

REGISTERED COMPANY NUMBER: 815227 (England and Wales)
REGISTERED CHARITY NUMBER: 253606

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018
FOR
SCARBOROUGH THEATRE TRUST LIMITED**



Winn & Co
Chartered Accountants
& Statutory Auditors
62/63 Westborough
Scarborough
North Yorkshire
YO11 1TS

SCARBOROUGH THEATRE TRUST LIMITED
CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

	Page
Report of the Trustees	1 to 5
Report of the Independent Auditors	6 to 7
Statement of Financial Activities	8
Balance Sheet	9
Cash Flow Statement	10
Notes to the Cash Flow Statement	11
Notes to the Financial Statements	12 to 22.

SCARBOROUGH THEATRE TRUST LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2018

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2018. The trustees have adopted the provisions of 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) (effective 1 January 2015).

OBJECTIVES AND ACTIVITIES

Mission

Stephen Joseph Theatre (SJT) will be an internationally recognised landmark summer cultural destination, renowned for launching accessible new plays, programming activity deeply rooted in its local community all year round.

SJT will premiere new work and produce high profile revivals that play to the strengths of its spaces, principally during its world famous summer season, and tour extensively. The programme will celebrate SJT's unique relationship with Sir Alan Ayckbourn, whilst nurturing playwrights at all stages of their careers.

SJT will provide a wide ranging offer to the people of Scarborough and Yorkshire, reaching out to all sections of the community, including the most socially and economically disadvantaged, and sharing its resources responsibly with artists and cultural organisations, locally regionally and nationally. SJT will play a unique role in Scarborough's tourism offer, enhancing and broadening cultural tourism for the Yorkshire coast.

As the backbone to success, SJT will be an adaptive, flexible, collaborative and transparent organisation, financially astute and commercially minded, with a keen eye to the future as well as its extraordinary past.

Objectives

Stephen Joseph Theatre will deliver its mission through adopting the following objectives for the period April 2015 - March 2018:

- Develop a financially sustainable new operating model
- Increase philanthropy for core work and new strategic priority projects
- Increase income generation from a range of ancillary activity
- Develop the approach to accessible new writing so as to increase SJT's audience for new work
- Produce and present more work for families and young people
- Tour or transfer a range of SJT produced work
- Diversify SJT's users, particularly in relation to socio and economic disadvantage and young people
- Increase frequency of attendance by current users and user segment types
- Increase visitors to SJT's landmark building
- Better advocate for SJT's contribution to the national theatre ecology
- Increase the range of partnership working with local, regional and national artists and cultural organisations
- Contribute to projects enhancing Scarborough's tourism offer and economic regeneration
- Develop projects responding to the Northern Powerhouse concept
- Reduce operating overheads
- Develop governance, management and operating practices

Public benefit

As a charity, and with regard to Charity Commission guidance, the trustees recognise the Trust's duty to carry out its operations for the benefit of the public. In particular the trustees consider that the work of the Trust in the last year has advanced the arts, culture and heritage of the Borough of Scarborough and its region for the benefit of a broad audience.

SCARBOROUGH THEATRE TRUST LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2018

ACHIEVEMENT AND PERFORMANCE

Charitable activities

This year saw the final year of the existing business plan (2015-18) and the establishment of a new Business Plan for the period 2018-22. The Board and Senior Management team undertook a fundamental review of the organisations core vision, mission and aims, which resulted in a strategic plan for the next four years. Elements of this plan were piloted during this financial year, such as programme direction, audience development priorities and new strategic project. The Mission and Objectives for the next financial year will shift to reflect these developments and deliver even greater impact against our charitable objectives.

