	348,122	
Loss on disposal of fixed assets	-	8,391	
<i>Changes in:</i>			
Stocks	(6,581)	(3,018)	
Trade and other debtors	61,526	(293,575)	
Trade and other creditors	(111,630)	261,651	
	<u>(431,532)</u>	<u>(109,422)</u>	
Cash generated from operations	(431,532)	(109,422)	
	<u>(431,532)</u>	<u>(109,422)</u>	
Cash flows from investing activities			
Purchase of tangible assets	(66,206)	(93,330)	
Disposal of tangible assets	-	-	
	<u>(66,206)</u>	<u>(93,330)</u>	
Net cash from/(used in) investing activities	(66,206)	(93,330)	
	<u>(497,738)</u>	<u>(202,752)</u>	
Net increase/(decrease) in cash and cash equivalents	(497,738)	(202,752)	
Cash and cash equivalents at beginning of year	956,720	1,159,472	
	<u>458,982</u>	<u>956,720</u>	
Cash and cash equivalents at end of year	458,982	956,720	
	<u>458,982</u>	<u>956,720</u>	
Analysis of changes in net debt			
	1 Apr 2022	Cash flows	31 Mar
	£	£	2023
	£	£	£
Cash and cash equivalents	956,720	(497,738)	458,982
Borrowings	-	-	-
	<u>956,720</u>	<u>(497,738)</u>	<u>458,982</u>
Total	956,720	(497,738)	458,982

The notes on pages 25 to 42 form part of these financial statements.

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2023**

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.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the charity and its subsidiary undertakings drawn up to 31 March 2023.

No statement of financial activities is presented for the charity as permitted by section 408 of the Companies Act 2006. The charity made a deficit for the financial year of £729,523.

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.

**NORTHERN STAGE (THEATRICAL PRODUCTIONS) LIMITED
TRADING AS NORTHERN STAGE****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2023**

2. ACCOUNTING POLICIES *(Continued)***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.

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.

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2023**

2. ACCOUNTING POLICIES *(Continued)*

- Individual and Corporate memberships are paid in advance and have entitlements at certain points during the year and therefore time apportioned.

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.

Stock

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

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2023**

2. ACCOUNTING POLICIES *(Continued)*

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 CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2023**

3. VOLUNTARY INCOME

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Donations and Grants			
North of Tyne Combined Authority	43,593	-	43,593
Corporate Donations	2,900	-	2,900
Individual Giving	13,881	-	13,881
Trusts and Foundations	2,000	9,550	11,550
	<u>62,374</u>	<u>9,550</u>	<u>71,924</u>
	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>

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £	Total Funds 2022 £
Grants (see below)	1,665,746	63,775	1,729,521	1,739,959
Earned income	1,274,524	-	1,274,524	673,822
	<u>2,940,270</u>	<u>63,775</u>	<u>3,004,045</u>	<u>2,413,781</u>

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4. INCOME FROM CHARITABLE ACTIVITIES (*continued*)

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £	Total Funds 2022 £
Grant Income				
Arts Council - NPO Funding	1,591,246	-	1,591,246	1,591,246
Newcastle University	50,000	-	50,000	-
Newcastle Culture Investment Fund	20,000	-	20,000	37,000
National Lottery Development Grant	-	-	-	23,333
HAF (Street Games)	-	30,845	30,845	83,230
Newcastle City Council - Youth Fund	-	15,450	15,450	5,150
Newcastle City Council - Winter Wellbeing	500	-	500	-
Northumbria Police	-	17,480	17,480	-
Regional Theatre Young Director's Scheme	4,000	-	4,000	-
	<u>1,665,746</u>	<u>63,775</u>	<u>1,729,521</u>	<u>1,739,959</u>

5. OTHER INCOME

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £	Total Funds 2022 £
Coronavirus Job Retention Scheme	-	-	-	49,533
Culture Recovery Fund Round 2	-	-	-	195,000
Round 3	-	-	-	307,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>551,533</u>

NORTHERN STAGE (THEATRICAL PRODUCTIONS) LIMITED
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6. CHARITABLE ACTIVITIES EXPENDITURE

