

Registered Charity No. 1151595
Registered Company No. 07929154

**ALBANY THEATRE TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

**ALBANY THEATRE TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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for the year ended 31 March 2018**

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**ALBANY THEATRE TRUST
(A COMPANY LIMITED BY GUARANTEE)**

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number: 07929154 (England and Wales)

Charity number: 1151595

Directors: D.N. Meredith (Chairman)
C. Bryanston-Cross (Vice Chairman)
S. Godley – resigned 13 August 2017
L.P. Moore
D.E. Kershaw
A. Hardy
C.J. Beale – resigned 12 March 2018
A.C. Benfield
C.D. Arnold
E. Timms – resigned 19 October 2017
M.R. McCaffrey
I. Knight
I.J. Page
S.J. Mason – appointed 12 March 2018
R.K. Auluck – appointed 12 March 2018

Chief Executive: D.N. Meredith

Registered office: One Eastwood
Harry Weston Road
Binley Business Park
Coventry
West Midlands
CV3 2UB

Principal Office: The Albany Theatre
Albany Road
Coventry
CV5 6JQ

Accountants: Dafferns LLP
Chartered Accountants
One Eastwood
Harry Weston Road
Binley Business Park
Coventry
CV3 2UB

Bankers: The Co-operative Bank
P.O. Box 101
Balloon Street
Manchester
M60 4EP

**ALBANY THEATRE TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
for the year ended 31 March 2018**

The directors present their report with the financial statements of the company for the year ended 31 March 2018. The directors have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities (FRS102)" in preparing the annual report and financial statements of the charity.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The organisation is a charitable company limited by guarantee incorporated on 30 January 2012 and governed by its Memorandum and Articles of Association. The company became a registered charity on 11 April 2013 and adopted new governing Articles at the 2016 AGM.

Recruitment and appointment of directors

The directors of the company are also the charity trustees for the purpose of Charity Law. Under the requirements of the Memorandum and Articles of Association one-third of the directors must retire and offer themselves for re-election at the Annual General Meeting.

The charity is administered by the Trustees, who meet regularly to review the management of the Trust. During the period the team of paid staff was established at 13, 8 of whom are current (4) or former apprentices. David Meredith has continued to act as CEO during the period, supported by a group of Directors who provide direct support to the paid team. Three Directors have left the Board: Chris Beale, Sandra Godley and Elizabeth Timms. Each in their own way made a significant contribution to the development of the Trust and its work, and each is thanked for their contribution. Two new Directors have joined the Board: Dr Randhir Auluck who, as well as being a Coventry City Councillor, has a senior role at Coventry University. Randhir will help develop our growing relationship with the University. Stacey-Jade Mason formed Creative Optimistic Visions in 2012 and works to promote Protective Behaviours with young people. Stacey-Jade Mason is an award-winning Protective Behaviours Trainer and brings a new dimension to the Board.

The Trustees have reviewed the major risks to which the Charity is exposed and have established systems and procedures to manage those risks.

All Trustees give their time voluntarily and received no benefits from the charity.

OBJECTIVES AND ACTIVITIES

The Albany Theatre Trust's Charitable Purposes under the Charities Act 2011 are to promote, maintain, improve and advance education by the encouragement of the arts including, without limitation, the arts of drama, mime, dance, singing and music.

The Trust's vision "to promote well-being through Arts for Life" and our Mission, Engage Inspire Create, maintain and enhance The Trust's objective to enrich the cultural life of Coventry. Key to this is the development of strategic partnerships across the city to become the creative focus for amateur, community and professional performance, which the charity perceives to be a vital component of the city's public and cultural life. This work continues. We aim to contribute to the development and regeneration of Coventry, playing an active role in the community.

Our Objectives are:

- to enrich the cultural life of Coventry
- to support and reflect all members of our community
- to create for all volunteering and training opportunities to engage with the arts
- to provide an inclusive high-quality programme that represents all performance-related arts
- to make the most of our resources

**ALBANY THEATRE TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
for the year ended 31 March 2018**

OBJECTIVES AND ACTIVITIES (cont'd)

Arts for Life aims to promote wellbeing, community cohesion and active citizenship; support strong and involved communities, reduce the impact of extreme poverty and support the most vulnerable people in our city, thereby contributing to improvements in the health and well-being of residents and reducing health inequalities.