The programme saw a refined approach to produced work, spreading the activity more across the year to reflect changes in the visitor market and providing more of a year round offer for local audiences. The produced work consisted of *The Rise and Fall of Little Voice* by Jim Cartwright and directed by Paul Robinson, *Taking Steps* and *A Brief History of Women* written and directed by Sir Alan Ayckbourn, *Di & Viv & Rose* by Amelia Bullmore and directed by Lotte Wakeham and a new commission *Goth Weekend* by Ali Taylor and directed by Paul Robinson. All of the work produced (with the exception of the *Rise and Fall of Little Voice*) either transferred or toured, extending the life of work made at the theatre and increasing income, venues includes the New Vic Theatre Newcastle Under Lyme and The Old Laundry Theatre Bowness. *Goth Weekend* was co-produced with Live Theatre Newcastle Upon Tyne, adding a new partner to the theatres collaborative network. Audiences for the summer work saw an increase in "first time" attenders, averaging 38% across the season.

The Christmas production of a Scarborough Christmas Carol built upon the strong artistic achievements of the previous year, using the same creative team and increasing the artistic quality of the theatres Christmas offering, which resulted in an 11% increase in audiences. The adaptation was written Nick Lane and directed by Paul Robinson.

This year saw the theatre pilot its new strand of work for family audiences during the October half-term, *Georges Marvellous Medicine* by Roald Dahl, adapted by David Wood and directed by Cheryl Govan played 7 sell-out performances which demonstrated demand for this type of work. The theatre continues to roll-out this programme strand twice a year during half-term.

The received programme of work continued to be strong, with contributions from regular partners Northern Broadsides, the John Godber Company and The Tobacco Factory as well as new incoming work such as *The Vaudevillians* by Jinx Monsoon & Major Scales and *Napoleon Disrobed* from *Told By An Idiot* - further diversifying the work on our stages as well as the audience.

Total tickets sold in the year were in excess of 70,000.

The broad programme of Outreach work continued with classes and workshops, as well as key projects such as *Broadening Horizons* and the Scarborough Pledge, supporting young people to increase educational attainment, aspiration, confidence and literacy levels. The year saw in excess of 45,000 participations.

The theatre secured support from the Backstage Trust, which provided funds for artistic development projects as well as resource for the newly established post of Associate Artistic Director, a 1 year position that will provide a valuable insight for an emerging Artistic Director of the future. This development work will span two financial years.

In the new year, the theatre undertook a package of capital works, delivered by the Scarborough Theatre Development Trust. This saw much needed structural work, the installation of ground floor windows, a partial refurbishment of public areas and the installation of new LED theatre lighting in the Round. These developments contributed to the theatres aims around resilience, audience development/ engagement and artistic development as well as improving the environmental impact of the theatres activities.

The financial outturn for the year was positive and this is considered to be the result of a strengthened and revitalised artistic programme, the presence of a credible and investable strategic plan that sees the theatre develop its engagement with broader audiences, whilst continually investing in the quality of its work. This has enabled the organisation to secure additional resource as well as strengthen its reputation with key stakeholders such as Arts Council England, Scarborough Borough Council and grant giving trusts and foundations.

SCARBOROUGH THEATRE TRUST LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2018

FINANCIAL REVIEW

Financial review

After a number of difficult years it is most encouraging to see a much improved financial position with a surplus of £185,571 which has increased unrestricted reserves to £233,965 and total reserves to £647,848. This positive position has continued into the new financial year with both the biennial tour to New York and the home summer season performing well above expectation.

Principal funding sources

The Trust's funding for its charitable operations continued to be through ACE and Scarborough Borough Council.

However in addition to this ongoing funding, the Trust received £100,000 (of which £10,000 is to be received in 2018/19) through the ACE Intervention Fund designed to assist and fund organisations through transitional organisational changes and £50,000 from the Backstage Trust for investment in artistic excellence. As a consequence of a change in reporting standards, this has been recognised in the year with the associated expenditure falling in 2018/19.

Investment policy and objectives

Under the Memorandum and Articles of Association, the charity has the power to invest in any way the trustees wish.

Reserves policy

The trustees have examined the requirements for reserves in light of the main risks to the charity. Sufficient secured funding is in place to ensure that the theatre is able to continue to operate and be enjoyed by its stakeholders. It is the policy of Scarborough Theatre Trust to hold reserves equivalent to 3-6 months operating costs.

FUTURE PLANS

The Trust's policy continues to be one of maintaining financial viability alongside its strong artistic vision.

