

**NORTHERN ACADEMY OF PERFORMING ARTS  
EDUCATIONAL TRUST**

**FINANCIAL STATEMENTS**

**31 AUGUST 2018**

**Charity Number 1076867**

**FAWLEY JUDGE & EASTON**  
Chartered Certified Accountants  
1 Parliament Street  
Hull  
HU1 2AS

**NORTHERN ACADEMY OF PERFORMING ARTS EDUCATIONAL  
TRUST**

**FINANCIAL STATEMENTS  
YEAR ENDED 31 AUGUST 2018**

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# NORTHERN ACADEMY OF PERFORMING ARTS EDUCATIONAL TRUST

## TRUSTEES' ANNUAL REPORT

YEAR ENDED 31 AUGUST 2018

The trustees present their report and the audited financial statements of the charity for the year ended 31 August 2018.

### REFERENCE AND ADMINISTRATIVE DETAILS

**Registered charity name** Northern Academy of Performing Arts Educational Trust

**Charity registration number** 1076867

**Principal office** 50 Anlaby Road  
Kingston upon Hull  
HU1 2PD

### The trustees

The trustees at the date of this report are as follows:

Peter Duffield (Chair)  
Henrietta Duckworth  
Andrew Kingston  
Naomi Bedworth  
John Netherwood  
Tony Dickens  
Chris Gruca  
Jo Franklin -appointed 18/03/18 resigned 31/12/18  
Alan Deller – appointed 20/07/18

**Secretary** To be appointed

**Auditors** Fawley Judge & Easton  
1 Parliament Street  
Hull  
HU1 2AS

**Bankers** Barclays Bank Plc  
32 Paragon Square  
Hull  
HU1 3QT

**Solicitors** Gosschalks  
Queens Gardens  
Hull  
HU1 3DZ

# NORTHERN ACADEMY OF PERFORMING ARTS EDUCATIONAL TRUST

## TRUSTEES' ANNUAL REPORT *(continued)*

YEAR ENDED 31 AUGUST 2018

### STRUCTURE, GOVERNANCE AND MANAGEMENT

#### Nature of Governing Document and constitution of the charity

The trust is constituted by Deed of Trust dated 12 May 1998 as amended by special resolutions dated 25 July 1999 and 29 June 2006. It is registered as a charity with the Charity Commission.

#### Appointment of trustees

Trustees are elected for a period of 2-5 years on a rolling basis. Trustees are nominated to serve on the board by recommendation of currently serving trustees. If the board agrees to the nomination, the candidate is invited to serve on the board.

#### Trustee induction and training

There is no formal training provided by the charity as most trustees are already familiar with the practical work of the trust. The role is formally discussed with an existing serving trustee, for new trustees to familiarise themselves.

#### Organisation

The charity has a board of trustees that meets regularly and is responsible for the strategic direction and policy of the trust's work.

The trust employs several workers to whom the trustees delegate the day to day responsibility for the provision of services, including artistic development, production, teaching and administration. Regular staff meetings occur throughout the year.

#### Related parties

The trust does not have any close relationships with any other group or party operating entirely on its own. All classes and performances are advertised locally within schools and other council premises.

#### Risk management

The trustees have a risk management strategy that comprises:

- An annual review of the risks the trust may face;
- The establishment of systems and procedures to mitigate those risks identified in the plan;
- The implementation of procedures designed to minimise any potential impact on the charity should those risks materialise.

This work has identified only a few minor new risks, but it has resulted in better emergency procedures and contingency plans and has given the impetus for better planning. Particular attention has focused on non-financial risks arising from fire, health and safety and management of performing rights. A key element in the management of financial risk is the detailed controls and systems that prevail within the trust.

### OBJECTIVES AND ACTIVITIES

The objectives of the charity are to foster, encourage and provide opportunities for people of all ages to participate, increase their confidence and enjoy being involved in creative performing arts activities.

Trustees have complied with the duty in section 4 of the Charities Act 2006 to have due regard to public benefit as published by the Charities Commission.

# **NORTHERN ACADEMY OF PERFORMING ARTS EDUCATIONAL TRUST**

## **TRUSTEES' ANNUAL REPORT *(continued)***

### **YEAR ENDED 31 AUGUST 2018**

#### **ACHIEVEMENTS AND PERFORMANCE**

The trust's achievements for the year are contained in the Annual Report and the trustees are satisfied with the progress made during the year.

#### **FINANCIAL REVIEW**

The annual accounts show a surplus of £580,012 (2017 surplus £1,871) with a total cumulative surplus of £708,282 (2017 surplus of £128,270). During the year a substantial donation was received which the trustees are currently preparing an action plan to maximise its benefit.