Our approach seeks to encourage those who cannot easily access the arts; people who are limited by financial means, disability or who come from backgrounds where engagement with theatre-going and involvement in the arts is not "traditional".

However, the most important consideration remains to run the Trust efficiently, ensuring the long-term financial viability of the organisation. This simply boils down to bringing in enough income to meet our costs.

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

ACHIEVEMENTS, PERFORMANCE AND FINANCIAL REVIEW

Having secured the long-term future of the theatre in May 2017, the Trust was obliged by the terms of the lease to complete the initial works to the new space within a very short timescale. The Trust paid a premium to ensure the internal works were completed by December, but the failure of the Landlord to ensure an electricity supply was in place delayed the opening by three months – a period in which rent and service charge was being paid for a space that could not be used. Events that had been planned for January and February were postponed or cancelled; the bad weather at the start of March had an impact. The disruption to the Trust's plans contributed to the significant operating deficit that the Trust reports. Other factors are the additional costs associated with this major development, not all of which can be capitalised, including a significant increase in staffing costs.

The Trust is paying rent for the half of the new space that is not yet developed. The capital costs of the first phase of development was greater than anticipated. The Trust wishes to retain the remaining capital both as a buffer against further operating losses and as a "pot" of matched finance against funding applications for the rest of the planned development. The Trust is working closely with Coventry City Council, who have a vested interest having underwritten the lease, to revisit the comprehensive 2016 business plan developed to secure support for the lease negotiations as a robust proposition to present to potential funders. The principles underpinning the 2016 plan are solid, and the modest projections achievable. The comprehensive consultation that concluded in February endorsed the Trust's thinking: although some new ideas came out of it they fell largely within the scope of the original plans.

As reported last year, the Trust believes the amount needed to complete the fit-out of the new space, redevelop the rear of the theatre, refurbish the auditorium and enhance the outdoor areas will be in the region of £4-5 million. That Coventry is to be City of Culture in 2021 probably will help the Trust achieve its aims, but it has to work with the City Council to drive the project forward.

The lease allows the redevelopment of the rear of the theatre at some stage in the next four years. Given that we are now into 2018, and ideally the Trust is aiming for the refurbishment/redevelopment to be completed in time for 2021, the urgent requirement is to develop the plans for the whole of the works, raise the necessary funds, and deliver the project in stages. The first need is to develop the undeveloped ground floor space so that it can become revenue generating.

**ALBANY THEATRE TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
for the year ended 31 March 2018**

ACHIEVEMENTS, PERFORMANCE AND FINANCIAL REVIEW (cont'd)

The year has seen a step-change in the nature of The Albany. Not only does the Trust now operate a 620-seat main house auditorium, but also a separate Studio Theatre and bar/café (to be enhanced in the next phase of the development). The theatre has its own entrance off the courtyard; what is currently referred to as the "New Space" is accessed from Albany Road. Theatre patrons can access the bar in the New Space for pre-show and interval refreshments. Running two separate units has brought a new set of challenges, and lessons have been learned. The demands on our volunteers have grown, and new ways of working are being developed in response.

The Trust took some risks to raise the bar in terms of the quality of events in the programme, in some cases by providing financial guarantees. Offering high quality fringe theatre and alternative events in the new Studio does not ensure an audience; guarantees in the main house can lead to financial loss. The 2017 Christmas show, "The Wind in the Willows" made no money for the Trust, although it brought a lot of benefit to those involved, which in turn benefited the organisation to some extent.

However, although the risks taken did not always lead to financial gain they have helped to establish the Albany's credentials as a professional venue. Not only are we being offered higher quality events we are also securing more favourable terms. Our improved staffing, supported by our growing volunteer base, gives us the capacity to increase the number of events, which in turn will increase revenues. The way to address our operating deficit is to keep a tight grip on expenditure whilst increasing income. Holding more events will help us achieve the latter.

Hire rates for 2018 were increased slightly (the first increase since 2016) but we do not want to make the venue unaffordable for community groups. We provide a comprehensive, inclusive service within the hire cost, which offers exceptional value for money for all groups.

