

NATIONAL CENTRE FOR CIRCUS ARTS (A company limited by guarantee)

TRUSTEES' REPORT AND GROUP

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 JULY 2019



Company Number: 2553293 (England and Wales)

Registered Charity Number: 1001839

**LEGAL AND ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED 31 JULY 2019**

Board Members

Matt Cooper [Chair][resigned 26/07/2019]
Craig Calvert [Deputy chair]
Tarun Nagpal
Kate Anderson [resigned 02/07/2019]
Kirsten Becker-Valero [resigned 31/12/2018]
Fiona Dent [resigned 24/03/2019]
Lesley Strachan
Sue James
Elizabeth (Betsy) Lynch

Matthew Lloyd
Stuart (Bill) Morris
David Chinn
Thomas Nowacki
Kate Cavelle
Jane Crowther
Paul Steggall

Company Secretary

Edward Halshaw [until 31/12/2018]
Vanessa Penzo [from 31/12/2018]

Senior Management Team

Kate White – Chief Executive
Froniga Lambert – Chief Operating Officer [from 26/02/2019]
Jonathan Dix – Operations Director [until 02/11/2018]
Eira Gibson – Director of Participation and Outreach [until 04/01/2019]
Edward Halshaw – Director of Finance and Administration [until 31/12/2018]
Vanessa Penzo – Director of Finance and Administration [from 31/12/2018]
Rob Hardy – Director of Fundraising and Marketing [from 01/10/2018]
Adrian Porter – Director of Higher Education Courses
Glen Stewart – Director of Training

Key Business Advisors and Contacts

The Conservatoire for Dance and Drama, Tavistock House, London W1CH 9JJ
Slaughter and May, One Bunhill Row, London EC1Y 8YY
Moore Kingston Smith LLP, Chartered Accountants and Registered Auditors, Devonshire House, 60 Goswell Road, EC1M 7AD
Co-operative Bank, 80 Cornhill, London, EC1V 3NJ
LexLeyton, Harmsworth House, 13-15 Bouverie Street, London EC4Y 8DP
Charity Bank, 194 High Street, Tonbridge, Kent TN9 9BD

Company Number: 2553293 (England and Wales),
Registered Charity Number: 1001839
Registered office: Coronet Street London N1 6HD

NATIONAL CENTRE FOR CIRCUS ARTS

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 JULY 2019

The Trustees, who are also the directors of the company for the purposes of the Companies Act, submit their annual report and audited financial statements for the year ended 31 July 2019 which have been prepared in compliance with current statutory requirements, The Charities SORP (FRS 102) and with the charity's governing document, its Articles of Association.

Objects of the Charity

The charity is a company limited by guarantee governed by articles of association, and was established on 30 October 1990. In October 2013 revised Articles of Association were approved by the Charity Commission and the Board of Trustees.

The National Centre for Circus Arts' objective, as set out in the Articles of Association, is to advance the education of the public in the Arts and to advance the Arts in each case with particular but not exclusive reference to the Circus Arts.

This is summarised in the organisation's vision statement that allows the National Centre for Circus Arts to look into the future for the organisation and the sector:

"Great Circus Everywhere"

We will support circus as it matures and is recognized as a dynamic, relevant and important part of the arts and cultural life of the UK. We will deliver excellent circus arts training to support the development of the next generation of world class circus artists. We will support and collaborate with circus artists and companies throughout their careers to embed professional standards in teaching, facilities and the creation and presentation of circus to reach new audiences and participants with relevant, challenging and engaging work. We will grow the National Centre's reach and relevance through the development of revenue generating activities.

This will enable us to build on our role as sector leader and continue to push the boundaries of the Circus Arts, while maintaining core 'business as usual' activities at our home in Hoxton.

We are:

Ambitious and willing to take risks

We are ambitious for ourselves and our art form. With high professional standards and an expert community, we are adept at mitigating risk and safeguarding participants while allowing them to challenge themselves and explore the myriad physical and creative possibilities of circus. This, along with robust reflection and evaluation and a constant push to 'be better', allows us to provide a safe space for artists, students and participants of all ages and stages in their own circus journeys, to take bigger physical and creative risks as sector leaders.

NATIONAL CENTRE FOR CIRCUS ARTS

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 JULY 2019

Inclusive and accessible

We are not fearful of the unknown and have a solid track record of innovation. The anarchic nature of circus means it appeals to a broad range of people and we are committed to ensuring we meet the needs of our sector by being inclusive, open and accessible to everyone.

Environmentally aware and sustainable

From our impact on individual participants and our own community of artists to our wider responsibility that comes from our leadership role in the sector, we are committed for the long term and strive to ensure our organisation is resilient and sustainable. We operate a mixed economy model and demonstrate a truly entrepreneurial spirit to ensure our business can survive and thrive in our ever changing world.

Our strategic plans continue to be reviewed and scrutinised to enable us to ensure a resilient and sustainable future for the organisation in response to external funding volatility and organisational challenges. The National Centre has a three pronged strategy of training world class circus artists, encouraging participation in circus arts and supporting circus artists and companies at all stages of their careers.

- 1) Develop the degree programme which remains at the heart of the organisation by continuing to invest in the development of the very best models of teaching and learning to ensure graduating students take with them a broad toolkit of skills into their professional lives.
- 2) Develop and deliver support for teachers and the development of excellence in teaching practice through our partner organisations in the Conservatoire for Dance and Drama and our international peers and partners in FEDEC, the international federation of professional circus schools.
- 3) Develop our role as a hub for the sector by responding to sector needs and desires by supporting an emerging associates network of regional organisations to encourage communication, collaboration and sharing of best practice. We will also support the development of new and innovative work establishing circus on the cultural menu in the UK and the creation of high profile nationally acclaimed Circus productions.

NATIONAL CENTRE FOR CIRCUS ARTS

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 JULY 2019

PUBLIC BENEFIT

The National Centre for Circus Arts has been providing public benefit by enabling the creation of excellent and innovative Circus for almost thirty years. Every year we involve thousands of people in the physical challenges and artistic pleasures of the Circus Arts. In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission guidance on public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

Our diverse range of work includes the UK's first BA degree-level education in Circus Arts which is supported at either side by a structured training programme for under-18s and professional development opportunities for aspiring and established performers. Adults and young people can enjoy recreational classes and people of all ages can attend performances. We also run highly regarded workshops, away days and team building events for the corporate community. Over the last decade we have been developing our creation and production capabilities and have been working in partnership to make work which can tour regionally, nationally and internationally. Our emphasis is always on collaborative and partnership working.

We are engaged in activity that significantly contributes to the cultural life of the UK by:

- producing exceptional artists who shape the future of the Circus Arts;
- developing potential and creativity through world-class vocational training;
- finding and nurturing the young artists with great potential;
- supporting the cultural infrastructure;
- fueling development in the creative industries; and
- national and international leadership in Circus Arts.

The National Centre for Circus Arts takes its responsibility to provide public benefit very seriously and we welcome the scrutiny that statutory funding relationships bring as we believe that it has helped us to raise standards. It ensures we gather evidence to back up our claims to excellence. We continue to report against various criteria to our major statutory stakeholders, Arts Council England and the Office for Students via our membership of the Conservatoire for Dance and Drama, and consistently exceed our agreed targets.

NATIONAL CENTRE FOR CIRCUS ARTS

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 JULY 2019

PRINCIPAL ACTIVITIES AND REVIEW OF 2018/2019

This Trustees' Report covers the 12 months from 1 August 2018 to 31 July 2019.