	Staff Costs	Depreciation	Other Costs	Total 2023
	£	£	£	£
Fundraising costs	26,351	-	7,634	33,985
Promotion of dramatic arts	1,121,659	352,680	1,931,019	3,405,358
Support costs	229,429	-	64,797	294,226
Governance costs	25,492	-	44,435	69,927
	<u>1,402,931</u>	<u>352,680</u>	<u>2,047,885</u>	<u>3,803,496</u>
	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>

Unrestricted expenditure on Charitable Activities was £3,668,373 (2022: £2,680,579)

Restricted expenditure on Charitable Activities was £135,123 (2022: £835,905)

	2023	2022
	£	£
Other costs are made up as follows:		
Production/presentation	1,187,011	1,183,211
Marketing	226,769	289,659
Operational	203,423	106,189
Theatre	384,401	351,089
Workshop	46,281	60,861
	<u>2,047,885</u>	<u>1,991,009</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	Support	Total	Total
	costs	costs	2023	2022
	2023	2023	2023	2022
	£	£	£	£
Recruitment	-	26,918	26,918	5,276
Training	-	8,747	8,747	30,514
Travel and Subsistence	1,331	3,368	4,699	4,634
Hospitality	598	5,385	5,983	1,119
Bank and Credit Card Charges	-	3,453	3,453	12,217
Audit and Accountancy Fees	7,000	-	7,000	6,000
Legal and Professional Fees	33,701	-	33,701	2,938
Contribution To NGCV	100	900	1,000	1,388
HR Costs	387	3,487	3,874	6,874
Licences and Subscriptions	1,149	10,337	11,486	9,699
Postage	51	462	513	217
Stationery	118	1,062	1,180	3,925
Sundries	-	678	678	1,363
Core Payroll	25,492	229,429	254,921	252,282
	<u>69,927</u>	<u>294,226</u>	<u>364,153</u>	<u>338,446</u>

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7. TRANSFER BETWEEN FUNDS

There is a reserves transfer of £313,640 (2022: £313,640) 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 (2022: £295,000) relates to the capital programme and redevelopment of Stage 3, £13,140 (2022: £13,140) relates to the Culture Recovery Fund, and £5,500 (2022: £5,500) relates to energy efficiency improvements in Stage 1.

8. INFORMATION ON DIRECTORS AND EMPLOYEES

	2023	2022
	£	£
Staff costs		
Gross salaries	1,282,019	1,079,882
Pension costs	25,385	18,428
Social security costs	95,527	79,043
	<u>1,402,931</u>	<u>1,177,353</u>

The average number of employees during the year was 77 (2022: 73).

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2023	2022
£60,001 - £70,000	<u>2</u>	<u>-</u>

No trustees were remunerated during the year. One trustee (2022: 2) was reimbursed travel and accommodation expenses during the year amounting to £52 (2021: £249).

Key management personnel remuneration for the year was £419,910 (2022: £331,778).

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9. RESOURCES RECEIVED AND PAID AS INTERMEDIARIES FOR THIRD PARTIES

Received as agents and not included in the Financial Statements

	1 April 2022 £	Received in year £	Released in year £	31 March 2023 £
Newcastle Gateshead Cultural Venues	19,856	10,200	(2,764)	27,292
	<u>19,856</u>	<u>10,200</u>	<u>(2,764)</u>	<u>27,292</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

	2023 £	2022 £
Net movement in funds is stated after charging:		
Auditors remuneration	7,000	6,000
Depreciation	352,680	348,122
Loss on disposal of fixed assets	-	8,391
Operating lease rentals:		
Land, buildings and equipment	63,000	78,000
	<u>63,000</u>	<u>78,000</u>

**NORTHERN STAGE (THEATRICAL PRODUCTIONS) LIMITED
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11. TANGIBLE FIXED ASSETS	Leasehold Improvements £	Fixtures and Fittings £	Plant and Equipment £	Computer Equipment £	Motor Vehicles £	Total £
Group and Charity						
Cost						
As at 1 April 2022	8,166,780	736,873	672,702	106,542	-	9,682,897
Additions	11,568	-	41,108	13,530	-	66,206
Disposals	-	-	-	-	-	-
As at 31 March 2023	8,178,348	736,873	713,810	120,072	-	9,749,103
Depreciation						
As at 1 April 2022	4,583,540	677,426	587,639	92,735	-	5,941,340
Charge for year	299,584	19,665	23,445	9,986	-	352,680
Disposals	-	-	-	-	-	-
As at 31 March 2022	4,883,124	697,091	611,084	102,721	-	6,294,020
Net Book Value						
As at 31 March 2023	3,295,224	39,782	102,726	17,351	-	3,455,083
As at 31 March 2022	3,583,240	59,447	85,063	13,807	-	3,741,557

All assets are held for direct charitable purposes.