As part of the Trust's long term plans and working in association with Scarborough Theatre Development Trust, the charity secured funding from ACE and other external funders to facilitate both building and equipment improvements which will secure the fabric of the building and enhance visitor experience. The overall cost of the project once completed will be in the region of £500,000.

The theatre continues its association with 59E59 theatre in New York with a run of Alan Ayckbourn's A Brief History of Women at the Brits Off Broadway festival in May 2018.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Scarborough Theatre Trust Limited is a company limited by guarantee governed by its Memorandum and Articles of Association dated 11 August 1964 and amended to allow for current governance arrangements on 29 August 2007. It is registered as a charity with the Charity Commission.

Appointment of new trustees

As set out in the Articles of Association the chair of trustees is nominated by the Board. Scarborough Borough Council nominates one trustee.

All members are circulated with invitations to nominate trustees prior to the AGM advising them of the retiring trustees and requesting nominations for the AGM. When considering trustees, the Board has regard to the requirement for any specialist skills needed.

Organisation

The board of trustees administers the charity. The board meets quarterly and there is a sub-committee covering finance which also meets quarterly. The board established a nominations committee responsible for developing the skills and diversity of the trustee membership and for planning recruitment and succession planning, alongside a development committee to facilitate trustees increased contribution to fundraising.

Trustee induction and training

New trustees undergo training to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision making processes, the business plan and recent financial performance of the charity. Trustees are actively encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

SCARBOROUGH THEATRE TRUST LIMITED

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2018**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Key management remuneration

The trustees consider that the board along with the senior management team comprise the key management personnel of the charity and are in charge of directing and controlling, running and operating the Trust on a day to day basis. All the trustees give their time freely and none are remunerated. Details of expenses reimbursed during the year are shown in the notes to the accounts.

The pay of senior staff is reviewed annually and normally increased in accordance with average earnings. In view of the nature of the charity, the trustees benchmark against pay levels in other similar organisations in the North of England to ensure that the remuneration is fair and not out of line with that generally paid for similar roles.

Risk management

The trustees have a risk management strategy which comprises:

- a quarterly review of the risks the charity may face, better facilitated by a formalised risk register which was first introduced in 2015/16 which is updated each month;
- the establishment of systems and procedures to mitigate those risks identified in the register;
- the implementation of procedures designed to minimise any potential impact on the charity should those risks materialise.

Historically, particular attention has focused on non financial risks arising from fire, health and safety of artists and audience, management of performing rights and food hygiene. A key element in the management of financial risk is the establishment of reserves and the regular review of a reserves policy by trustees.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
815227 (England and Wales)

Registered Charity number
253606

Registered office
Scarborough Theatre Trust Limited
Stephen Joseph Theatre
Westborough
Scarborough
North Yorkshire
YO11 1JW

Trustees

Mr R L Grunwell
Mr P F Allen
Mr J G H L Armistead
Mrs H Boaden
Ms K A Carmichael
Mrs C Fitzpatrick
Mr C N Groom
Mr A J B Smith
Mrs H G Swiers
Mrs S Truefitt
Mr T E Watton
Mr M J Wilkinson
Mr J Lee
Mr A A T Pheby-McGarvey
Mr M Hyde

NYCC Councillor

- resigned 8.9.17

Company Secretary
Mr I E A Wyatt

SCARBOROUGH THEATRE TRUST LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2018

REFERENCE AND ADMINISTRATIVE DETAILS

Auditors

Winn & Co
Chartered Accountants
& Statutory Auditors
62/63 Westborough
Scarborough
North Yorkshire
YO11 1TS

Chief executive officer

Mr S C Freeman

Bankers

Barclays Bank Plc
St. Nicholas Street
Scarborough
YO11 2ZL

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Scarborough Theatre Trust Limited for the purposes of company law) are responsible for preparing the Report of the Trustees 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 those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- 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 which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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.

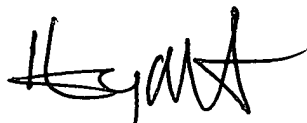
In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are 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 auditors are aware of that information.