Our core activity and business as usual

Our student cohort has remained stable in numbers with 19 graduates from the BA programme, 2 first class honours, 16 2.1 and 1 2.2 degrees awarded and validated by the University of Kent. 17 students were awarded a Foundation degree after two years of study and 9 have progressed onto the BA course commencing in September 2019. As usual the graduating group have taken a huge variety of routes into their professional lives working across the world in established and new circus companies and on the cabaret circuit, undertaking further study at masters level and becoming artists in residence. Our international work as part of FEDEC, the European Federation of Professional Circus Schools, has once again been busy with 5 staff members participating in professional development exchanges during the year. This year has seen the start of a project focused on a radical new look at our learning and teaching strategy as we aim to embed more creative and student led learning and move away from the master/pupil model that has been prevalent in circus throughout history. Significant changes of core staff at the Conservatoire for Dance and Drama mean that the anticipated application for Taught Degree Awarding Powers has not been completed during the year although preparatory work on shared policies and procedures as well as the development of a new regulatory framework means we are prepared to make an application in 2019/20. During 2018/19 one of our core team members undertook a research project, with some support from the National Centre and from CDD, which was subsequently presented to real acclaim at the circus symposium in Ghent Belgium "Smells like Circus Dialogue: A Circus Symposium". Her research entitled 'Gender representation in circus arts: a case study' employs a well-known London-based newsletter for circus artists and uses this information and research to drive discourse and analysis that interrogates how gender is represented in contemporary circus. This research has been published with Taylor and Francis online in May 2019.

Our professional members have continued to make use of training space, mentoring and networking opportunities in our building. Last ACE year (Apr 18 – Mar 19), 315 professional members used a total of 5,500 training sessions – we continue to subsidise membership as our primary support mechanism for professionals at a level of approximately £500 per annum for every member. All members receive weekly communications with sector updates, job and training opportunities. Last financial year, we delivered 4 commercial projects which have provided direct employment for 12 circus artists.

The Training team have delivered teacher training to 35 participants during the year. They have delivered workshop sessions both in our building and in host venues across the UK. This year has also seen the completion of a fully inclusive Trainers Toolkit in partnership with Extraordinary Bodies that is to be launched in October 2019. This guide for working with D/deaf and disabled participants has been a hugely successful collaborative project with diverse partners that we are sure will have an impact on circus teaching throughout the sector. The team has undertaken research projects with The Performing Arts Medicine Masters Programme at UCL and UCL

NATIONAL CENTRE FOR CIRCUS ARTS

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 JULY 2019

Sainsbury's Welcome Trust neurology department and continues to focus on research around Health and Wellbeing in regards to artists and students training in circus. Alongside this they have been developing a programme that allows us to share the circus training methodology with the fitness and sport industries.

Our participation and outreach team have successfully graduated 11 students through the Level 3 Diploma in Performance and Production Arts [Circus] in partnership with City and Islington College, with 3 successfully auditioning to join the HE programme at the National Centre joining 2 previous diploma graduates and 3 London Youth Circus members. Twenty seven CAT [Centre of Advanced Training] students also had a great year with intensive masterclass sessions that allowed them to work with 9 professional companies and performers, taking three organised trips to professional circus productions and a residential trip to the world renowned Cirque De Demaine festival in Paris. Only one of the current cohort was eligible to move into higher education and they made a successful application.

Every week we have welcomed in excess of 750 adults, young people and families into our building to take part in recreational circus course and classes in a broad range of circus disciplines. Many participants have been engaged in circus activities over many years and view it as an integral part of maintaining their health and wellbeing. We welcomed over 600 new participants into our community during the year with more than 250 taking part in a circus experience day as a first encounter with the art form. The London Youth Circus took over the building this summer with an immersive promenade performance directed by a National Centre graduate, Kaveh Rahnama. 353 people took a trip around the building and watched the spectacular company of 27 members performing over two days. Other performance opportunities this year included a new piece devised for the Store Street Festival which played to great acclaim from audiences and the festival organisers alike. The team delivered 39 outreach workshops and tours to various groups and organisations, including 16 schools, for a total of 1,365 participants. 11 of these were for SEN/Accessible and Inclusive organisations.

The work we deliver to the corporate and commercial sectors has been crucial to supporting the delivery of our charitable objectives. This virtuous circle of delivering high quality corporate events from which we then feedback the financial benefit gained into our education programmes and student support, is enshrined in our values. We facilitated 15 events hires of varying sizes during the year with a by-product of providing employment for graduate circus artists in three of them. Of the total 42 workshops during the year 21 were for corporate clients with the others a mixture of birthday parties and family events. This was an increase of 38% on the previous year and an increase in participant numbers from 455 in 2017/18 to 757 in 2018/19.

The team continues to work on the creation of digital content working across the organisation with each programme area to ensure we have a rich source of material available on all our social media channels. Our YouTube channel has seen 1,025,000 views since its launch in 2010 with close to 300,000 of those being in the last year.

NATIONAL CENTRE FOR CIRCUS ARTS

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 JULY 2019

Our development work for 2018/2019

National Centre for Circus Arts - Supporting associates, teachers and young people across the UK

Our role as the National Centre for Circus has been responsive to the needs and desires of our partner organisations and we have supported activity that has varied from location to location. Across the sector we have facilitated and supported debate and discussion around various topics including teaching practice, space availability, technical and rigging issues and business planning, offering our expertise and knowledge via various means.

The 2019 National Youth Circus Event in February hosted 87 young people from across the UK with 40 practitioners and group leaders. 19 circus school groups were in attendance with 7 from London and the rest spread across the UK. Of these groups 4 had not attended a National Youth Circus Event before. The weekend was as usual filled with physical skills sessions as well as classroom based and discussion groups for both young people and their leaders, culminating in a shared performance opportunity. A new volunteer initiative for the National Centre was launched at the NYCE and saw 5 young volunteers recruited and working to support our teachers and administration team throughout the weekend. These young volunteers have continued to work alongside the participation team supporting the delivery of regular courses and classes throughout the year.

Our pathways into Higher Education are robust and continue to strengthen with 30% of students offered places on the Foundation Degree being alumni from other programmes at the National Centre, London Youth Circus, CAT students, Summer school and short course attendees or Level 3 Diploma students.

Supporting the creation of great circus

The National Centre continues to support the creation of great circus by using our resources in a variety of creative ways to enable great ideas not to fall at the first hurdle due to lack of funds. In 2018/19 we were able to give 34 artists and companies free days in creation studio when they could play with early ideas, or polish acts that were closer to being performance ready.

2018/19 saw the end of the highly successful Lab:time and Lab:time² programmes of support for the research and development of new and innovative circus work. This programme is much missed by artists throughout the sector and we remain committed to seeking funding for the development of a new programme that will offer similar support. Over the 6 years of Lab:time and 3 years of Lab:time² we have supported 164 different projects involving 547 artists, leading to the creation of numerous new works.

The annual student award for business enterprise was made to David Sanchez with his project Get Ready. This £10,000 award, along with a year's support from a business mentor, has enabled the creation of a 20 minute long 'work in progress' leading to a residency opportunity for David at Jacksons Lane which culminated with a successful 30 minute showing. The company now has an

NATIONAL CENTRE FOR CIRCUS ARTS
TRUSTEES' REPORT

FOR THE YEAR ENDED 31 JULY 2019

artistic director to work with them on further development of the piece. They are applying for Arts Council England development funding and are aiming to have a saleable 30 minute outdoor show for the summer 2020 festival season.

NATIONAL CENTRE FOR CIRCUS ARTS

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 JULY 2019

FINANCIAL REVIEW

Result for the year

The result for the year is a surplus of £154,372. The unrestricted reserves are £426,739; and our current net liabilities now stand at £7,740.

At 31 July 2019, the group has net current liabilities of £7,740 and the charity has net current liabilities of £303,202. Within creditors at the balance sheet, deferred income in respect of hires and funding received in advance for the 2019/20 financial year, amounts to £370,628. This deferred income will be released from the balance sheet in 2019/20 and poses no call on cash funds.