#### **Investment Powers**

The charity has the power to make any investment that the trustees see fit.

#### **Reserves Policy**

The trustees consider that a level of reserves required in order for the charity to operate at its current level of activity has now been attained. The actual reserves at 31 August 2016 were in surplus by £708,282.

The trustees continue to review the administrative controls and systems to ensure that all sources of income are enhanced sufficiently to enable the future development of the Academy.

#### **PLANS FOR FUTURE PERIODS**

The trustees' plans for future periods are included in the Annual Report.

#### **AUDITORS**

Fawley Judge & Easton have been appointed as auditors for the trust.

Signed on behalf of the trustees

Peter D. Duffield LLB FCA  
Trustee

5 June 2019

# **NORTHERN ACADEMY OF PERFORMING ARTS EDUCATIONAL TRUST**

## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF NORTHERN ACADEMY OF PERFORMING ARTS EDUCATIONAL TRUST**

**YEAR ENDED 31 AUGUST 2018**

### **OPINION**

We have audited the financial statements of Northern Academy of Performing Arts Educational Trust (the 'Charity') for the year ended 31 August 2018. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (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 August 2018 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011.

### **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 the provisions available for small entities, in the circumstances set out in the notes to the financial statements 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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt on the Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **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.

# **NORTHERN ACADEMY OF PERFORMING ARTS EDUCATIONAL TRUST**

## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF NORTHERN ACADEMY OF PERFORMING ARTS EDUCATIONAL TRUST**

**YEAR ENDED 31 AUGUST 2018 (continued)**

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.

### **MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- sufficient accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

### **RESPONSIBILITIES OF THE TRUSTEES**

The trustees are responsible for the preparation of the financial statements and for being satisfied that they give a full and fair view and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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.

### **OUR RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

Our objectives 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 it 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

[[www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities)]. This description forms part of our auditor's report.

# **NORTHERN ACADEMY OF PERFORMING ARTS EDUCATIONAL TRUST**

## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF NORTHERN ACADEMY OF PERFORMING ARTS EDUCATIONAL TRUST**

**YEAR ENDED 31 AUGUST 2018 (continued)**

### **USE OF OUR REPORT**

This report is made solely to the Charity's trustees, as a body, in accordance with section 144\* of the Charities Act 2011 and the regulations made under section 154 of that Act. 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 Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Stephen Woolias  
Senior Statutory Auditor  
For and on behalf of

Fawley Judge & Easton  
1 Parliament Street  
Hull  
HU1 2AS

5 June 2019



# NORTHERN ACADEMY OF PERFORMING ARTS EDUCATIONAL TRUST

## STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 AUGUST 2018

	Note	Unrestricted Funds £	Total Funds 2018 £	Total Funds 2017 £
<b>INCOMING RESOURCES</b>				
Incoming resources from generating funds:				
Voluntary income	2	622,739	622,739	12,247
Activities for generating funds	3	73,435	73,435	82,924
Investment income	4	240	240	1,923
Incoming resources from charitable activities	5	423,621	423,621	391,289
Other incoming resources	6	1,207	1,207	1,892
<b>TOTAL INCOMING RESOURCES</b>		<u>1,121,242</u>	<u>1,121,242</u>	<u>490,275</u>
<b>RESOURCES EXPENDED</b>				
Costs of generating funds:				
Costs of generating voluntary income	7	22,276	22,276	20,984
Charitable activities	8	514,704	514,704	464,670
Governance costs	9	4,250	4,250	2,750
<b>TOTAL RESOURCES EXPENDED</b>		<u>541,230</u>	<u>541,230</u>	<u>488,404</u>
<b>NET INCOMING /(OUTGOING) RESOURCES FOR THE YEAR</b>		<b>580,012</b>	<b>580,012</b>	<b>1,871</b>
<b>RECONCILIATION OF FUNDS</b>				
Total funds brought forward		128,270	128,270	126,399
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>708,282</u>	<u>708,282</u>	<u>128,270</u>

The Statement of Financial Activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared.

All of the above amounts relate to continuing activities.