AUDITORS

The auditors, Winn & Co, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 30 November 2018 and signed on its behalf by:



Mr I E A Wyatt - Secretary

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SCARBOROUGH THEATRE TRUST LIMITED

Opinion

We have audited the financial statements of Scarborough Theatre Trust Limited (the 'charitable company') for the year ended 31 March 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the 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 (United Kingdom Generally Accepted Accounting Practice).

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 Auditors 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.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SCARBOROUGH THEATRE TRUST LIMITED

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, 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.

Our 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 a Report of the Independent Auditors 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 Report of the Independent Auditors.

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. 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 auditors' 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 members as a body, for our audit work, for this report, or for the opinions we have formed.



Paul Dixon ACA FCCA (Senior Statutory Auditor)
for and on behalf of Winn & Co
Chartered Accountants
& Statutory Auditors
62/63 Westborough
Scarborough
North Yorkshire
YO11 1TS

Date: 4 December 2018

SCARBOROUGH THEATRE TRUST LIMITED

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2018**

	Notes	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	109,830	5,895	115,725	77,842
Charitable activities	5				
Operation of theatre		2,172,089	570	2,172,659	2,288,616
Other trading activities	3	135,452	-	135,452	132,937
Investment income	4	-	50	50	101
Total		<u>2,417,371</u>	<u>6,515</u>	<u>2,423,886</u>	<u>2,499,496</u>
EXPENDITURE ON					
Raising funds	6	118,897	-	118,897	129,653
Charitable activities	7				
Operation of theatre		2,112,620	6,798	2,119,418	2,471,484
Total		<u>2,231,517</u>	<u>6,798</u>	<u>2,238,315</u>	<u>2,601,137</u>
NET INCOME/(EXPENDITURE)		<u>185,854</u>	<u>(283)</u>	<u>185,571</u>	<u>(101,641)</u>
Transfers between funds	21	<u>10,000</u>	<u>(10,000)</u>	<u>-</u>	<u>-</u>
Net movement in funds		<u>195,854</u>	<u>(10,283)</u>	<u>185,571</u>	<u>(101,641)</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>38,111</u>	<u>424,166</u>	<u>462,277</u>	<u>563,918</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>233,965</u></u>	<u><u>413,883</u></u>	<u><u>647,848</u></u>	<u><u>462,277</u></u>

The notes form part of these financial statements

SCARBOROUGH THEATRE TRUST LIMITED

**BALANCE SHEET
AT 31 MARCH 2018**

	Notes	2018 £	2017 £
FIXED ASSETS			
Tangible assets	14	206,370	208,653
CURRENT ASSETS			
Stocks	15	7,658	8,618
Debtors	16	399,435	508,641
Cash at bank and in hand		415,202	156,947
		<u>822,295</u>	<u>674,206</u>
CREDITORS			
Amounts falling due within one year	17	(380,817)	(420,582)
NET CURRENT ASSETS		<u>441,478</u>	<u>253,624</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		647,848	462,277
NET ASSETS		<u>647,848</u>	<u>462,277</u>
FUNDS	21		
Unrestricted funds		233,965	38,111
Restricted funds		413,883	424,166
TOTAL FUNDS		<u>647,848</u>	<u>462,277</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to charitable small companies.

The financial statements were approved by the Board of Trustees on 30 November 2018 and were signed on its behalf by:

Mrs H Boaden -Trustee



The notes form part of these financial statements

SCARBOROUGH THEATRE TRUST LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2018**

	Notes	2018 £	2017 £
Cash flows from operating activities:			
Cash generated from operations	1	<u>286,452</u>	<u>(8,591)</u>
Net cash provided by (used in) operating activities		<u>286,452</u>	<u>(8,591)</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(19,347)	(25,327)
Sale of tangible fixed assets		100	-
Interest received		<u>50</u>	<u>101</u>
Net cash provided by (used in) investing activities		<u>(19,197)</u>	<u>(25,226)</u>
Cash flows from financing activities:			
Loan repayments in year		<u>(9,000)</u>	<u>(9,000)</u>
Net cash provided by (used in) financing activities		<u>(9,000)</u>	<u>(9,000)</u>
Change in cash and cash equivalents in the reporting period			
Cash and cash equivalents at the beginning of the reporting period		<u>156,947</u>	<u>199,764</u>
Cash and cash equivalents at the end of the reporting period		<u><u>415,202</u></u>	<u><u>156,947</u></u>