Reserves

Unrestricted reserves stand at £426,739; this is above the group target for reserves. The build-up in reserves has been in anticipation of Higher Education funding cuts and has been achieved via a combination of increases in commercial activity and cost savings. Over the next year we will continue to embed sustainability into our activities and aim to keep our reserves at the target figure of £330,000 by budgeting for an average surplus of £50,000 per year. This will be achieved through a combination of cost controls and income generation across all areas.

As a matter of policy, each year the Trustees review the value of the reserves required to be held in investments, cash and cash equivalents that are not restricted to any particular purpose. We also consider our exposure to the risk of any significant loss of income or unforeseen cost. A drop in income is the major risk that these reserves are held to mitigate against. We recognise that there is voluntary income risk in relation to the current economic climate; a social enterprise income risk given current market conditions; and the changes experienced within public sector funding. We also account for expected expenditure on upcoming capital projects.

During the year, in light of our strategy and the prevailing economic circumstances, the Trustees reviewed the reserves policy and agreed that an acceptable reserve range continued to be between £300,000 and £360,000 with a target of £330,000.

In light of the above, our reserves level and our future plans and expectations, the Trustees consider it appropriate to prepare the financial statements on a going-concern basis.

NATIONAL CENTRE FOR CIRCUS ARTS

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 JULY 2019

PLANS FOR THE FUTURE

Aims for 2019/2020

Our core activity and business as usual

With support from our trustees, and in response to challenges and changes to statutory funding sources, the organisation is taking a robust approach to reviewing strategy. Posing the question *'What actions can the National Centre take to create a sustainable, resilient organisation by 2021 while delivering on its three pronged strategy of training circus artists, encouraging participation in circus arts and supporting the creation and production of high quality contemporary circus?'* we are reviewing all current activity to ensure we are focused on our core activities and how we can support that by increasing our earned income and ensuring the shape and structure of our organisation is appropriate to deliver our work.

The Foundation degree and BA [Hons] continue to grow and develop as we make significant changes to our approach to specialist teaching and the role of teachers in our organisation. Uncertainties in statutory funding bring challenges that require creative solutions to be found, but there is the expertise and commitment within the team to ensure our resilience at this time. A move away from the historic 'master/pupil' model of learning which has been the way throughout the history of circus to creative student led learning will challenge preconceptions but we believe will enrich the student experience and keep us at the forefront of international developments in circus arts training. We expect students to engage with research as part of their practice and learning, alongside their teachers who are engaged in debate discussion and their own research and development linked to best practice in teaching circus. We are reviewing and refining all modules on the HE programme to create learning arcs that link throughout the entire programme. Our staff and students will continue to benefit from the collaborative opportunities we have with our peers in the Conservatoire for Dance and Drama and students will have termly scheduled activities that include students from all member schools.

Professional artists, at all stages of their careers remain our core community and will be supported by the Circus Development department who manage their allocation of training space and time as well as offering a wide range of advice and support, networking and professional development opportunities. We have successfully applied for funding to support artists in a new project that will run for two years and will be announced in early 2020 and continue to seek more support to enhance our offer to the professional membership.

The Participation and Outreach team will continue to develop the offer for recreational circus activity for adults and young people for fun and fitness ensuring its commercial viability. We will respond to participants needs and will ensure we are delivering a programme that offers participants excellent training at whatever stage of their circus journey they are at. We will continue to develop and enhance the pre vocational training we deliver that opens up access and inclusion in our art form and creates pathways in Higher Education. In 2019/20 this will be via the

NATIONAL CENTRE FOR CIRCUS ARTS

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 JULY 2019

CAT scheme [Centre for Advanced Training funded by DfE] offering places to London based young people as well as supporting some students based across the UK who access training partly in their own towns or cities and by attending residential and masterclass sessions at the National Centre and our own London Youth Circus programme. We will also focus on targets set by the Office for Students on accessing and delivering work into areas of low participation and access into HE and to groups who are currently under-represented.

Our development work for 2019/20

Our focus remains on creating resilience throughout our business and building our brand and position to enable us to thrive through challenging political and economic times while still supporting the wider circus arts sector. A strategic review, with generous pro bono support from McKinsey commences in August 2019 and will pave the way for us to reflect on current business practices and our organisational and governance structures in response to our question 'what steps can the National Centre take to ensure a resilient and sustainable future by 2021 and the funding uncertainties and challenges in Higher Education and the Arts?'

- We will challenge and test our commercial income streams, seeking out additional opportunities that will allow us to continue to support our core activity and charitable delivery of circus arts training.
- We will design, test and implement a new structure to ensure efficient and cost effective delivery for all activity.
- We will develop a best practice model of governance to enable our recruitment, retention and engagement of trustees to flourish.

National Centre for Circus Arts

Our own review will allow us to look in detail at how we support the sector most effectively responding to individual needs of practitioners and companies across the country. This work will continue to be responsive in its nature but will be led by investment in our own website and IT systems allowing us to share policies, procedures and examples of best practice in teaching, rigging and technical circus, health and safety, safeguarding etc. more easily.

Supporting associates, teachers and young people across the UK

Our belief in the importance of offering high quality, progressive circus arts training for young people is unwavering and we increasingly see that a 'one size fits all' approach is not suitable for a sector with such diversity of resource and ambition. Beyond the circus sector in autumn 2019 we are launching training for support workers in youth settings to embed circus into the offer that is available to all young attenders. This pilot project has the potential to grow to settings in areas of low cultural participation across the UK over the next three to five years. A pilot project to deliver teacher training into primary schools with the development of ongoing resources provided via an online platform is also being piloted from autumn 2019 in three London schools of varying sizes.

NATIONAL CENTRE FOR CIRCUS ARTS

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 JULY 2019

Teacher training for our own teachers remains a core requirement of recruitment. The National Youth Circus Event will continue to grow and deliver opportunities for young people from across the UK to engage in high level circus masterclasses and networking and we will ensure that 50% of all participants are from areas of deprivation and low arts engagement with a focus on offering opportunity to groups who have not previously attended. Feedback from previous attendees has shown a real appetite for a more robust and focussed practitioner event which has previously been bolt on activity at the NYCE. In 2019/20 we will research and develop a pilot National Youth Circus Practitioner event as a standalone product for the first time.

Supporting the creation of great circus

We will continue to work with interesting and interested creatives who may be only just discovering circus as part of their creative arsenal, as well as those who may be changing direction from a career as a performer to that of a director, producer or other creative role, by making introductions and facilitating opportunities for directors, choreographers and others to work with circus artists.

We have successfully applied for funding support to launch a new programme in January 2020 for circus artists with three core objectives; to expand the creative practice of artists and companies, to advance the art form of circus and to produce work that will attract and develop audiences for circus. Selected artists/companies will receive a package of support and the project will provide invaluable support to independent circus artists at all stages of their career as they explore of new techniques, develop and experiment with new equipment, work with professionals from other art forms and create new work or stand-alone acts that have the potential to attract further support and to contribute to the UK's vibrant circus arts scene.

NATIONAL CENTRE FOR CIRCUS ARTS

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 JULY 2019

SUBSIDIARY COMPANIES REVIEW OF ACTIVITY

The two companies are wholly owned subsidiaries of the charity; trading profits are distributed to the charity to support our charitable objectives.

Circus Space Property Company Limited

The Property Company holds the 150 year lease of the three phases of the Hoxton site.

It is through the Property Company that we manage the letting of space to SMEs in our small office units and companies using the Creation Studio to make and rehearse work.

In 2018/19:

- 34 artists/companies have spent time free of charge in the Creation Studio, equating to 61.75 days given as support in kind at a commercial value of approximately £26,000.
- 16 artists/companies have collectively spent 103 days in the Creation Studio at a supported rate, equating to approximately £20,000 of subsidy.