To develop stronger and deeper links with the community, the Trust proposes supporting an arms-length organisation (working title Albany Creatives) with the aim of bringing together professional and community artists to exploit the creative spaces the Albany will have to offer. The Albany would not exist without commitment from the community. It is almost ten years since the College Theatre (the Butts) closed its doors. What started as an important community asset at risk, passionate petitioning, and the intervention of Coventry City Council to save the theatre led to the formation of the Albany Theatre Trust, the input and dedication of hundreds of volunteers, the development of our Arts for Life vision and continues with consistent Council support and planning for sustainability via diversification of income. The Albany is all about the role of the theatre in the community – and the lives of the amateur organisations that are such a part of it - alongside our work with professional companies.

Last year's revised strategic plan envisaged the recruitment of a Chief Executive/Artistic Director by the start of the new financial year, but financial constraints prevented that. The situation is under review. Although the Trust is well-led and managed the nature of the organisation has changed and the next important step is the professionalisation of management structures (i.e. day to day management decisions in the hands of paid staff rather than being dependent on volunteer Directors, however expert and committed they may be). The current high quality employed team has the skills and experience to manage the day to day. The addition of a paid head of the team, as soon as finances allow, will facilitate the next step change.

As predicted last year, the Trust's prudent approach to financial management has been fully tested this year as the significant additional costs incurred because of the commitment to the new space were realised. The Trust is doing all it can to narrow the gap between expenditure and income. A move back into surplus depends on the delivery of the rest of the development plans, which in turn depends on securing capital support. The Trust believes its Vision, Mission and Objectives set out a strong rationale for support from funders; the evidence we have collated shows the impact of our work in the City over the last five years.

**ALBANY THEATRE TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
for the year ended 31 March 2018**

ACHIEVEMENTS, PERFORMANCE AND FINANCIAL REVIEW (cont'd)

The results for the period and the financial position of the company are shown in the annexed financial statements.

RESERVES POLICY

The trustees have adopted the following reserves policy. They will aim to ensure that, at all times, the level of reserves is appropriate to the level of the Charity's activities.

The trustees will review annually the nature of the income and expenditure streams, the need to match variable income with fixed commitments, and the nature of the reserves in order to decide on the level of reserves required for the charity to be managed efficiently and to enable future services to remain uninterrupted.

Further reserves can be achieved through fundraising, one off grants and donations.

Use of reserves

Reserves are used to:

Protect the long term delivery and continuity of services.
Ensure the upkeep of the property and to help fund any major repairs/alterations required.

Level/form of reserves

Trustees decide the level of reserves required.

The current aim of the Trust is to hold reserves approximating to 6 months operating expenses. This figure will be kept under review as the cost base of the Theatre increases.

Decisions on the use of reserves will be made by the Board.

TRUSTEES' RESPONSIBILITIES STATEMENT -

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

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

**ALBANY THEATRE TRUST
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**TRUSTEES' REPORT
for the year ended 31 March 2018**

TRUSTEES' RESPONSIBILITIES STATEMENT (cont'd)

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgements 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 operation.

The trustees are responsible for keeping adequate 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 safeguarding the assets of the charitable company 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.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

D.N. Meredith – DIRECTOR

Dated: 15 June 2018

**AUDITOR'S REPORT TO THE MEMBERS OF ALBANY THEATRE TRUST
(A COMPANY LIMITED BY GUARANTEE)**

Opinion

We have audited the financial statements of Albany Theatre Trust for the year ended 31 March 2018 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is 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).

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. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2018, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 charitable company'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.

**AUDITOR'S REPORT TO THE MEMBERS OF ALBANY THEATRE TRUST
(A COMPANY LIMITED BY GUARANTEE)**

(CONT...)

Other information

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

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

We have nothing to report in this regard.

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 trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the [strategic report and the]4 directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' 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' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Other Matter

The comparative figures are unaudited.

**AUDITOR'S REPORT TO THE MEMBERS OF ALBANY THEATRE TRUST
(A COMPANY LIMITED BY GUARANTEE)**

(CONT...)

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on pages 5 and 6, 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 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 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

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

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. This description forms part of our auditor's report.

