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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 2017

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

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for the year ended 31 March 2017**

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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)
Mrs. S. Godley
L.P. Moore
D.E. Kershaw
A. Hardy
Ms. C. Bryanston-Cross (Vice Chairman)
Miss T. Coombs – resigned 11 April 2016
C.J. Beale
A.C. Benfield
C.D. Arnold
Mrs E. Timms – appointed 11 April 2016
M.R. McCaffrey – appointed 9 August 2016
I. Knight – appointed 3 October 2016
I.J. Page – appointed 13 February 2017

Chief Executive: D.N. Meredith

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

Principal Office: Albany Theatre
53 The Butts
Butts Road
Coventry
CV1 3BH

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 2017**

The directors present their report with the financial statements of the company for the year ended 31 March 2017. 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. A team of Executive Directors is responsible for the day to day management and support of a team of seven part-time staff and four apprentices during the period: C. Bryanston; S. Godley; I. Knight; D. Meredith, L. Moore and E. Timms. With the development of the planned new facilities the management structure is under review.

The Trustees have considered the major risks to which the Charity is exposed and have reviewed those risks and 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 vision articulated by the charity in 2016 maintains and enhances its aims to enrich the cultural life of Coventry, further developing 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. We aim to contribute to the development and regeneration of Coventry, playing an active role in the community.

The Trust's vision "To promote well-being through Arts for Life", articulated by the Albany's Artistic Director Claudette Bryanston, has been further developed over the last twelve months and innovative steps have been taken to enable the residents of Coventry to engage with the Albany Theatre through a programme of relevant and interesting performances and events regardless of social background or access requirements, characterised as Arts for Life.

Our Mission is to Cultivate Inspire and Create

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

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

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

**TRUSTEES' REPORT
for the year ended 31 March 2017**

OBJECTIVES AND ACTIVITIES (cont'd)

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".

The Arts for Life vision encompasses and anticipates the creation of a range of appropriate on-site venues to become the hub for creative activity: a wide range of daytime and weekday activities as well as an increase in the scope of opportunities to engage in and experience the performing arts; targeted activities such as youth theatre; opportunities for specific groups such as older people, unemployed people and those facing a range of health and inequality issues that impede their access to beneficial involvement in the arts.

The Arts for Life vision and its implementation will be reviewed and developed as part of the planned comprehensive consultation described below.

As always, the most important consideration remains to run the theatre efficiently, ensuring the long-term financial viability of the organisation. The Trust continues to operate in a challenging financial environment and prioritises the maintenance of reserve funds in accordance with its policy and will continue to tailor its operations so that services are provided within a carefully managed budget, ensuring that prudent strategic decisions are taken where our limited finances are concerned. This prudent approach will be fully tested as the Trust takes on the significant additional costs incurred because of the commitment to the new space.

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

On May 25th 2017, after years of endeavour, the Albany Theatre Trust secured the lease that saves the theatre for the next 50 years. The lease includes almost 11,000 square feet of additional space on the ground floor of the former college building, the outdoor courtyard area between that space and the theatre, and the area of land fronting the additional space onto Albany Road, which will form the new entrance to the unified demise. The lease does not automatically renew after 25 years; the Trust must make application to renew in the preceding 12 months (i.e. in 2041 - our successors please note).

As reported in previous years, the Trustees' view is that the long-term viability of the charity depended on our obtaining an acceptable theatre lease, provided for in the Section 106 planning condition (S106) that attaches to the Earlsdon Park site. However, the problem with the S106 as it stood was that the rear of the theatre would be demolished and rebuilt on a much smaller footprint leaving the theatre with the capacity to host little more than small events. Larger performance and theatre events could not be accommodated: contained in the current footprint are the scenery dock, back stage areas, dressing rooms and green room - in short, all the ancillary requirements of a functioning theatre.

As chronicled in previous reports, the theatre's previous landlord, MCD (Coventry) Limited, went into receivership in 2014 without ever making a meaningful attempt to agree a lease with the Trust. The current owners took control in June 2015 and quickly endorsed the Trust's plans to lease the additional space, in return for which they accepted the Trust could retain the existing theatre footprint, which includes what is left of the part-demolished classroom block attached to the rear. Their without-prejudice offer was made in August 2015.

However, since the Trust is a charity with no strength of covenant, the Landlord required the Trust to secure the support of Coventry City Council to underwrite the lease of the new space. Initial negotiations with the Council raised understandable and reasonable questions about the Trust's sustainability. In early March 2016, the Trust presented a detailed business case to the council and went through a rigorous due diligence process. By June 2016, senior Council officers had accepted our proposals and began negotiations with the Landlord. The resulting Heads of Terms were presented to Coventry City Councillors who approved the underwriting of the lease in January 2017.