Circus Space Events Limited

It is through the Events Company that we manage corporate and private training workshops and hires of our large training spaces and courtyard for major events.

In 2018/19 we ran 42 workshops for a total of 757 participants over the year. This was an increase of 40% in participant numbers from the previous year. The mix of clients in this group was as varied as usual with groups from international banks and FTSE 100 businesses as well as small charities and early stage start-ups.

We facilitated 15 events in our large training spaces and courtyard which were attended by over 5,000 people. The events hosted were once again diverse ranging from children's birthday parties to huge brand activation events for the international press and media as well as the general public. Many of these events have provided employment for graduate circus artists as performers or activity facilitators.

NATIONAL CENTRE FOR CIRCUS ARTS

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 JULY 2019

PRINCIPAL RISKS AND UNCERTAINTIES

We have a rigorous approach to risk management and risk is identified and discussed throughout the organisation with the trustees, via the audit subcommittee, receiving quarterly reports for scrutiny.

We have identified the following as significant risks:

Funding and economic risks

During 2018/19 our statutory funding from both Arts Council England as a national portfolio organisation and from the Higher Education Funding Council/ Office for Students remained static at current levels. However we are planning for the uncertainty we face with Brexit looming and changes in HE funding that are looking ever more likely.

We remain ambitious both for ourselves and our art form however we recognise the significant risk associated with reliance on any single source of funding or income and endeavour to ensure a broad base of economic opportunities supported by robust financial controls and an ability to respond swiftly to external changes, both in terms of risks and opportunities.

We have made significant progress in driving income from the use of our main asset, the building, by hosting an increasing number of corporate events during the year. Mindful that we cannot damage our charitable core activity, we try to facilitate this usage during terms breaks when possible to restrict disruption across programmes and are making strategic plans to encourage commercial opportunities at those times. However occasionally we will prioritise our need to contribute to the bottom line and will make alternative provision for our students and participants.

Fundraising

Fundraising targets remain ambitious but we believe realistic and are under constant scrutiny. The developmental work we are planning is largely scale-able and only undertaken when funding is secured. Our broad based fundraising strategy is being supported by a sub group of trustees and other advisors. We aim to capitalise on the successes of the 2014, 2016 and 2018 Galas and the supporters we introduced to circus at that time as we try to further develop individual giving as well as planning for a gala event in April 2020. We have had some success with trusts and foundations during the year but raising support for core costs remains challenging.

Raising voluntary funds from trusts, foundations and individuals is a vital source of income for the National Centre, enabling us to fulfil our charitable objectives as effectively as possible. We are grateful for the support given by all our donors. We believe that fundraising should be an open, honest and respectful process and we aim to build and maintain solid partnerships with our supporters and donors, based on mutual understanding and shared values and goals. In developing our approach to fundraising we have taken into account the Code of Fundraising Practice issued by the Fundraising Regulator. The National Centre operates with a small internal fundraising team and does not engage external professional fundraisers or commercial partners to carry out fundraising activity.

NATIONAL CENTRE FOR CIRCUS ARTS

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 JULY 2019

In May 2018 the National Centre for Circus Arts reviewed and updated its Privacy Policy to ensure compliance with the new General Data Protection Regulations. This policy, published on our website, clearly states what personal data the National Centre will hold in relation to supporters and how this data will be used. It sets out how individuals can raise concerns or complaints. The National Centre for Circus Arts has received no complaints about its fundraising activities either during the financial year or subsequently.

Managing our national role and reputation

Our communications strategy is a priority to ensure we are communicating effectively with our own home community and the sector more widely to manage expectations and build the reputation of circus in the wider cultural sector. The National Centre operates effectively in the digital world with a vibrant social media following and we allocate significant resources to ensuring that our communications across all platforms are positive, current and relevant. We continue to work with our colleagues across the Conservatoire and within the wider arts sector to ensure we are as prepared as possible for whatever shape Brexit takes in the next twelve months. Our current undergraduate cohort is the largest, and shows the greatest potential, we have ever seen and we are working hard to make sure we support student and graduate expectations and understanding of this unique changing landscape. We are also offering advice and support to other circus companies and artists across the UK by providing newsletters and discussion forums for topics that are raised by the sector. We continue to develop our associate's networks to make sure there are regular opportunities for regional debate and skills sharing so artists are not left isolated. Collaborative and partnership working remains ever more critical in building a real strength in the sector. While we cannot offer financial support to others we can enable the sharing of good practice, advocacy and lobbying for the benefit of all.

NATIONAL CENTRE FOR CIRCUS ARTS

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 JULY 2019

GOVERNANCE AND INTERNAL CONTROL

The Trustees have identified and incorporated best practice in accordance with the Charities SORP and Charity Commission guidance.

The Charity endeavours to conduct its business in accordance with the seven principles identified by the Committee on Standards in Public Life – selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

The Charity is an affiliate of the Conservatoire for Dance and Drama (CDD), an education corporation under the terms of the Education Reform Act 1988 and HE Act 1992.

The CDD Working Agreement requires the charity to have a Governing Body and an Academic Board, each with clearly defined functions and responsibilities to oversee and manage its activities.

- a) The Governing Body is the Trustee Board, responsible for matters including the finance, property and staffing of the institution. It is specifically required to determine the educational character and mission of the institution and to set its general strategic direction.

The Trustee Board has several independent advisors. The Chair is elected from among the trustees; Trustee Board meetings are attended by all members of the Senior Management Team. No members of the Trustee Board may receive remuneration for the work that they do for that body. New trustees are recruited via an open recruitment process of advertisement and interview which is overseen by the Remunerations and Nominations Committee. All trustees are given an induction into the organisation by the Chief Executive, regular performance review by the Chair of Trustees and are offered relevant training when it arises. In addition to regular subcommittee and full board meetings, the trustees meet annually for an away day to review performance and set strategy for the coming years.

- b) Subject to the overall responsibility of the Trustee Board, the Academic Board has oversight of the academic affairs of the charity and draws its membership entirely from the staff and students of the charity. It is particularly concerned with general issues relating to the learning, teaching and research work of the charity.

The Chief Executive is the head of the charity and has a general responsibility to the Trustee Board for the organisation, direction and management of the charity. Under the terms of the formal financial memorandum between the charity and CDD, the Chief Executive is the accounting officer and in that capacity can be summoned to appear before the Public Accounts Committee of the House of Commons.

Although the trustees meet at least four times each year, much of the board's detailed work is delegated to sub committees, including committees for Finance, Nominations, Remuneration and Audit. These sub committees operate under specific terms of reference with all minutes being reported to the Trustee Board, and all decisions being ratified by the Trustee Board.

NATIONAL CENTRE FOR CIRCUS ARTS

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 JULY 2019

The trustees nominate responsibility for setting remuneration of senior staff to the Remuneration and Nominations Committee. The committee follow a process of external benchmarking within our sector, with particular reference to our peers within the Conservatoire for Dance and Drama, to set suitable levels of pay within our own pay structure.

A significant proportion of the membership of these committees consists of members of the Trustee Board. Co-opted staff and student members may also be eligible to serve on some of these committees, subject to the provisions of the articles. The Chair of each committee is selected from the Trustees.

As Chief Executive, the head of the institution exercises considerable influence over the development of the institutional strategy, the identification and planning of new developments, and shaping of the institutional ethos. The Senior Management Team all contribute in various ways to these aspects of this work but the ultimate responsibility for what is done rests with the Trustees.

The charity maintains a register of interests of the Trustees and Senior Management Team which may be consulted by arrangement with the Company Secretary.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of the National Centre for Circus Arts for the purposes of company law) are responsible for preparing the Trustees' Report (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice.)