# NORTHERN ACADEMY OF PERFORMING ARTS EDUCATIONAL TRUST

## BALANCE SHEET

31 AUGUST 2018

	Note	2018 £	£	2017 £
<b>FIXED ASSETS</b>				
Tangible assets	11		205,441	215,587
<b>CURRENT ASSETS</b>				
Debtors	12	11,260		18,400
Cash at bank		695,933		107,199
			<u>707,193</u>	<u>125,599</u>
<b>CREDITORS: Amounts falling due within one year</b>	13	<u>30,887</u>		<u>27,740</u>
<b>NET CURRENT ASSETS</b>			<b>676,306</b>	97,859
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u><b>881,747</b></u>	<u>313,446</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	14		<u>173,465</u>	185,176
<b>NET ASSETS</b>			<u><b>708,282</b></u>	<u>128,270</u>
<b>FUNDS</b>				
Unrestricted income funds	15		<u>708,282</u>	128,270
<b>TOTAL FUNDS</b>			<u><b>708,282</b></u>	<u>128,270</u>

These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

These financial statements were approved by the trustees and authorised for issue on 5 June 2019 and are signed on their behalf by:

Peter D. Duffield LLB FCA

Trustee

The notes on pages 9 to 14 form part of these financial statements.

# NORTHERN ACADEMY OF PERFORMING ARTS EDUCATIONAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2018

### 1. ACCOUNTING POLICIES

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), and the requirements of the Statement of Recommended Practice 'Accounting and Reporting by Charities' issued in March 2005 (SORP 2005).

#### **Donations and grants**

Income from donations and grants is included in incoming resources when these are receivable, except as follows:

When donors specify that donations and grants given to the charity must be used in future accounting periods, income is deferred until these periods. When donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for the use have been met.

When donors specify that donations and grants are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable.

Incoming resources from charitable activities are accounted for when earned.

#### **Activities for generating funds**

Income from productions and show admission fees, together with cafe income, is included in incoming resources in the period in which they are receivable.

#### **Going concern**

The financial statements are prepared on a going concern basis, which assumes that the trust will continue in operational existence for the foreseeable future. The validity of this assumption is dependent upon the charity obtaining sufficient funding.

The trustees have considered that in preparing the financial statements they have taken into account all the information that they could have reasonably be expected to be available. On this basis, the trustees consider it appropriate to prepare the financial statements on a going concern basis.

#### **Investment income**

Investment income is included when receivable.

#### **Taxation**

The charity is exempt from taxation under section 505(1) ICTA 1988 as an approved charity.

# NORTHERN ACADEMY OF PERFORMING ARTS EDUCATIONAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2018

### 1. ACCOUNTING POLICIES *(continued)*

#### **Fund accounting**

Funds held by the charity are of the following types:

Unrestricted general funds are funds that can be used in accordance with the charitable objects at the discretion of the trustees.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

Restricted funds are funds that can only be used for a particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for a particular purpose.

#### **Resources expended**

Resources expended are recognised in the period in which they are incurred. They include attributable VAT which cannot be recovered.

Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of productions, shows and the cafe.

Charitable expenditure comprises those costs incurred in the delivery of its activities for its beneficiaries, and includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs represents the costs associated with meeting the statutory requirements of the charity.

All costs are allocated between expenditure categories in the statement of financial activities on a basis designed to reflect the use of the resource.

#### **Fixed assets**

All fixed assets are initially recorded at cost, which is then depreciated over the estimated useful life of the asset concerned.

### 2. VOLUNTARY INCOME

During the year a substantial donation was received from The Shirley Wight Trust Fund, which will enable NAPA to continue to develop for the benefit of the children, young people and adults of Hull and East Yorkshire. The Trustees are developing an action plan to enable the best use to be made of this generous and greatly appreciated donation, which is classified as an unrestricted fund.

	<b>Unrestricted Funds</b>	<b>Total Funds 2018</b>	<b>Total Funds 2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Donations</b>			
Sundry Donations	<b><u>622,739</u></b>	<b><u>622,739</u></b>	<b><u>12,247</u></b>

# NORTHERN ACADEMY OF PERFORMING ARTS EDUCATIONAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2018

### 3. INCOMING RESOURCES FROM ACTIVITIES FOR GENERATING FUNDS

	Unrestricted Funds	Total Funds 2018	Total Funds 2017
	£	£	£
Cafe Income	25,889	25,889	27,540
Activities for generating funds - Theatre Productions	31,128	31,128	36,229
Activities for generating funds - External Events	16,418	16,418	19,155
	<u>73,435</u>	<u>73,435</u>	<u>82,924</u>

### 4. INVESTMENT INCOME

	Unrestricted Funds	Total Funds 2018	Total Funds 2017
	£	£	£
Sundry lettings	220	220	1,918
Investment income	20	20	5
	<u>240</u>	<u>240</u>	<u>1,923</u>