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

**TRUSTEES' REPORT
for the year ended 31 March 2017**

ACHIEVEMENTS, PERFORMANCE AND FINANCIAL REVIEW (cont'd)

This approval was gained in the context of the most straightened financial period in local government history, and that it was achieved is a ringing endorsement of the success of the Trust since inception. It could not have been achieved without the expert support and guidance of senior Council officers: Paul Beesley, David Nuttall, Barry Hastie and David Cockroft, and is a tribute to the far-seeing vision and commitment to community enterprise of Coventry City Council.

The lease negotiations were detailed and arduous. The Albany Theatre sits in the middle of an office and hotel development, and the Landlord is understandably anxious not to compromise the interests of other tenants. Over four months, almost all the constraints and restrictions aimed at minimising potential conflicts were negotiated away and the Albany team, led by David Meredith and supported by all Directors, in particular Clive Benfield and Ian Page, achieved a lease that, in the circumstances, allows almost everything that the Trust had set out to achieve. The Trust acknowledges the largely pro bono support of local solicitors Band Hatton Button. Daniel Blood, Partner in the Commercial Property Department, proved to be a tenacious advocate who worked tirelessly in the Trust's interests.

The lease sets a very tight timetable for the Trust to vacate the existing foyer and box office by creating a new entrance from Albany Road and a new access from the additional ground floor space across the top of the courtyard – i.e. patrons will access the theatre from the same place that they did before the College closed, when entering from the bar in the atrium.

At the same time as carrying out these preliminary works, the Trust has embarked on a comprehensive consultation to ensure that the final plans for the development of the new space and the redevelopment of the rear of the theatre make the very best of the opportunity. The consultation will inform large scale funding bids. 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. £1 million has been raised so far, largely from the Landlord under the terms of the S106 but also through the generous support of the May 29th 1961 Charitable Trust.

Against the backdrop of the lease negotiations, the Trust has overseen another year of growth and development. During the year, the Board was strengthened by the addition of three new Directors: Mike McCaffrey is a nationally renowned Health and Safety expert; Ian Knight's connections with the Albany Theatre in its former guise as the College Theatre go back some decades; and Ian Page is a respected architect with a local company. The Trustees offer a wide range of experience and expertise and are fully engaged with the day to day management of the organisation.

In anticipation of the new space, the number of employed staff in the period grew to seven full and part-time staff, four apprentices and a paid intern. Jodie Dickson became the first person to complete an apprenticeship on site since City College, formerly Coventry Technical College, moved to their new site in 2009. This is an important link with the past. The number of people that have connections with what is now Earlsdon Park across the city and beyond is huge, and we are fully aware of the affection the building is held in, and therefore how important it has been to preserve the theatre and secure the new space.

We are therefore pleased that our growing relationship with City College strengthens apace. The opportunity arose for us to work on a joint production of the hit musical "Rock of Ages", and our collaboration will extend into the provision of workshops by college students in support of our large scale in-house production of Mike Kenney's "The Wind in the Willows" in December and into January. Our joint production of Charles Dickens' "A Christmas Carol" with Tread the Boards Theatre Company was met with critical acclaim and attracted record audiences. We anticipate this year's Christmas show will achieve even greater heights.

**ALBANY THEATRE TRUST
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**TRUSTEES' REPORT
for the year ended 31 March 2017**

ACHIEVEMENTS, PERFORMANCE AND FINANCIAL REVIEW (cont'd)

Other highlights of the year include the very successful Spon Spun Festival, initiated by our outreach team of Fred Richings and Catherine Groom. This event celebrated storytelling and Spon End, a historic suburb that houses our local community. Spon Spun featured an Arts Trail curated by Art Space and Coventry University and an afternoon of events in the theatre including Stand-Up Comedy and 'Festival Sharings'. For these events, we piloted a "Pay What You Decide" scheme, inviting patrons to pay on the way out what they decided to donate to our outreach fund. This was successful, and we have repeated it for other events. The Spon Spun Festival is scheduled for September this year, and whilst still closely supported by the Albany now has its own momentum and management.

The Albany initiated several landmark events: "Whistle in the Dark" is a rarely performed classic play particularly relevant to the Irish community in Coventry. The rehearsed reading was timed to coincide with the anniversary of the uprising in Ireland and it was followed by an after-show discussion led by experts on issues surrounding immigration today.