Company law requires Trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group 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 judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for

NATIONAL CENTRE FOR CIRCUS ARTS
TRUSTEES' REPORT

FOR THE YEAR ENDED 31 JULY 2019

safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. These include:

- A strategic plan and an annual budget approved by the Trustees.
- Regular consideration by the Trustees of financial results including variance from the approved budget.
- Delegation of authority and segregation of duties.
- An annual formal internal audit conducted by a representative of CDD, with the resulting report and actions reviewed and approved by the Trustees. One such audit has taken place during the year.
- Identification and management of risks.

The Trustees have formalised the management of risk. The risk register is developed and monitored by the Chief Executive and Senior Management. It identifies risks to the charity in terms of their severity and probability, and identifies actions to be taken to mitigate the risks, identifying timescale and responsibility. The Trustees review the register annually.

This report has been prepared in accordance with the special provisions of Section 381 of the Companies Act 2006 relating to small companies.

By order of the Board



Craig Calvert

Date 29/10/2019

NATIONAL CENTRE FOR CIRCUS ARTS

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE NATIONAL CENTRE FOR CIRCUS ARTS

Opinion

We have audited the financial statements of National Centre for Circus Arts (the 'company') for the year ended 31 July 2019 which comprise the Group Statement of Financial Activities, the Group Summary Income and Expenditure Account, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement 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 applicable law and United Kingdom Accounting Standards, including FRS 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 group's and the parent charitable company's affairs as at 31 July 2019 and of the group's 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 and the Charities Act 2011.

And in our opinion in all material aspects:

- funds administered by the National Centre for Circus Arts for specific purposes during the year ended 31 July 2019 have been applied to those purposes and managed in accordance with relevant legislation;
- funds provided by the OfS and Research England have been applied in accordance with the terms and conditions of the Accounts Direction and any other terms and conditions attached to them during the year end 31 July 2019; and
- the requirements of the OfS's accounts direction have been met.

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 charitable company 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

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 about the group's and parent charitable company's ability to

NATIONAL CENTRE FOR CIRCUS ARTS

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2019

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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

Opinions 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 [strategic report and the] trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' annual report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and its 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 where the Companies Act 2006 and the Charities Act 2011 require us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report and from preparing a strategic report.

NATIONAL CENTRE FOR CIRCUS ARTS

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2019

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page [x], the trustees (who are also the directors of the charitable company for the purposes of company law) 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.

In preparing the financial statements, the trustees are responsible for assessing the group and parent charitable company'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 group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit

NATIONAL CENTRE FOR CIRCUS ARTS

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2019

evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and, in respect of the consolidated financial statements, to the charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters which 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 any party other than the charitable company, the charitable company's members, as a body, and the charity's trustees, as a body, for our audit work, for this report, or for the opinion we have formed.



Date 20/11/2019

James Saunders FCCA, DChA (Senior Statutory Auditor)

for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

Devonshire House

60 Goswell Road

London

EC1M 7AD

Moore Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

NATIONAL CENTRE FOR CIRCUS ARTS
FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2019

NATIONAL CENTRE FOR CIRCUS ARTS
STATUTORY ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2019

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

	Notes	<u>UNRESTRICTED FUNDS</u> £	<u>RESTRICTED FUNDS</u> £	<u>TOTAL FUNDS</u> 31 JULY 2019 £	<u>YEAR ENDED</u> 31 JULY 2018 £
Income from:					
Donations and Grants	4	556,937	332,391	889,328	1,124,939
Investments		8	-	8	24
Charitable activities	5	1,222,142	-	1,222,142	1,169,727
Other trading activities					
Income from trading activities and other receipts	7	634,160	-	634,160	593,933
Total income		2,413,247	332,391	2,745,638	2,888,623
Expenditure on:					
Charitable activities	8	2,056,027	316,768	2,372,795	2,479,707
Raising funds					
Fundraising and Publicity	10	174,790	-	174,790	302,121
Commercial trading costs		65,321	-	65,321	36,572
Total		2,296,138	316,768	2,612,906	2,818,399
Net income		117,109	15,623	132,732	70,223
Transfer between funds	19	15,623	(15,623)	-	-
Other recognised gains:					
Tax credit	21	21,640	-	21,640	21,549
Net movement in funds		154,372	-	154,372	91,772
Reconciliation of funds					
Total funds brought forward		272,367	2,852,427	3,124,794	3,033,022
Total funds carried forward		426,739	2,852,427	3,279,166	3,124,794

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

All incoming resources and resources expended derive from continuing activities.

The unconsolidated result for the Charity is a deficit of £343,437 (2018: £114,769)


NATIONAL CENTRE FOR CIRCUS ARTS
FINANCIAL STATEMENTS


FOR THE YEAR ENDED 31 JULY 2019

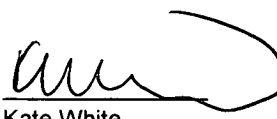
NATIONAL CENTRE FOR CIRCUS ARTS
STATUTORY ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2019
CONSOLIDATED BALANCE SHEET

	Notes	Year ended 31 July 2019		Year Ended 31 July 2018	
		£	£	£	£
FIXED ASSETS					
Tangible assets	14		3,341,563		3,336,563
CURRENT ASSETS					
Debtors	16	235,443		304,288	
Cash at bank and in hand		464,097		250,111	
		<u>699,540</u>		<u>554,399</u>	
Liabilities					
Creditors: Amounts due within one year	18	(707,280)		(715,862)	
		<u></u>		<u></u>	
NET CURRENT LIABILITIES			(7,740)		(161,463)
TOTAL ASSETS LESS CURRENT LIABILITIES			3,333,823		3,175,100
CREDITORS: Amounts due after more than one year					
Accruals	18		(54,657)		(50,306)
			<u></u>		<u></u>
NET ASSETS			3,279,166		3,124,794
			<u></u>		<u></u>
The funds of the charity					
Restricted funds	19		2,852,427		2,852,427
Unrestricted funds			426,739		272,367
			<u>3,279,166</u>		<u>3,124,794</u>

The financial statements were approved by the Board on 29th October 2019 and signed on its behalf by:


 Craig Calvert
 Trustee


 Thomas Nowacki
 Trustee


 Kate White
 Accountable Officer

Company Number: 02553293

NATIONAL CENTRE FOR CIRCUS ARTS
FINANCIAL STATEMENTS

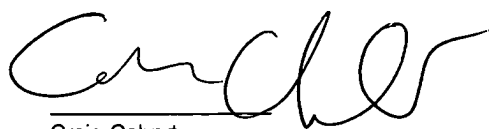
FOR THE YEAR ENDED 31 JULY 2019

NATIONAL CENTRE FOR CIRCUS ARTS
STATUTORY ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2019

BALANCE SHEET (Charity)

	Notes	Year ended 31 July 2019		Year Ended 31 July 2018	
		£	£	£	£
FIXED ASSETS					
Tangible assets	14		223,770		218,770
Investments	15		200		200
			<u>223,970</u>		<u>218,970</u>
DEBTORS					
Amounts falling due after more than one year	17		3,140,092		3,140,092
CURRENT ASSETS					
Debtors	16	93,744		66,473	
Cash at bank and in hand		273,704		210,602	
		<u>367,448</u>		<u>277,075</u>	
Liabilities					
Creditors: Amounts due within one year	18	(670,649)		(697,987)	
NET CURRENT LIABILITIES			<u>(303,202)</u>		<u>(420,911)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,060,860</u>		<u>2,938,151</u>
CREDITORS: Amounts due after more than one year					
Accruals	18		(54,657)		(50,306)
NET ASSETS			<u>3,006,203</u>		<u>2,887,845</u>
The funds of the charity					
Restricted funds	19		2,852,427		2,852,427
Unrestricted funds			153,776		35,418
			<u>3,006,203</u>		<u>2,887,845</u>

The financial statements were approved by the Board on 29th October 2019 and signed on its behalf by:



Craig Calvert
Trustee



Thomas Nowacki
Trustee



Kate White
Accounting Officer

Company Number: 02553293

NATIONAL CENTRE FOR CIRCUS ARTS
FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2019

NATIONAL CENTRE FOR CIRCUS ARTS
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2019

RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2019	2018
	£	£
Net income for the reporting period	154,372	91,772
Depreciation charges	17,091	16,930
Interest received	(8)	(24)
Decrease/ (Increase) in debtors	68,844	(158,556)
Increase/(Decrease) in creditors	(4,231)	222,021
Net cash provided by operating activities	236,069	172,143
	£	£
Net cash provided by operating activities	236,069	172,143
<i>Cash flows from investing activities</i>		
Interest received	8	24
Purchase of tangible assets	(22,091)	(31,491)
<i>Net Cash used in investing activities</i>	(22,083)	(31,467)
Change in cash and cash equivalents	213,986	140,676
Cash and cash equivalents at the start of the year	250,111	109,435
Cash and cash equivalents at the end of the year	464,097	250,111

NATIONAL CENTRE FOR CIRCUS ARTS **FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 JULY 2019

NATIONAL CENTRE FOR CIRCUS ARTS **STATUTORY ACCOUNTS** **FOR THE YEAR ENDED 31 JULY 2019**

NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

Charitable company status

The charity is a company limited by guarantee. The members of the company are the Trustees as set out on page 1. In the event of the charity being wound up the liability on repaying the guarantee is £10 per member.

Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Charity is a public benefit entity for the purposes of FRS 102 and therefore the consolidated financial statements have been prepared in accordance with 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 (The FRS 102 Charity SORP), the Companies Act 2006 and the Charities Act 2011.

The results of the subsidiary entities are consolidated on a line by line basis. A summary of the results of the subsidiary entities is shown in Note 15.

The functional currency of the charity and its subsidiaries is sterling. The amounts are rounded to the nearest pound.

Consolidation

The group accounts consolidate the accounts of National Centre for Circus Arts and its subsidiary undertakings, Circus Space Property Company Limited and Circus Space Events Limited, made up to 31 July 2019. The acquisition method of accounting has been adopted.

Going Concern

The financial statements have been prepared on the going concern basis which assumes that the Group will be able to continue in operational existence for the foreseeable future.

The group has net current liabilities at 31 July 2019 of £7,738 and the charity has net current liabilities of £303,202. Within group creditors at the balance sheet, deferred income in respect of hires and funding received in advance for the 2019/20 financial year, amounts to £369,632. This deferred income will be released from the balance sheet in 2019/20 and poses no call on cash funds.

The charity has taken steps to ensure that through careful cost management it has returned a surplus for the year 2018/19 and in order to ensure it has sufficient funds to meet its liabilities as they fall due at all times, has negotiated a bank loan facility on favourable terms with Charity Bank. Loan amounts of up to £100k can be drawn upon as needed and repaid without penalty. The loan bears interest at 6% per annum.

Based on careful consideration of cash flows and income and expenditure forecasts and taking account of possible events or conditions that might affect the ability of the charity and the group to continue as a going concern for a period of at least one year from the date of approval of these financial statements, the trustees are satisfied that there is a reasonable expectation that the charity and the group will have adequate resources to continue in operational existence for the foreseeable future. They believe it is therefore appropriate to continue to adopt the going concern basis in preparing these financial statements.

Income

Total incoming resources as shown in the Statement of Financial Activities is the total income of the group. All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income, the receipt is probable, and the amount can be measured reliably. The following specific policies are applied to particular categories of income:

NATIONAL CENTRE FOR CIRCUS ARTS

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2019

Charitable activities are accounted for in the period to which they relate. Investment income is included on a receivable basis.

Donations, grants and legacies are included in full in the Statement of Financial Activities when receivable. Grants received in advance for specified future periods or where conditions are attached to their use which remain outside the control of the charity are carried forward as deferred income and released when conditions for entitlement are fulfilled.

Fees and other funding received towards the provision of training courses is recognised when the training is delivered. Income received in advance is deferred in the Balance Sheet and then released at the point of delivery of the related training/educational provision.

Expenditure

Expenditure is accounted for on an accruals basis.

Direct charitable expenditure includes all costs related to the main purpose of National Centre for Circus Arts and include: costs of delivering the degree course; youth and adult courses; and support to professional artists.

Fundraising and publicity includes all direct expenditure on publicising the work of National Centre for Circus Arts.

Governance costs, which are included in the support costs, include those costs incurred in the governance of the charity and are primarily associated with regulatory requirements.

Staff costs and support costs

Staff costs and overhead expenses are allocated to activities on the basis of staff time and studio space used on those activities.

Pension costs

The charity operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the SOFA in the year they are payable.

Employee costs

The costs of short-term employee benefits are recognised as a liability and an expense. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received. Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Tangible fixed assets and depreciation

All fixed assets are stated at cost.

Depreciation is provided at the following annual rates in order to write off each asset over its useful life.

Plant and Equipment	10%
Stage and acrobatic equipment	25%
Computer and office equipment	33%

Assets with a value of less than £1,000 are written off in the financial statements in the period of purchase.

Leasehold property has been capitalised and included in fixed assets at cost. On 24th July 2015, a professional valuation was undertaken by Jones Lang La Salle Limited, giving a current market value of £7,550,000. This supports the view that the residual value of the building is not considered to be lower than its current carrying value in the accounts. On that basis, no further depreciation has been provided since that date. The property is reviewed annually for any potential impairment.

Restricted funds

Restricted funds are to be used for specified purposes as laid down by the donor. Expenditure which meets this criteria is identified to the fund, together with a fair allocation of overheads and support costs.

NATIONAL CENTRE FOR CIRCUS ARTS

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2019

Unrestricted funds

Unrestricted funds are donations and other incoming resources received or generated for the charities general purposes.

Taxation

The company is a registered charity and is not liable to United Kingdom income or corporation tax on its charitable activities. Tax credits claimed under the theatre tax relief scheme are shown as a credit in the year to which it relates.

Grants

Government and local authority grants for the purchase of fixed assets are credited to restricted incoming resources when receivable. Provided there are no remaining restrictions on the use of the capital asset, the grant is released to unrestricted income when the asset is acquired as this fulfils the restriction placed by the donor on the use of the grant.

Grants of a revenue nature are credited to incoming resources in the period in which they are receivable.

Operating lease commitment

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

Financial instruments

Cash and cash equivalents

Cash and cash equivalents include cash at banks and in hand and short term deposits with a maturity date of three months or less.

Debtors and creditors

Debtors and creditors receivable or payable within one year of the reporting date are carried at their transaction price. Debtors and creditors that are receivable or payable in more than one year and not subject to a market rate of interest are measured at the present value of the expected future receipts or payment discounted at a market rate of interest.

Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in the SOFA.

The charity has provided a long term loan to its subsidiary company Circus Space Property Company Limited. The loan meets the definition of a public benefit entity concessionary loan and as such is accounted for at amortised cost and reviewed annually for impairment.

2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of the company's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Critical judgements

Useful economic lives

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 13 for the carrying amount of the property, plant and equipment and note 1 for the useful economic lives for each class of asset.

NATIONAL CENTRE FOR CIRCUS ARTS **FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 JULY 2019

Recoverable value of fee debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 16 for the net carrying amount of the debtors and any associated impairment provision.

3 PARENT COMPANY INCOME AND EXPENDITURE ACCOUNT

The charity has taken advantage of the exemption in the Companies Act 2006 s.408(4) not to present its own income and expenditure account.