The notes form part of these financial statements

SCARBOROUGH THEATRE TRUST LIMITED

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2018

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018	2017
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	185,571	(101,641)
Adjustments for:		
Depreciation charges	21,630	41,954
(Profit)/loss on disposal of fixed assets	(100)	1,020
Interest received	(50)	(101)
Decrease in stocks	960	8,404
Decrease/(increase) in debtors	109,206	(45,410)
(Decrease)/increase in creditors	(30,765)	87,183
	<u>286,452</u>	<u>(8,591)</u>
Net cash provided by (used in) operating activities	<u>286,452</u>	<u>(8,591)</u>

SCARBOROUGH THEATRE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value.

Scarborough Theatre Trust Limited is a charitable private company limited by guarantee in England. The address and place of business is given in the charity information within the trustees report of these financial statements. The nature of the charity's operations and principal activities are to advance the arts, culture and heritage of the borough of Scarborough by providing an internationally recognised theatre.

The accounts are presented in £ Sterling which is functional currency of the charity.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

For donations and grants 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 or grant 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.

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.

Income received in advance of a theatrical performance or tour is deferred until the performance has been delivered and then at that point will be recognised as income in the accounts.

The trust's wholly owned subsidiary, Stephen Joseph Theatre Enterprises Limited, benefits from the receipt of theatre tax credits which it receives in relation to productions that are closely linked to the theatre's objects and activities. As a result, the company donates the tax credit to the trust and this is recognised in the accounts in the period to which the claim relates to match the treatment in the subsidiary accounts.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

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

Raising funds

Raising funds includes all expenditure incurred by the charity to raise funds for its charitable purposes and includes costs of all fundraising activities, events and non-charitable trading.

Charitable activities

Charitable activities include expenditure associated with the staging of stage productions, tours, exhibitions and educational programmes and include both the direct costs and support costs relating to these activities.

Support costs

Support costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

SCARBOROUGH THEATRE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2018

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

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

Improvements to property	- Over the term of the lease
Furniture, fixtures, fittings and equipment	- 10% to 33% on cost
Motor vehicles	- 20% on cost

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

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost includes all costs of purchase and is calculated using the first-in, first-out basis. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

Taxation

The charity is exempt from corporation tax on its charitable activities. The company is registered for VAT on a partial exemption basis.

Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are grants and donations which the donor has specified are to be solely used for particular areas of the Trust's work or for specific projects being undertaken by the Trust.

Further explanation of the nature and purpose of each fund is included in the note 21.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Going concern

Because of the nature of its activities the Trust, in common with similar organisations, is dependent on grants for its continuing existence and there is no guarantee that such aid will continue indefinitely. The company is also dependent on its bankers for working capital at certain times. These accounts have been drawn up on a going concern basis on the assumption that grant funding and support from the Trust's bankers will continue.

Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs.

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 are recognised in the profit and loss account.

SCARBOROUGH THEATRE TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2018**

2. DONATIONS AND LEGACIES

	2018	2017
	£	£
Donations	<u>115,725</u>	<u>77,842</u>

Of the donations received in the year £5,895 relates to restricted funds (2017 - £5,447).

3. OTHER TRADING ACTIVITIES

	2018	2017
	£	£
Programme sales	12,947	9,004
Sweets and ice creams	33,957	35,968
Bar sales	88,548	87,965
	<u>135,452</u>	<u>132,937</u>

4. INVESTMENT INCOME

	2018	2017
	£	£
Deposit account interest	<u>50</u>	<u>101</u>

5. INCOME FROM CHARITABLE ACTIVITIES

	2018	2017
	£	£
Box office income	850,164	839,529
Touring income	89,709	381,951
Grants	923,919	811,619
Theatre lettings	8,416	15,881
Miscellaneous income	161,877	130,672
Outreach department income	138,574	108,964
	<u>2,172,659</u>	<u>2,288,616</u>

Grants received, included in the above, are as follows:

	2018	2017
	£	£
Arts Council	747,315	637,715
Scarborough Borough Council	116,604	116,604
North Yorkshire County Council	-	16,800
Theatres Trust	-	15,000
Scarborough Theatre Development Trust	10,000	-
Birmingham City Council	-	3,000
CAPEUK Limited	-	22,500
Back Stage Trust	50,000	-
	<u>923,919</u>	<u>811,619</u>

Of the grant received in 2017/18, none related to restricted funds (2017 - £15,000).