"Playing with the Bard" was the Albany's commemoration of Shakespeare's 400th anniversary for local schools. About 300 young people enjoyed short performances by over 100 young people in a celebratory event that was hosted by an education facilitator from the Royal Shakespeare Company.

We also welcomed an increased range of challenging and interesting drama, including "Living with Luke" a fascinating and energetic piece exploring the real story of a dad looking after an autistic son (performed by the dad and presented in the ring as a wrestling match); "Body and Sold", a hard-hitting drama about child sexual exploitation, and "Sorry! No Coloureds, No Irish, No Dogs", revived in the wake of racist incidents prompted by the Brexit vote, as well as a superb two-hander that brought Jane Austen's "Pride and Prejudice" to vibrant life.

YOG and Wing-It again presented musical theatre featuring young people to popular acclaim, and the move to January did not impede the success of the Guildhall/Three Spires Panto. We hosted a range of dance school shows from the very large to small and new, endeavouring always to make use of the theatre affordable so that children and young people can benefit from the experience of performing on our stage in front of a live audience. The new space and redevelopment of the rear of the theatre means the number of people we can accommodate will not be constrained in future.

Our diary for the coming year already looks very promising, with ever more sought-after events wanting to come to the Albany, such as Strictly Come Dancing's Giovanni Pernice and the legendary Elkie Brooks. Musical tribute acts are now largely presented through a partnership with Showtime Promotions as we look to focus more on "real" music artists.

The Albany Picture House has presented an eclectic film programme, including daytime showings, but audiences have been disappointing and we are reviewing how best to cater for the interest in film across the City.

"Schools' month" is now firmly established and in 2016 runs again in June and July. We are working hard to build partnership arrangements with schools so we can offer unique opportunities and experiences for children. For example, as well as Giovanni Pernice's evening performance we arranged an "open rehearsal" for school children that allowed them to see world class dancers in action.

Whilst the number of events rose by 10%, the number of event days (when a show is on) rose by a third to 143, meaning the theatre was in use almost every other day. Whilst our average audience per event remained steady, our total audience increased last year by a third to over 38,000, due mostly to the record-breaking patronage of "A Christmas Carol", taking our average monthly audience over 3,000. Annual Box Office revenue has almost reached £400,000. Our current ticketing system, which served us well in our early years, is now revealing its shortcomings. It is being replaced by Spektrix, an industry-leading product. Most significantly this will make it much easier for us to get information about new events to the people most likely to be interested in them.

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

**TRUSTEES' REPORT
for the year ended 31 March 2017**

ACHIEVEMENTS, PERFORMANCE AND FINANCIAL REVIEW (cont'd)

Because of these increases, income from theatre events alone rose by 20%, and revenue from the ticket levy increased by a third to £32,000. However, our average income per event day again reduced, reflecting our willingness to experiment with less "commercial" events. Once again almost 5,000 people performed on the Albany Theatre stage in 2016-17 with over 80% of them children or young people.

Other revenue streams benefited from the increased audience numbers: ancillary income from the bar and kiosk operation increased by 50%. Having a fixed bar in the new space together with the planned café is expected to bring further revenue increases. Small things help: running the box office is one of our major expenses, and a slight increase in charges in anticipation of the arrival of Spektrix has enabled us to recover some of our costs. We have started to increase general donations, mostly from post-event bucket collections. We will develop further revenue streams to support our operations when we move into the new space.

Our costs have risen by 20% to around £220,000. This is mostly accounted for by the inevitable rise in staff costs, which have almost doubled. Despite this, the Trust's reserves cover 6 months of our operating costs, in line with our policy.

As we move into a new era, and physically into a new space, the role of volunteers in the success of the Albany becomes ever-more critical. The Albany, whilst a professional organisation, will never be able to operate solely through the efforts of paid staff. It will always rely on volunteers. And that is what we want to do. The Albany offers a lot to volunteers, primarily a unique and rewarding experience that is very hard to find elsewhere, and the expected increase in the number of "in-house" productions will widen the range of opportunities available. As the work now made possible by securing the long-term future of the theatre and additional space develops, guided by our Arts for Life vision, and as the outcomes of our comprehensive consultation become clear, The Albany will emerge as a major creative centre in the City, offering a unique range of opportunities and experiences to our diverse population. There are significant challenges ahead, but the ground work has been laid to ensure they will be met successfully.

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.

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

**TRUSTEES' REPORT
for the year ended 31 March 2017**

RESERVES POLICY (Cont'd)

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.

This report of the Directors/Trustees has been prepared taking advantage of the small companies exemption of section 415A of the Companies Act 2006.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to read 'D.N. Meredith', with a stylized flourish at the end.