4 GRANTS

The group received financial assistance from various funders as follows:

Year ended 31 July 2019			
	£	£	£
	Unrestricted	Restricted	Total
Arts Council England - Capital/Revenue	341,867	-	341,867
Conservatoire for Dance and Drama (CDD)	193,421	205,934	399,355
Contemporary Dance Trust Ltd	-	66,787	66,787
Leverhulme Trust	-	43,000	43,000
Coop Local Community Fund	5,846	-	5,846
Golsoncott Foundation	-	2,000	2,000
Harold Hyam Wingate Foundation	-	2,500	2,500
Teale Charitable Trust	-	2,000	2,000
D'Oyly Carte Charitable Trust	-	3,500	3,500
Regatta Foundation	-	1,200	1,200
Sundry donations	20,803	970	21,773
Gift Aid - CSP/CSE	(5,000)	-	(5,000)
St James Place Foundation	-	2,500	2,500
Chapman Charitable Trust	-	2,000	2,000
	556,937	332,391	889,328

Year ended 31 July 2018			
	£	£	£
	Unrestricted	Restricted	Total
Arts Council England - Capital/Revenue	341,867	-	341,867
Conservatoire for Dance and Drama (CDD)	262,160	197,637	459,797
Contemporary Dance Trust Ltd	-	65,230	65,230
Leverhulme Trust	-	43,000	43,000
Jack Petchey Foundation	250	500	750
GALA	128,397	-	128,397
Allen & Overy Foundation	5,000	-	5,000
D'Oyly Carte Charitable Trust	-	3,000	3,000
Sundry donations	72,988	4,910	77,898
	810,663	314,276	1,124,939

NATIONAL CENTRE FOR CIRCUS ARTS **FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 JULY 2019

5 INCOME FROM CHARITABLE ACTIVITIES

	Year ended 31 July 2019	Year ended 31 July 2018
	£	£
Fees from home and EU higher education students	512,896	478,621
Audition and other fees	100,420	62,147
Circus Development income	48,835	98,060
Short Course income	559,991	530,899
	<hr/>	<hr/>
	1,222,142	1,169,727

6 DEGREE FUNDING

The degree income figure includes the analysed funding receivable from OFS through the Conservatoire for Dance and Drama:-

	Year ended 31 July 2019	Year ended 31 July 2018
	£	£
Contributions from CDD	193,421	262,160
	<hr/>	<hr/>

7 OTHER TRADING ACTIVITIES

Income from other trading activities and other receipts

	Year ended 31 July 2019	Year ended 31 July 2018
	£	£
Workspace and room hire	548,422	457,866
Classes, courses and workshops	59,707	51,325
Gala income	-	37,588
Merchandise income	13,458	13,779
Other income	4,733	24,826
Performance tickets	7,840	8,550
	<hr/>	<hr/>
	634,160	593,933

NATIONAL CENTRE FOR CIRCUS ARTS **FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 JULY 2019

8 DIRECT CHARITABLE EXPENDITURE

	Year ended 31 July 2019		
	Direct Costs	Support costs	Total Funds
	£	£	£
Circus Development	45,642	211,247	256,889
Degree	683,594	351,991	1,035,585
Participation & Outreach	509,353	455,129	964,483
Training	94,332	21,506	115,838
	1,332,921	1,039,873	2,372,795

	Year ended 31 July 2018		
	Direct Costs	Support costs	Total Funds
	£	£	£
Circus Development	92,671	266,652	359,323
Degree	612,275	434,974	1,047,250
Participation & Outreach	454,419	511,674	966,093
Training	100,119	6,923	107,041
	1,259,484	1,220,223	2,479,707

9 SUPPORT COSTS AND ADMINISTRATION

	Year ended 31 July 2019				
	Governance	Administration	IT	Operations	Total
		£	£	£	£
Circus Development	675	3,217	434	206,921	211,247
Degree	33,733	160,846	21,713	135,699	351,991
Participation & Outreach	47,226	225,184	30,398	152,321	455,129
Corporate activity	2,024	9,651	1,303	52,343	65,321
Training	2,699	12,868	1,737	4,202	21,506
	86,357	411,766	55,585	551,486	1,105,194
Total year ending 31 July 2018	74,313	512,324	40,631	592,955	1,220,223

10 FUNDRAISING AND PUBLICITY

	Year ended 31 July 2019 Unrestricted Funds	Year ended 31 July 2018 Unrestricted Funds
	£	£
Fundraising and Publicity	174,790	302,121

NATIONAL CENTRE FOR CIRCUS ARTS

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2019

11 GOVERNANCE COSTS

	Year ended 31 July 2019 Unrestricted Funds	Year ended 31 July 2018 Unrestricted Funds
	£	£
Auditors' remuneration		
Additional services	14,176	1,302
Year end audit		
Current year	19,275	18,175
Staff costs	52,905	54,836
	86,356	74,313

12 NET INCOME

Net income is stated after charging:

	Year ended 31 July 2019	Year ended 31 July 2018
	£	£
Depreciation of tangible fixed assets	17,091	16,930
Operating lease rentals	38,500	101,708
Auditor's remuneration	19,275	18,175

13 STAFF COSTS

	Year ended 31 July 2019	Year ended 31 July 2018
	£	£
Wages and salaries	1,617,214	1,650,544
Social security costs	128,723	133,268
Pension	24,165	13,559
Redundancy costs	-	-
	1,770,102	1,797,371

The average monthly number of employees during the period was as follows:

	2019 No.	2018 No.
Tutors	52	61
Administration	51	47
	103	108

The average monthly number of employees includes a high number of part time staff, particularly among highly specialised teaching disciplines. The full time equivalents are:

	No.	No.
Tutors	12	13
Administration	36	39
	48	52

The following number of employees received salaries in excess of £60,000:

	2019 No.	2018 No.
£60,000 - £70,000	-	1
£70,000 - £80,000	1	1

Pension contributions for the above employees was £976.20 (2018 £1,062)

The Trust consider the Board of Trustees, the CEO, the COO and the Directors of each area as comprising the key management personnel of the charity. The total employment benefits for the six key management personnel was £294,524 (2018 £351,608).

No trustees received remuneration nor reimbursed expenditure in either the current or preceding year.

NATIONAL CENTRE FOR CIRCUS ARTS

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2019

14 TANGIBLE ASSETS

Group

	Improvements to Leasehold Premises £	Stage & Acrobatic Equipment £	Computer & Office Equipment £	Plant & Equipment £	Total £
Cost					
At 1 August 2018	4,135,241	30,275	64,662	120,829	4,351,007
Additions	-	817	-	21,274	22,091
At 31 July 2019	4,135,241	31,092	64,662	142,103	4,373,098
Depreciation					
At 1 August 2018	889,556	30,275	64,662	29,951	1,014,444
Charge for the period	2,721	-	-	14,370	17,091
At 31 July 2019	892,277	30,275	64,662	44,321	1,031,535
Net Book Value					
At 31 July 2019	3,242,964	817	-	97,782	3,341,563
At 1 August 2018	3,245,685	-	-	90,878	3,336,563

The Arts Council and the London Borough of Hackney hold a charge over certain assets of the group.

In addition, the National Centre for Circus Arts and Charity Bank hold a charge over property held by its subsidiary Circus Space Property Company Limited.

14 TANGIBLE ASSETS (CONTINUED)

Charity

	Improvements to Leasehold Premises £	Stage & Acrobatic Equipment £	Computer & Office Equipment £	Plant & Equipment £	Total £
Cost					
At 1 August 2018	136,055	30,275	64,662	120,829	351,821
Additions	-	817	-	21,274	22,091
At 31 July 2019	136,055	31,092	64,662	142,103	373,912
Depreciation					
At 1 August 2018	8,163	30,275	64,662	29,951	133,051
Charge for the period	2,721	-	-	14,370	17,091
At 31 July 2019	10,884	30,275	64,662	44,321	150,142
Net Book Value					
At 31 July 2019	125,171	817	-	97,782	223,770
At 1 August 2018	127,892	-	-	90,878	218,770

NATIONAL CENTRE FOR CIRCUS ARTS

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2019

15 FIXED ASSET INVESTMENTS - Charity Only

	Shares
	£
Investment in subsidiary	
<u>Cost</u>	
At 1 August 2018	200
Additions	-
At 31 July 2019	200
<u>Net Book Value</u>	
At 31 July 2019	200
At 1 August 2018	200

The National Centre for Circus Arts has investments in the Subsidiary undertakings, Circus Space Property Company Limited and Circus Space Events Limited, as detailed below.