SCARBOROUGH THEATRE TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2018**

6. RAISING FUNDS

Other trading activities

	2018	2017
	£	£
Bar, shop, sweets and ice cream purchases	50,234	57,875
Programmes	4,020	4,108
Bad debts	-	4,325
Development costs	64,643	63,345
	<u>118,897</u>	<u>129,653</u>

7. CHARITABLE ACTIVITIES COSTS

	Direct costs (See note 8)	Support costs (See note 9)	Totals
	£	£	£
Operation of theatre	<u>2,110,318</u>	<u>9,100</u>	<u>2,119,418</u>

8. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2018	2017
	£	£
Staff costs	1,009,244	1,183,137
Rent	22,000	21,236
Water rates	4,921	2,930
Insurance	30,139	23,701
Light and heat	52,261	61,727
Telephone	9,768	5,315
Postage and stationery	14,452	23,475
Publicity and marketing	93,120	135,089
Guest directors, designers and visiting companies fees	219,545	305,977
Commissions and royalties	56,276	67,790
Production expenses	152,095	143,520
Outreach department expenses	77,766	36,630
Touring expenses	45,709	135,436
Travel and subsistence	9,409	5,511
Ticket printing	1,127	1,612
Theatre licences and subscriptions	6,823	11,892
Repairs and renewals	50,372	68,677
Cleaning	14,411	14,920
Miscellaneous administration	19,795	16,004
Legal and professional fees	23,285	12,448
Bank charges and interest	5,204	4,624
Merchant and spektrix charges	35,671	31,911
Irrecoverable VAT	72,356	99,339
Fundraising costs	3,039	2,640
Transition costs	59,999	2,669
Depreciation	21,631	41,954
Loss on sale of assets	(100)	1,020
	<u>2,110,318</u>	<u>2,461,184</u>

SCARBOROUGH THEATRE TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2018**

9. SUPPORT COSTS

	Governance costs £ <u>9,100</u>
Operation of theatre	

Support costs, included in the above, are as follows:

	2018	2017
	Operation of theatre	Total activities
	£	£
Auditors' remuneration	5,500	7,000
Auditors' remuneration for non audit work	3,600	3,300
	<u>9,100</u>	<u>10,300</u>

10. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2018	2017
	£	£
Auditors' remuneration	5,500	7,000
Auditors' remuneration for non audit work	3,600	3,300
Depreciation - owned assets	21,630	41,954
(Surplus)/deficit on disposal of fixed asset	(100)	1,020
	<u>21,630</u>	<u>41,954</u>

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2018 nor for the year ended 31 March 2017.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2018 nor for the year ended 31 March 2017.

SCARBOROUGH THEATRE TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2018**

12. STAFF COSTS

	2018	2017
	£	£
Wages and salaries	957,250	1,130,079
Social security costs	47,815	49,559
Other pension costs	4,179	3,499
	<u>1,009,244</u>	<u>1,183,137</u>

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

	2018	2017
Fundraising of voluntary income	1	1
Operation of theatre	66	60
	<u>67</u>	<u>61</u>

No employees received emoluments in excess of £60,000.

The cost of key management personnel for the year was £166,262.