Capital Commitments:

At the year end the balance due to be spent was £nil (2022: £nil).

NORTHERN STAGE (THEATRICAL PRODUCTIONS) LIMITED
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12. FIXED ASSET INVESTMENTS

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Investment in subsidiary undertaking				
Northern Stage Enterprises Limited	-	-	100	100
Ordinary shares of £1 each (100% held)				

Northern Stage Enterprises Limited was incorporated on 13 October 2014 and is incorporated and registered in England. The company is a wholly-owned subsidiary of the charity and started trading on 1 January 2023.

The profit for the period of Northern Stage Enterprises Ltd was £1,996. The aggregate amount of capital and reserves was £2,096.

13. STOCKS AND WORK IN PROGRESS

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Stocks and work in progress comprise:				
Costumes, materials and merchandise	15,869	9,288	185	9,288
Productions in progress	-	-	-	-
	15,869	9,288	185	9,288

14. DEBTORS

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Trade debtors	31,049	215,090	31,049	215,090
VAT	31,599	22,531	31,599	22,531
Prepayments	131,406	125,611	131,406	125,611
Accrued income	42,371	139,698	68,450	139,698
Other debtors	325,477	120,498	347,421	120,498
	561,902	623,428	609,925	623,428

Trade debtors includes a bad debt provision of £3,554 (2022: £3,371).

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15. CREDITORS: Amounts falling due within one year

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Trade creditors	111,524	107,832	107,127	107,832
Taxation and social security	25,982	21,044	25,982	21,044
Accruals	69,328	90,060	68,762	90,060
Deferred income (see below)	14,015	148,823	14,015	148,823
Other creditors	173,846	138,566	177,565	138,666
	<u>394,695</u>	<u>506,325</u>	<u>393,451</u>	<u>506,425</u>
	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Deferred income				
Deferred income brought forward	148,823	5,699	148,823	5,699
Released in the year	(147,797)	(2,493)	(147,797)	(2,493)
Income deferred in the year	12,989	145,617	12,989	145,617
	<u>14,015</u>	<u>148,823</u>	<u>14,015</u>	<u>148,823</u>

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YEAR ENDED 31ST MARCH 2023

16. RESTRICTED FUNDS

	1 April 2022	Incoming	Outgoing (including transfers)	31 March 2023
	£	£	£	£
Capital Programme	3,359,523	-	(279,960)	3,079,563
Catherine Cookson	16,651	-	(1,387)	15,264
Capital donations	332	-	(28)	304
Foyle Foundation	53,276	-	(4,440)	48,836
Hedley Denton	332	-	(28)	304
Fidelity UK	26,638	-	(2,220)	24,418
Wolfson Foundation	33,297	-	(2,775)	30,522
Trust House Foundation	16,651	-	(1,387)	15,264
Bond Dickinson	33,297	-	(2,775)	30,522
Backstage Trust	16,392	-	(16,182)	210
Community Foundation Cultural Encounters	9,150	-	(9,150)	-
Culture Recovery Fund (Round 1)	79,515	-	(13,140)	66,375
National Lottery Development Grant (20/21)	4,537	-	(4,537)	-
Community Foundation European Theatre	1,000	-	-	1,000
Esmée Fairbairn - Reinvent	38,750	-	(38,750)	-
National Lottery Development Grant (21/22)	6,883	-	(6,883)	-
Newcastle City Council - Youth Fund	3,776	15,450	(19,226)	-
Newcastle City Council - BEST	6,002	-	(1,500)	4,502
Theatre Trust	16,000	-	(4,000)	12,000
Community Foundation Creative Futures	-	3,550	(3,550)	-
HAF (Streetgames)	-	30,845	(30,845)	-
Joseph Strong Frazer	-	1,000	(1,000)	-
Northumbria Police	-	17,480	-	17,480
The Shears Foundation	-	5,000	(5,000)	-
	<u>3,722,002</u>	<u>73,325</u>	<u>(448,763)</u>	<u>3,346,564</u>

**NORTHERN STAGE (THEATRICAL PRODUCTIONS) LIMITED
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16. RESTRICTED FUNDS (*continued*)

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

Community Foundation – Funding towards the Cultural Encounters participation programme.