D.N. Meredith – DIRECTOR

Dated: 9 JUNE 2017

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF ALBANY THEATRE TRUST
(A COMPANY LIMITED BY GUARANTEE)**

I report on the accounts of the company for the year ended 31 March 2017 which are set out on pages 9 to 16.

Respective responsibilities of trustees and examiner

The charity's trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

1. which gives me reasonable causes to believe that, in any material respect, the requirements:
 - to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice Accounting and Reporting by Charities;have not been met; or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



G.R. Cox BA FCA
Dafferns LLP
Chartered Accountants
One Eastwood
Harry Weston Road
Binley Business Park
Coventry
CV3 2UB

Date: 9 JUNE 2017

ALBANY THEATRE TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES
(including Income and Expenditure Account)
for the year ended 31 March 2017

	<u>Notes</u>	<u>Unrestricted</u> £	<u>Restricted</u> £	<u>Total</u> <u>2017</u> £	<u>Total</u> <u>2016</u> £
INCOME FROM:					
Voluntary income:					
Grants	2	-	40,006	40,006	49,016
Donations		26,798	-	26,798	524
Charitable Activities					
Operation of theatre	3	273,774	-	273,774	190,886
Investment income		94	-	94	194
Other income	4	15,298	-	15,298	1,678
Total income		<u>315,964</u>	<u>40,006</u>	<u>355,970</u>	<u>242,298</u>
EXPENDITURE ON:					
Charitable activities:					
Operation of theatre	5	297,614	39,366	336,980	212,317
Governance costs	6	2,883	-	2,883	4,819
Total expenditure		<u>300,497</u>	<u>39,366</u>	<u>339,863</u>	<u>217,136</u>
Net income/net income for the period before transfers		15,467	640	16,107	25,162
Transfer between funds		-	-	-	-
Net movement in funds		15,467	640	16,107	25,162
Reconciliation of funds					
Total funds brought forward		93,206	10,241	103,447	78,285
Total funds carried forward	16	<u>108,673</u>	<u>10,881</u>	<u>119,554</u>	<u>103,447</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 11 to 16 form part of these financial statements

ALBANY THEATRE TRUST
(A COMPANY LIMITED BY GUARANTEE)

Registered No. 07929154

BALANCE SHEET
31 March 2017

	<u>Notes</u>	£	<u>2017</u>	£	<u>2016</u>	£
FIXED ASSETS						
Tangible assets	9		13,258		19,945	
CURRENT ASSETS						
Stock	10	6,272		864		
Debtors	11	16,208		6,277		
Cash at bank and in hand		179,497		168,708		
			201,977		175,849	
LIABILITIES						
Creditors falling due within one year	12	(95,681)		(92,347)		
NET CURRENT ASSETS				106,296		83,502
NET ASSETS				119,554		103,447
FUNDS OF THE CHARITY						
Unrestricted income fund			108,673		93,206	
Restricted funds	17	10,881		10,881		10,241
TOTAL CHARITY FUNDS				119,554		103,447


The directors are satisfied that the company was entitled to exemption under Section 477 of the Companies Act 2006 and that members have not required the company to obtain an audit in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006.
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

These financial statements were approved and authorised for issue by the Board on 9 JUNE 2017....

ON BEHALF OF THE BOARD:


D.N. Meredith - DIRECTOR


L. Moore - DIRECTOR

The notes on pages 11 to 16 form part of these financial statements

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

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2017**

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 £1 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 charity has applied Update Bulletin 1 as published on 2 February 2016 and does not include a cash flow statement on the grounds that it is applying FRS 102 Section 1A.

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.

The charity adopted SORP (FRS 102) in the current year and there have been no transition adjustments.

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 2017**

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:

Equipment 3 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 2017

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>2017</u>	<u>2016</u>
	£	£
Coventry City Council	26,875	38,775
Heart of England Community Foundation	-	1,800
SS Community Grants	11,137	8,441
Whistle project income	1,463	-
Outreach project income	531	-
	<hr/>	<hr/>
	<u>40,006</u>	<u>49,016</u>

Income from grants was wholly attributable to restricted funds in the current and preceding year.