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	72,395	5,447	77,842
Charitable activities			
Operation of theatre	2,279,616	9,000	2,288,616
Other trading activities	132,937	-	132,937
Investment income	-	101	101
Total	<u>2,484,948</u>	<u>14,548</u>	<u>2,499,496</u>
EXPENDITURE ON			
Raising funds	129,653	-	129,653
Charitable activities			
Operation of theatre	2,452,694	18,790	2,471,484
Total	<u>2,582,347</u>	<u>18,790</u>	<u>2,601,137</u>
NET INCOME/(EXPENDITURE)	<u>(97,399)</u>	<u>(4,242)</u>	<u>(101,641)</u>
Transfers between funds	<u>(21,213)</u>	<u>21,213</u>	<u>-</u>
Net movement in funds	<u>(118,612)</u>	<u>16,971</u>	<u>(101,641)</u>

SCARBOROUGH THEATRE TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2018**

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued					
		Unrestricted funds £	Restricted funds £	Total funds £	
RECONCILIATION OF FUNDS					
Total funds brought forward		156,723	407,195	563,918	
TOTAL FUNDS CARRIED FORWARD		<u>38,111</u>	<u>424,166</u>	<u>462,277</u>	
14. TANGIBLE FIXED ASSETS					
		Improvements to property £	Furniture, fixtures, fittings and equipment £	Motor vehicles £	Totals £
COST					
At 1 April 2017	155,167	518,774	7,645	681,586	
Additions	-	19,347	-	19,347	
Disposals	-	(845)	-	(845)	
At 31 March 2018	<u>155,167</u>	<u>537,276</u>	<u>7,645</u>	<u>700,088</u>	
DEPRECIATION					
At 1 April 2017	-	465,288	7,645	472,933	
Charge for year	3,103	18,527	-	21,630	
Eliminated on disposal	-	(845)	-	(845)	
At 31 March 2018	<u>3,103</u>	<u>482,970</u>	<u>7,645</u>	<u>493,718</u>	
NET BOOK VALUE					
At 31 March 2018	<u>152,064</u>	<u>54,306</u>	-	<u>206,370</u>	
At 31 March 2017	<u>155,167</u>	<u>53,486</u>	-	<u>208,653</u>	
15. STOCKS					
			2018 £	2017 £	
Stocks			<u>7,658</u>	<u>8,618</u>	
16. DEBTORS					
			2018 £	2017 £	
Amounts falling due within one year:					
Trade debtors			26,741	112,820	
Other debtors			-	380	
Prepayments and accrued income			<u>153,934</u>	<u>167,251</u>	
			<u>180,675</u>	<u>280,451</u>	

SCARBOROUGH THEATRE TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2018**

16. DEBTORS - continued

	2018	2017
	£	£
Amounts falling due after more than one year:		
Other debtors	218,760	228,190
	<u> </u>	<u> </u>
Aggregate amounts	399,435	508,641
	<u> </u>	<u> </u>

Other debtors falling due after more than one year relates to a loan made to Scarborough Theatre Development Trust under a loan agreement dated 9 January 2015. Under the agreement, the loan was repayable in full by 31 January 2020 and no interest is due if repaid in full by that date. The loan was renegotiated in June 2017 to be repaid after 25 years with an interest rate of 0.25% .

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Bank loans and overdrafts (see note 18)	750	9,750
Receipts in advance	154,099	102,554
Trade creditors	60,487	110,539
Amounts owed to group undertakings	11,819	15,000
Social security and other taxes	12,057	16,980
Accrued expenses	141,605	165,759
	<u> </u>	<u> </u>
	380,817	420,582
	<u> </u>	<u> </u>

18. LOANS

An analysis of the maturity of loans is given below:

	2018	2017
	£	£
Amounts falling due within one year on demand:		
Bank loans	750	9,750
	<u> </u>	<u> </u>

The loan was repaid in full in April 2018.

19. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2018	2017
	£	£
Within one year	27,500	27,500
Between one and five years	110,000	110,000
In more than five years	1,196,250	1,223,750
	<u> </u>	<u> </u>
	1,333,750	1,361,250
	<u> </u>	<u> </u>

The above reflect the total amounts payable over the term of the lease for the theatre premises.