### 5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted Funds	Total Funds 2018	Total Funds 2017
	£	£	£
Enrolment Income	12,933	12,933	12,905
Student classes - Dance	175,095	175,095	174,970
Student classes - Musical Theatre	93,425	93,425	88,649
Student classes - Drama	59,646	59,646	56,358
Outreach	81,186	81,186	57,362
Wardrobe income	1,337	1,337	1,045
	<u>423,622</u>	<u>423,622</u>	<u>391,289</u>

### 6. OTHER INCOMING RESOURCES

	Unrestricted Funds	Total Funds 2018	Total Funds 2017
	£	£	£
Sundry income	<u>1,207</u>	<u>1,207</u>	<u>1,892</u>

### 7. COSTS OF GENERATING VOLUNTARY INCOME

	Unrestricted Funds	Total Funds 2018	Total Funds 2017
	£	£	£
Fundraising trading: Costs of goods sold and other costs	<u>22,276</u>	<u>22,276</u>	<u>20,984</u>

# NORTHERN ACADEMY OF PERFORMING ARTS EDUCATIONAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2018

### 8. COSTS OF CHARITABLE ACTIVITIES BY ACTIVITY TYPE

The trust operates an on site cafe, and the surplus generated has been utilised for general funds.

	<b>Activities undertaken directly £</b>	<b>Total Funds 2018 £</b>	<b>Total Funds 2017 £</b>
General	257,011	257,011	218,089
Dance	116,727	116,727	86,889
Musical Theatre	45,906	45,906	57,828
Drama	33,471	33,471	27,236
Outreach	31,844	31,844	22,700
Theatre Productions	7,316	7,316	23,849
External Events	22,429	22,429	28,079
	<u>514,704</u>	<u>514,704</u>	<u>464,670</u>

### 9. GOVERNANCE COSTS

	<b>Unrestricted Funds £</b>	<b>Total Funds 2018 £</b>	<b>Total Funds 2017 £</b>
Accountancy fees	4,250	4,250	2,750
	<u>4,250</u>	<u>4,250</u>	<u>2,750</u>

### 10. STAFF COSTS AND EMOLUMENTS

Total staff costs were as follows:

	<b>2018 £</b>	<b>2017 £</b>
Wages and salaries	205,747	161,788
Social security costs	14,061	9,858
	<u>219,808</u>	<u>171,646</u>

# NORTHERN ACADEMY OF PERFORMING ARTS EDUCATIONAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2018

### 10. STAFF COSTS AND EMOLUMENTS *(continued)*

**Particulars of employees:**

The average number of employees during the year, calculated on the basis of full-time equivalents, was as follows:

	2018	2017
	No	No
Dance and performance	3	3
Administration	5	5
	8	8

No employee received remuneration of more than £60,000 during the year (2017 - Nil).

### 11. TANGIBLE FIXED ASSETS

	Freehold property £	Equipment £	Fixtures & Fittings £	Total £
<b>COST</b>				
At 1 September 2017	231,746	61,372	99,541	392,659
Addition	-	-	4,937	4,937
<b>At 31 August 2018</b>	<b>231,746</b>	<b>61,372</b>	<b>104,478</b>	<b>397,596</b>
<b>DEPRECIATION</b>				
At 1 September 2017	60,943	61,372	54,757	177,072
Charge for the year	4,635	-	10,448	15,083
<b>At 31 August 2018</b>	<b>65,578</b>	<b>61,372</b>	<b>65,205</b>	<b>192,155</b>
<b>NET BOOK VALUE</b>				
At 31 August 2018	<b>166,168</b>	-	<b>39,273</b>	<b>205,441</b>
At 31 August 2017	170,803	-	44,784	215,587

### 12. DEBTORS

	2018	2017
	£	£
Trade debtors	11,260	18,400

### 13. CREDITORS: Amounts falling due within one year

	2018	2017
	£	£
Bank loans and overdrafts	18,560	18,509
Accruals	12,327	9,231
	<b>30,887</b>	<b>27,740</b>

**NORTHERN ACADEMY OF PERFORMING ARTS EDUCATIONAL  
TRUST**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2018**

**14. CREDITORS: Amounts falling due after more than one year**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	<b><u>173,465</u></b>	<b><u>185,176</u></b>

**15. UNRESTRICTED INCOME FUNDS**

	<b>Balance at 1 Sep 2017</b>	<b>Transfer/ Incoming resources</b>	<b>Balance at 31 Aug 2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>
General Funds	<b><u>128,270</u></b>	<b><u>580,012</u></b>	<b><u>708,282</u></b>