3. THEATRE INCOME

Box Office	6,413	2,023
In House Productions	63,290	-
Theatre hire	109,024	118,108
Technical staff and other recharges	1,598	-
Ticket levy	32,048	24,535
Bar income	41,737	33,880
Ice cream sales	7,934	7,941
Tuck shop sales	11,730	4,399
	<hr/>	<hr/>
	<u>273,774</u>	<u>190,886</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	758	757
VAT Recovery	14,340	-
Programme sales	33	-
Raffle income	17	336
Seats and Plaques	150	585
	<hr/>	<hr/>
	<u>15,298</u>	<u>1,678</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 2017

5. OPERATION OF THEATRE	<u>2017</u>	<u>2016</u>
	£	£
Bar purchases	23,701	22,708
Ice cream purchases	3,538	2,916
Tuck shop purchases	4,317	961
Direct show costs	3,058	6,756
In House productions	42,437	-
Operating expenses:		
Establishment	50,386	40,417
Consultancy and staff costs	114,199	55,491
Marketing and website	15,490	6,142
Sponsorship	-	500
Communication and IT	7,908	6,036
Electrical repairs and maintenance	8,710	21,693
Building work and security	5,021	15,700
Legal and surveyors fee	3,314	10,875
Sundries	4,468	3,857
Depreciation	7,285	15,061
Disallowed VAT	4,913	-
Bank Charges	558	388
Prior Year Service Charges	-	(35,959)
Council grant expenditure	26,875	38,775
Other grant expenditure	10,802	-
	<u>336,980</u>	<u>212,317</u>

Cost of charitable activities, being operation of the Albany Theatre, were £336,980 (2016 - £212,317) of which £39,366 (2016 - £38,775) was attributable to restricted funds and £297,614 (2016 - £173,542) was attributable to unrestricted funds.

6. GOVERNANCE COSTS

Accountancy and Examination fees	1,615	1,819
Professional Fees	1,268	3,000
	<u>2,883</u>	<u>4,819</u>

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

7. DIRECTORS REMUNERATION

No director/trustee received any remuneration during the year to 31 March 2017.
One trustee had expenses of £107 reimbursed during the year to 31 March 2017.

8. STAFF COSTS

	<u>2017</u>	<u>2016</u>
	£	£
Wages and Salaries	141,206	63,849
National Insurance Contributions	3,582	1,610
Pension contributions	-	-
	<u>144,788</u>	<u>65,459</u>

ALBANY THEATRE TRUST
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2017

8. STAFF COSTS cont...	<u>2017</u>	<u>2016</u>
Average number of staff	12	5
Full Time equivalent	<u>9</u>	<u>5</u>
No employee received remuneration of £60,000 or more.		
9. FIXED ASSETS		
Cost		Equipment
At 1 April 2016		£
Additions		55,880
Disposals		2,812
		<u>(2,214)</u>
31 March 2017		<u>56,478</u>
Depreciation		
At 1 April 2016		35,935
Charge for year		7,285
At 31 March 2017		<u>43,220</u>
Net Book Value		
At 31 March 2017		<u>13,258</u>
At 31 March 2016		<u>19,945</u>
10. STOCK	<u>2017</u>	<u>2016</u>
	£	£
Bar and food stock	<u>6,272</u>	<u>864</u>
11. DEBTORS		
Trade debtors	856	-
Prepayments and accrued income	15,352	6,277
	<u>16,208</u>	<u>6,277</u>
12. CREDITORS FALLING DUE WITHIN ONE YEAR		
Trade creditors	24,758	15,988
Other creditors	2,461	3,019
Accruals and deferred income	57,288	71,747
Taxation and social security	11,174	1,593
	<u>95,681</u>	<u>92,347</u>

ALBANY THEATRE TRUST
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for the year ended 31 March 2017

13. CAPITAL COMMITMENT

At the year end 31 March 2017 the charity had capital commitments of £nil (2016: £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 2017.

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	<u>Fixed Assets</u>	<u>Current Assets</u>	<u>Current Liabilities</u>	<u>Total</u>
	£	£	£	£
Restricted Funds	-	10,881	-	10,881
Unrestricted Income Fund	13,258	191,096	(95,681)	108,673
	<u>13,258</u>	<u>201,977</u>	<u>(95,681)</u>	<u>119,554</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>Balance at</u>
	<u>1 April 2016</u>	<u>Income</u>	<u>Expenditure</u>	<u>31 March 2017</u>
	£	£	£	£
Coventry City Council	-	26,875	(26,875)	-
Dressing Room Improvement Fund	1,800	-	(1,800)	-
Spon Spun Festival Fund	8,441	11,137	(9,301)	10,277
Whistle in the Dark Fund	-	1,463	(998)	465
Playing with the Bard Fund	-	531	(392)	139
	<u>10,241</u>	<u>40,006</u>	<u>(39,366)</u>	<u>10,881</u>

The Dressing Room Improvement Fund related to a grant received from the Heart of England Community Foundation towards the costs of improving the dressing room facilities and making them more accessible to volunteers and customers with disabilities and mobility issues.

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 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.