SCARBOROUGH THEATRE TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2018**

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
Fixed assets	54,306	152,064	206,370	208,653
Current assets	560,476	261,819	822,295	674,206
Current liabilities	(380,817)	-	(380,817)	(420,582)
	<u>233,965</u>	<u>413,883</u>	<u>647,848</u>	<u>462,277</u>

21. MOVEMENT IN FUNDS

	At 1.4.17 £	Net movement in funds £	Transfers between funds £	At 31.3.18 £
Unrestricted funds				
General fund	38,111	111,702	10,000	159,813
Arts Council - Resilience Fund	-	30,001	-	30,001
Back Stage Trust	-	44,151	-	44,151
	<u>38,111</u>	<u>185,854</u>	<u>10,000</u>	<u>233,965</u>
Restricted funds				
Benefactors account	30,539	(2,905)	-	27,634
Arts Council - Small capital grants	383,357	(2,533)	(10,000)	370,824
Stephen Joseph Theatre Plus	10,270	5,155	-	15,425
	<u>424,166</u>	<u>(283)</u>	<u>(10,000)</u>	<u>413,883</u>
TOTAL FUNDS	<u>462,277</u>	<u>185,571</u>	<u>-</u>	<u>647,848</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,277,371	(2,165,669)	111,702
Arts Council - Resilience Fund	90,000	(59,999)	30,001
Back Stage Trust	50,000	(5,849)	44,151
	<u>2,417,371</u>	<u>(2,231,517)</u>	<u>185,854</u>
Restricted funds			
Benefactors account	790	(3,695)	(2,905)
Arts Council - Small capital grants	570	(3,103)	(2,533)
Stephen Joseph Theatre Plus	5,155	-	5,155
	<u>6,515</u>	<u>(6,798)</u>	<u>(283)</u>
TOTAL FUNDS	<u>2,423,886</u>	<u>(2,238,315)</u>	<u>185,571</u>

SCARBOROUGH THEATRE TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2018**

21. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.4.16 £	Net movement in funds £	Transfers between funds £	At 31.3.17 £
Unrestricted Funds				
General fund	156,723	(97,399)	(21,213)	38,111
Restricted Funds				
Capital reserve	9,790	(9,790)	-	-
Benefactors account	29,548	991	-	30,539
Arts Council - Small capital grants	362,144	-	21,213	383,357
Stephen Joseph Theatre Plus	5,713	4,557	-	10,270
	<u>407,195</u>	<u>(4,242)</u>	<u>21,213</u>	<u>424,166</u>
TOTAL FUNDS	<u><u>563,918</u></u>	<u><u>(101,641)</u></u>	<u><u>-</u></u>	<u><u>462,277</u></u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,484,948	(2,582,347)	(97,399)
Restricted funds			
Capital reserve	-	(9,790)	(9,790)
Benefactors account	991	-	991
Stephen Joseph Theatre Plus	4,557	-	4,557
Outreach	9,000	(9,000)	-
	<u>14,548</u>	<u>(18,790)</u>	<u>(4,242)</u>
TOTAL FUNDS	<u><u>2,499,496</u></u>	<u><u>(2,601,137)</u></u>	<u><u>(101,641)</u></u>

Restricted funds

Arts Council - Small capital grants

During the year, grant income was received from the Arts Council under the small capital grants programme to enable alterations and improvements to be made to the building. The money was loaned to Scarborough Theatre Development Trust, which owns the building, and work on wardrobes, furniture stores and outreach centre has been completed. The loan is repayable by 31 January 2020.

Other

The Stephen Joseph Theatre Plus fund was introduced as a fundraising programme as the theatre enters its seventh decade. The money raised under this programme is used to invest in new young writers. The benefactors accounts and capital reserve funds represent monies raised by donations and grants that have been used to fund capital expenditure. Finally the Outreach fund relates to money awarded by North Yorkshire County Council to deliver two projects in the growing Eastfield area of the town.

SCARBOROUGH THEATRE TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2018**

22. RELATED PARTY DISCLOSURES

During the year the trust paid £7,350 for graphic design and outreach practitioner services to individuals who were the partner and spouse of two members of the senior management team. The amounts paid were on normal market terms.

23. ULTIMATE CONTROLLING PARTY

The charity is under the control of the board of trustees.