G.R. Cox BA FCA
Senior Statutory Auditor
For and on behalf of Dafferns LLP
Chartered Accountants, Registered Auditor
One Eastwood
Harry Weston Road
Binley Business Park
Coventry
CV3 2UB

Date: 15 June 2018

**ALBANY THEATRE TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF FINANCIAL ACTIVITIES
(including Income and Expenditure Account)
for the year ended 31 March 2018**

	<u>Notes</u>	<u>Unrestricted</u> £	<u>Restricted</u> £	<u>Total</u> <u>2018</u> £	<u>Total</u> <u>2017</u> £
INCOME FROM:					
Voluntary income:					
Grants	2	985,600	32,713	1,018,313	40,006
Donations		5,758	-	5,758	26,798
Charitable Activities					
Operation of theatre	3	312,853	-	312,853	273,774
Investment income		144	-	144	94
Other income	4	3,209	-	3,209	15,298
Total income		<u>1,307,564</u>	<u>32,713</u>	<u>1,340,277</u>	<u>355,970</u>
EXPENDITURE ON:					
Charitable activities:					
Operation of theatre	5	535,271	37,658	572,929	336,980
Governance costs	6	2,246	-	2,246	2,883
Total expenditure		<u>537,517</u>	<u>37,658</u>	<u>575,175</u>	<u>339,863</u>
Net income/net income for the period before transfers		770,047	(4,945)	765,102	16,107
Transfer between funds		-	-	-	-
Net movement in funds		770,047	(4,945)	765,102	16,107
Reconciliation of funds					
Total funds brought forward		108,673	10,881	119,554	103,447
Total funds carried forward	16	<u>878,720</u>	<u>5,936</u>	<u>884,656</u>	<u>119,554</u>

All income and expenditure derive from continuing activities.
The statement of financial activities includes all gains and losses recognised during the year.

The notes on pages 13 to 19 form part of these financial statements

ALBANY THEATRE TRUST
(A COMPANY LIMITED BY GUARANTEE)

Registered No. 07929154

BALANCE SHEET
31 March 2018

	<u>Notes</u>	£	<u>2018</u>	£	£	<u>2017</u>	£
FIXED ASSETS							
Tangible assets	9		469,160			13,258	
CURRENT ASSETS							
Stock	10	3,226				6,272	
Debtors	11	27,300				16,208	
Cash at bank and in hand		586,436				179,497	
			-----			-----	
			616,962			201,977	
LIABILITIES							
Creditors falling due within one year	12	(201,466)				(95,681)	
			-----			-----	
NET CURRENT ASSETS			415,496			106,296	
			-----			-----	
NET ASSETS			884,656			119,554	
			=====			=====	
FUNDS OF THE CHARITY							
Unrestricted income fund			878,720			108,673	
Restricted funds	17		5,936			10,881	
			-----			-----	
TOTAL CHARITY FUNDS			884,656			119,554	
			=====			=====	

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the Board on 15 June 2018.

ON BEHALF OF THE BOARD:

D.N. Meredith - DIRECTOR

L. Moore - DIRECTOR

The notes on pages 13 to 19 form part of these financial statements

**ALBANY THEATRE TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CASH FLOWS
for the year ended 31 March 2018**

	<u>Notes</u>	<u>2018</u> £	<u>2017</u> £
Net cash flow from operating activities	18	870,012	13,507
		_____	_____
Cash flow from investing activities			
Payments to acquire tangible fixed assets		(463,217)	(2,812)
Interest received		144	94
		_____	_____
Net cash flow from investing activities		(463,073)	(2,718)
		_____	_____
Net increase in cash and cash equivalents		406,939	10,789
Cash and cash equivalents at 31 March 2017		179,497	168,708
		_____	_____
Cash and cash equivalents at 31 March 2018		<u>586,436</u>	<u>179,497</u>
		_____	_____
Cash and cash equivalents consists of:			
Cash at bank and in hand		586,436	179,497
Short term deposits		-	-
		_____	_____
Cash and cash equivalents at 31 March 2018		<u>586,436</u>	<u>179,497</u>
		_____	_____

**ALBANY THEATRE TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2018**

1. ACCOUNTING POLICIES

General information and basis of preparation

Albany Theatre Trust is an incorporated charity in England / Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are to promote, maintain, improve and advance education by the encouragement of the arts including, without limitation, the arts of drama, mime, dance, singing and music.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 (as updated through Update Bulletin 1 published on 2 February 2016), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Annual Report.

**ALBANY THEATRE TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2018**

Income recognition (cont'd)

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred. Where income is received in advance of a performance or other specified service it is deferred until the charity is entitled to that income.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method.

Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Expenditure on charitable activities includes the direct cost of performances and operating expenses of the theatre; and
- Other expenditure represents those items not falling into the category above.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Leasehold Improvements	over the term of the lease
Equipment	3 years
Fixtures & fittings	5 to 10 years

Stocks

Bar and food stocks are included at the lower of cost and net realisable value

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

**ALBANY THEATRE TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2018**

Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

2. GRANTS RECEIVED	<u>2018</u>	<u>2017</u>
	£	£
Coventry City Council	26,875	26,875
S106 Grant	950,000	-
SS Community Grants	-	11,137
Whistle project income	-	1,463
Outreach project income	-	531
General Fundraising	35,000	-
Extra Care Workshop Grant	3,595	-
Extra Care Workshop Income	600	-
Small Designated Grant Income	250	-
Taster Workshop Grant	1,993	-
	<u>1,018,313</u>	<u>40,006</u>

Income from grants was, £1,018,313 (2017:£40,006) of which £32,713 (2017:£40,006) was attributable to restricted funds.

3. THEATRE INCOME		
Ticket sales and box office	11,613	6,413
In House Productions	109,412	63,290
Theatre hire	103,871	109,024
Bar income	40,236	41,737
Ice cream sales	6,320	7,934
Tuck shop sales	9,810	11,730
Box office ticket charge	670	-
Technical staff and other recharges	-	1,598
Ticket levy	30,921	32,048
	<u>312,853</u>	<u>273,774</u>

Income from charitable activities, being theatre income, was wholly attributable to unrestricted funds in the current and preceding year.

4. OTHER INCOME		
Other income	2,193	908
VAT Recovery	-	14,340
Programme sales	-	33
Car Park income	792	-
Raffle Income	224	17
	<u>3,209</u>	<u>15,298</u>

Other income was wholly attributable to unrestricted funds in the current and preceding year.

ALBANY THEATRE TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2018

5. OPERATION OF THEATRE	<u>2018</u>	<u>2017</u>
	£	£
Bar purchases	16,718	23,701
Ice cream purchases	2,871	3,538
Tuck shop purchases	6,818	4,317
Direct show costs	711	3,058
In House productions	98,976	42,437
Operating expenses:		
Establishment	114,986	50,386
Consultancy and staff costs	191,738	114,199
Marketing and website	40,764	15,490
Communication and IT	12,743	7,908
Electrical repairs and maintenance	4,876	8,710
Building work and security	5,896	5,021
Legal and surveyors fee	2,559	3,314
Sundries	4,127	4,468
Depreciation	6,930	7,285
Disallowed VAT	11,968	4,913
Bank Charges	273	558
Council grant expenditure	26,875	26,875
Other grant expenditure	10,783	10,802
Box Office Costs	12,317	-
	<hr/>	<hr/>
	<u>572,929</u>	<u>336,980</u>

Cost of charitable activities, being operation of the Albany Theatre, were £572,929 (2017 - £336,980) of which £37,658 (2017 - £39,366) was attributable to restricted funds and £535,271 (2017 - £297,614) was attributable to unrestricted funds.

6. GOVERNANCE COSTS		
Accountancy and Examination fees	-	1,615
Professional Fees	146	1,268
Auditor's remuneration	2,100	-
	<hr/>	<hr/>
	<u>2,246</u>	<u>2,883</u>

Governance costs were wholly attributable to unrestricted funds in the current and preceding year.

7. DIRECTORS / TRUSTEES REMUNERATION

No director/trustee received any remuneration or reimbursed expenses during the year to 31 March 2018.

8. STAFF COSTS	<u>2018</u>	<u>2017</u>
	£	£
Wages and Salaries	186,336	141,206
National Insurance Contributions	8,800	3,582
Pension contributions	715	-
	<hr/>	<hr/>
	<u>195,851</u>	<u>144,788</u>