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

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

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.

Community Foundation – Funding towards the Creative Futures 2022 work experience programme.

HAF (Streetgames) – To support the Best Summer Ever 2022 – Come To Us programme.

Joseph Strong Frazer – Funding towards participation work.

Northumbria Police – To support the co-creation of educational digital resources.

The Shears Foundation – Funding towards participation work in Byker.

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17. UNRESTRICTED & DESIGNATED FUNDS

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

Group	Balance at 1 April 2022 £	Income £	Expenditure (including transfers) £	Balance at 31 March 2023 £
Designated funds				
Capital refurbishment	100,000	-	-	100,000
Delayed activity	150,000	-	(150,000)	-
Production fund	250,000	-	(250,000)	-
Innovation fund	-	-	40,000	40,000
General funds	602,666	3,002,644	(2,994,733)	610,577
	<u>1,102,666</u>	<u>3,002,644</u>	<u>(3,354,733)</u>	<u>750,577</u>

18. ANALYSIS OF ASSETS

Group	Fixed Assets £	Net Current Assets £	Total 2023 £
Restricted Funds			
Capital Programme	3,244,997	-	3,244,997
Restricted income funds	82,877	18,690	101,567
Designated Funds	-	140,000	140,000
Unrestricted Funds	127,209	483,368	610,577
	<u>3,455,083</u>	<u>642,058</u>	<u>4,097,141</u>
	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
Designated Funds	-	500,000	500,000
Unrestricted Funds	100,143	502,523	602,666
	<u>3,741,657</u>	<u>1,083,011</u>	<u>4,824,668</u>

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19. COMMITMENTS UNDER OPERATING LEASES

As at 31 March 2023 the group and charitable company had minimum non-cancellable commitments under operating leases as set out below:

	Land & Buildings	Total 2023	Total 2022
	£	£	£
Operating leases which expire:			
Within one year	73,000	73,000	63,000
Within 2-5 years	192,000	192,000	192,000
Over 5 years	316,000	316,000	364,000
	<u>581,000</u>	<u>581,000</u>	<u>619,000</u>

The lease on the Theatre is until October 2034. The workshop is on a 3-year lease commencing Sept 2022 with an option to cancel effective from March 2024.

20. RELATED PARTY TRANSACTIONS

The charitable company rents the theatre from Newcastle University and Prof. Julie Sanders, Deputy Vice Chancellor & Provost and Professor of English at Newcastle University until Sep 2022 was a member of the Board of Directors at Northern Stage until retiring in Dec 2022.

During the year the charity was invoiced £54,150 (2022: £40,613) in relation to rent and £46,859 plus VAT (2022: £34,178 plus VAT) for energy costs and other services. As at 31 March 2023 the amount outstanding was £2,686 (2022: £nil) included in trade creditors.

The charity received £50,000 (2022: £nil) included as grant income from Newcastle University during the year and £6,681 (2022: £19,150) was invoiced relating to hires and contributions to jointly-hosted activities. As at 31 March 2023 the charity was owed £3,694 (2022: £1,800) included in trade debtors.

Newcastle City Council Cllr Steve Sheraton was an observer of the Board during the year, replacing Cllr John Paul Stephenson. During the year the charity was invoiced £12,048 (2022: £17,750). As at 31 March 2023 the amount outstanding was £4,615 (2022: £3,664) included in trade creditors.

The charity received £15,950 (2022: £12,652) included as grant income from Newcastle City Council during the year and £104 plus VAT (2022: £nil) was invoiced relating to jointly-hosted activities. As at 31 March 2023 the charity was owed £125 (2022: £nil) included in trade debtors.

During the year the Charitable company transferred stock at cost of £15,004 plus VAT to its trading subsidiary Northern Stage Enterprises Ltd when the latter starting trading on 1 January 2023. The charity subsequently paid £2,734 to Northern Stage Enterprises Ltd in respect of goods and services provided. At the year end Northern Stage Enterprises Ltd owed the Charitable company £21,944 (2022: £nil). The Charitable company owed Northern Stage Enterprises Ltd £100 included in other debtors.