Subsidiaries	% holding	2019	2018
		£	£
Circus Space Property Company Limited			
A company registered in England and Wales (No. 2803347)			
Nature of business: Holding leasehold interest in premises			
Class of shares:			
Ordinary shares	100		
Turnover		142,940	187,729
Expenditure		(113,253)	(180,257)
Profit for the year		29,687	7,472
Aggregate capital and reserves		67,768	38,081
Circus Space Events Limited			
A company registered in England and Wales (No. 4027679)			
Nature of business: Events organisers			
Class of shares:			
Ordinary shares	100		
Turnover		505,003	238,772
Expenditure		(52,502)	(39,701)
Profit for the year		452,501	199,071
Aggregate capital and reserves		205,501	199,171

16 DEBTORS

	Year ended 31 July 2019		Year ended 31 July 2018	
	Group	Charity	Group	Charity
	£	£	£	£
Trade debtors	150,388	15,609	238,058	3,894
Amounts owed by subsidiaries	-	-	-	-
Other debtors	65,046	58,126	38,661	35,011
Prepayments and accrued income	20,010	20,010	27,569	27,569
	235,443	93,744	304,288	66,473

Included in group debtors are financial assets valued at amortised cost of £157,512 (2018: £257,119) and within charity debtors £3,162,815 (2018: £3,157,997).

NATIONAL CENTRE FOR CIRCUS ARTS

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2019

17 DEBTORS - Charity only	Year ended 31 July 2019		Year ended 31 July 2018	
	Group	Charity	Group	Charity
Amounts Due after more than one year	£	£	£	£
Amounts owed by subsidiary undertakings	-	3,140,092	-	3,140,092

The long term loan has been provided to the subsidiary company Circus Space Property Company Limited and meets the definition of a public benefit entity concessionary loan as it was made to further the charitable objects of the charity. The loan is secured on the property held by the subsidiary company, is interest free, and becomes repayable three years from the completion of the development of the site.

18 CREDITORS	Year ended 31 July 2019		Year ended 31 July 2018	
	Group	Charity	Group	Charity
Amounts falling due within one year	£	£	£	£
Trade creditors	99,244	44,348	74,057	72,308
Social security and taxes	77,168	31,333	60,119	65,170
Other creditors	49,284	20,387	104,497	4,377
Accruals and deferred income	481,584	301,015	477,188	234,430
Amounts owed to subsidiaries	-	273,566	-	321,701
	707,280	670,649	715,862	697,987

Included in group creditors are financial liabilities valued at amortised cost of £369,684(2018: £286,076) and within charity creditors £553,147 (2018: £508,582).

Amounts Due after more than one year	Year ended 31 July 2019		Year ended 31 July 2018	
	Group	Charity	Group	Charity
	£	£	£	£
Accruals	54,657	54,657	50,306	50,306

19 RESTRICTED FUNDS - Group and Charity

The funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trusts to be applied for specific purposes:

	Balance 01-Aug-18	Incoming Resources	Outgoing Resources	Transfers	Balance 31-Jul-18
	£	£	£		£
Capital Fund					
Building Development	2,850,427	15,623	-	(15,623)	2,850,427
Hackney sustainable grant	2,000	-	-	-	2,000
Generation Fund					
Conservatoire for Dance and Drama (CDD)	-	190,311	190,311	-	-
Contemporary Dance Trust Ltd	-	66,787	66,787	-	-
Leverhulme Trust	-	43,000	43,000	-	-
Golsoncott Foundation	-	2,000	2,000	-	-
Harold Hyam Wingate Foundation	-	2,500	2,500	-	-
Teale Charitable Trust	-	2,000	2,000	-	-
D'Oyly Carte Charitable Trust	-	3,500	3,500	-	-
Regatta Foundation	-	1,200	1,200	-	-
Sundry donations	-	970	970	-	-
St James Place Foundation	-	2,500	2,500	-	-
Chapman Charitable Trust	-	2,000	2,000	-	-
	2,852,427	332,391	316,768	(15,623)	2,852,427

NATIONAL CENTRE FOR CIRCUS ARTS

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2019

Capital Fund

The capital fund represents monies received from various funders for the redevelopment and refurbishment of the Coronet Street site.

Generation Fund

The Generation Fund represents monies received from various donors for discreet projects within Circus Development, Participation and Outreach and to support student learning, hardship and academic prizes within the Degree programme.

Transfers

Transfers from the capital fund to general funds in 2019 represent the re-allocation of amounts received under restricted donations to cover small scale capital spending in 2018 and 2019. By utilising the funds for this purpose the restrictions on the donations have been met and the funds have therefore been released. The depreciation relating to these assets will be charged to the general fund over the life of the asset in line with depreciation rates set out in Note 1 to the accounts.

	Balance 01-Aug-17	Incoming Resources	Outgoing Resources	Transfers	Balance 31-Jul-18
	£	£	£		£
Capital Fund					
Building Development	2,850,427	32,243	-	(32,243)	2,850,427
Hackney sustainable grant	2,000	-	-	-	2,000
			-	-	-
Generation Fund					
Conservatoire for Dance and Drama (CDD)	-	165,394	165,394	-	-
Contemporary Dance Trust Ltd	-	65,230	65,230	-	-
Leverhulme Trust	-	43,000	43,000	-	-
Jack Petchey Foundation	-	500	500	-	-
D'Oyly Carte Charitable Trust	-	3,000	3,000	-	-
Sundry donations	-	4,910	4,910	-	-
	2,852,427	314,276	282,034	(32,243)	2,852,427

20 RELATED PARTY TRANSACTIONS

During the year the charity had transactions with its two wholly owned subsidiaries. These represented £123,522 (2018:£105,308) of purchases and £114,677 (2018:£112,729) of sales.

	Year ended 31 July 2019	Year ended 31 July 2018
	£	£
Total donations from trustees without conditions.	9,926	42,610

21 THEATRE TAX RELIEF CLAIM

	Year ended 31 July 2019	Year ended 31 July 2018
	£	£
Tax credit; in respect of theatre tax relief claim.	21,640	21,549

NATIONAL CENTRE FOR CIRCUS ARTS **FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 JULY 2019

22 ANALYSIS OF NET ASSETS BY FUND - Group

	Year ended 31 July 2019		
	Unrestricted	Restricted	Total Funds
	Funds	Funds	
	£	£	£
Tangible Assets	491,136	2,850,427	3,341,563
Net Current Assets/(Liabilities)	(9,740)	2,000	(7,740)
Creditors falling due after one year	(54,657)	-	(54,657)
	426,739	2,852,427	3,279,166

	Year ended 31 July 2018		
	Unrestricted	Restricted	Total Funds
	Funds	Funds	
	£	£	£
Tangible Assets	486,136	2,850,427	3,336,563
Net Current Assets/(Liabilities)	(163,463)	2,000	(161,463)
Creditors falling due after one year	(50,306)	-	(50,306)
	272,368	2,852,427	3,124,795

23 FINANCIAL COMMITMENTS

At 31st July 2019 the group held a one hundred and twenty seven year lease on its Coronet Street site and was committed to making quarterly payments under this non-cancellable operating lease. These payments totalled £38,500 in the year to July 2019 when they will be subject to the five year rent review. The amounts payable over the remainder of the lease are not reasonably quantifiable due to the expected periodical rent reviews and over the timescale involved.