ALBANY THEATRE TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2018

8.	STAFF COSTS cont...	<u>2018</u>	<u>2017</u>
	Average number of staff	12	12
	Full Time equivalent	<u>9</u>	<u>9</u>
	No employee received remuneration of £60,000 or more.		
9.	FIXED ASSETS		
	Cost		Equipment £
	At 1 April 2017		56,478
	Additions		463,217
	Disposals		(385)
	31 March 2018		<u>519,310</u>
	Depreciation		
	At 1 April 2017		43,220
	Charge for year		6,930
	At 31 March 2018		<u>50,150</u>
	Net Book Value		
	At 31 March 2018		<u>469,160</u>
	At 31 March 2017		<u>13,258</u>
10.	STOCK	<u>2018</u>	<u>2017</u>
		£	£
	Bar and food stock	<u>3,226</u>	<u>6,272</u>
11.	DEBTORS		
	Trade debtors	4,025	856
	Prepayments and accrued income	9,055	15,352
	VAT Recoverable	14,220	-
		<u>27,300</u>	<u>16,208</u>
12.	CREDITORS FALLING DUE WITHIN ONE YEAR		
	Trade creditors	52,921	24,758
	Other creditors	36,752	2,461
	Accruals and deferred income	108,166	57,288
	Taxation and social security	3,627	11,174
		<u>201,466</u>	<u>95,681</u>

**ALBANY THEATRE TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2018**

13. CAPITAL COMMITMENT

At the year end 31 March 2018 the charity had capital commitments of £nil (2017: £nil).

14. ULTIMATE CONTROLLING PARTY

The charity is under the control of its Board of directors/trustees.

15. RELATED PARTY TRANSACTIONS

There were no related party transactions for the year ended 31 March 2018.

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	<u>Fixed Assets</u> £	<u>Current Assets</u> £	<u>Current Liabilities</u> £	<u>Total</u> £
Restricted Funds	-	5,936	-	5,936
Unrestricted Income Fund	469,160	611,026	(201,466)	878,720
	<u>469,160</u>	<u>616,962</u>	<u>(201,466)</u>	<u>884,656</u>

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

17. FUND RECONCILIATION – RESTRICTED FUNDS

	<u>Balance at</u> <u>1 April 2017</u> £	<u>Income</u> £	<u>Expenditure</u> £	<u>Balance at</u> <u>31 March 2018</u> £
Coventry City Council	-	26,875	26,875	-
Extracare Workshop	-	3,595	590	3,005
Spon Spun Festival Fund	10,277	-	10,043	234
Whistle in the Dark Fund	465	-	-	465
Playing with the Bard Fund	139	-	-	139
Go and see grant	-	250	150	100
Taster Workshops Grant	-	1,993	-	1,993
	<u>10,881</u>	<u>32,713</u>	<u>37,658</u>	<u>5,936</u>

The Spon Spun Festival Fund relates to a grant received from Arts Council England and others towards the costs of the festival held in May 2016.

The Whistle in the Dark fund is a rarely performed classic play particularly relevant to the Irish Community in Coventry and was a reading timed around the anniversary of the uprising in Ireland.

Playing with the Bard was the Albany commemoration of Shakespeare's 400th anniversary of his birth for local schools. About 300 young people attended and approximately 100 young people on the stage.

**ALBANY THEATRE TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2018**

17. FUND RECONCILIATION – RESTRICTED FUNDS (Cont)

Extracare workshop is a grant received to fund workshops for older people.

Go and see grant received to fund an information visit to London art spaces.

Taster workshops Grant was additional funding received to fund dementia training and workshops for older people.

18. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	<u>2018</u>	<u>2017</u>
	£	£
Net income for the year	765,102	16,107
Interest receivable	(144)	-
Depreciation of tangible fixed assets	6,930	7,285
Loss on disposal of tangible fixed assets	385	2,214
Decrease/(increase) in stock	3,046	(5,408)
Decrease/(increase) in debtors	3,129	(9,931)
Increase in creditors	91,564	3,334
	<hr/>	<hr/>
Net cash flow from operating activities	<u>870,012</u>	<u>13,507</u>

19. OPERATING LEASES

Total future minimum lease payments under non-cancellable operating leases are as follows:

Not later than one year	67,670	-
Later than one and not later than five years	270,680	-
Later than five years	631,587	-
	<hr/>	<hr/>
Net cash flow from operating activities	<u>969,937</u>	<u>-</u>

Operating lease expenditure recognised in the year £22,494 (2017 £nil)

20. PENSIONS AND OTHER POST-RETIREMENT BENEFITS

Defined contribution pension plans

The charity operates a defined contribution pension plan for its employees through the Government's NEST scheme. The amount recognised as an expense in the period was £715 (2017 - £nil).

The defined contribution liability is allocated to unrestricted funds.