

REGISTERED COMPANY NUMBER: 00815227 (England and Wales)
REGISTERED CHARITY NUMBER: 253606

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021
FOR
SCARBOROUGH THEATRE TRUST LIMITED**



Fortus Audit LLP
Chartered Accountants & Statutory Auditors
5&6 Manor Court
Manor Garth
Scarborough
North Yorkshire
YO11 3TU

SCARBOROUGH THEATRE TRUST LIMITED
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For The Year Ended 31 March 2021

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SCARBOROUGH THEATRE TRUST LIMITED

REPORT OF THE TRUSTEES For The Year Ended 31 March 2021

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 2021. 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 2019).

OBJECTIVES AND ACTIVITIES

Vision

Bold, relevant and surprising theatre which inspires and entertains.

Mission

- We will develop an artistically led, forward looking and relevant theatre which is served by robust operational plan.
- We will grow a family of patrons for a trusted Stephen Joseph Theatre brand with the hallmarks of quality, relevance, accessibility, diversity and surprise.
- We will raise aspiration through great art and tell stories which reflect the diverse lives of our locale our region and our country.
- We will use high quality, relevant and surprising art to build stronger, deeply engaged and loyal audiences.
- We will invest in our people, developing local skills, knowledge and aspiration.
- We will think commercially and work in partnership, harnessing our expertise to collaborate and innovate.

Objectives

- Investing in the art
- Delivering a strategic approach to audience engagement
- Strengthening our financial position and management
- Using collaboration to expand our business
- Thinking commercially and exploiting our assets - Enterprise
- Become a learning organisation

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 2021

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The majority of 2020/21 saw the theatre's operation significantly impacted by the Covid-19 pandemic. Over the course of the year, the building was closed for just over 50% of the time and, when allowed to open, was operating at a much reduced capacity and with many restrictions in place. This obviously had a very serious effect on the amount of work we were able to create and present; consequently we achieved just under 20,000 ticket sales, rather than our previous 90,000. However, despite the restrictions, we were still able to deliver 488 events across the year which included the world premieres of John Godber's *Sunny Side Up* and Alan Ayckbourn's audio play *Anno Domino*, touring shows *Sexy Lamp* and *Bloodshot* and readings of a number of new plays developed at the theatre including *DogWalker*. We also managed to stage a full run of our Christmas show *The Snow Queen*, inventively reimagined as a one-person performance.

We continued to build our Associate Company scheme, recruiting two new companies: *Voxed* and *Arcade*. *Voxed* worked with us to create a new project - *Goggledance* - which saw participants (themselves in lockdown) watch a dance performance taking place outside their own homes, while filming themselves watching and joining in. *Arcade* will be working with us on a new community project - *Scarborough Stories* - which is an exploration of the stories that matter to Scarborough people, gathered through a series of workshops.

As we were able to present much less work in person, we moved a lot of activity online, in particular our participatory programme. We launched a new choir in one of our key communities, set up a virtual and highly successful script development course, and partnered with the National Literacy Trust on an online story creation adventure for youngsters. As soon as we were able, we started to work in schools to support those children and young people who had been particularly affected by the pandemic, using the arts and theatre techniques to help with social and emotional mental health issues. Moving

During the pandemic we were fortunate to secure significant funding from both the Cultural Recovery Fund and the Garfield Weston Culture Fund. This funding allowed us to invest heavily in increasing our digital capacity - in particular equipment and staff development - which has given us the in-house ability to film and stream our produced programme, thereby reaching wider audiences. We also used the funding to commission an in-depth audience engagement strategy through which we have clarified our audience ambition, thinking about who we want to reach and engage and considering what difference we want to have for people. This work sat alongside a development of our brand and our website, both designed to ensure that we become more accessible to more people.

We were overwhelmed by the level of support we received from our audiences and communities throughout the pandemic. We were forced to cancel our entire summer season but many of those who had booked tickets donated some or all of their refund to our 'The Show Will Go On' fund, and donations and messages of support continued to arrive all year. As a result our fundraising totalled nearly £197,000 against an original budget of £50,000. We have grown our membership base and reconnected with many individuals whose relationship with us had lapsed but who realised, under the threat of us closing permanently, how valuable we were to them.

We remain hugely grateful to Arts Council England and to Scarborough Borough Council for maintaining our grants through this difficult year. These, together with the Job Retention Scheme, ensured that we did not have to make any member of staff redundant, enabling us to re-open our theatre at every point when government guidelines allowed.

FINANCIAL REVIEW

Financial review

The Trust continued to improve its financial position with a surplus of £470,363. This increases unrestricted reserves to £692,233 and total reserves to £1,411,138.

A consequence of the current level of reserves and more stable financial position will enable the Trust to develop with confidence its dynamic artistic programme.

Principal funding sources

The Trusts funding for its charitable operations continued to be primarily through ACE and Scarborough Borough Council. However funding to enable specific artistic projects has been received from The Esmée Fairburn Foundation and this with a number of significant one off legacies and the continued support of our regular donors all contributed to the Trusts financial viability.

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.

SCARBOROUGH THEATRE TRUST LIMITED

REPORT OF THE TRUSTEES For The Year Ended 31 March 2021

FUTURE PLANS

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

Ticket sale targets and reserves policies have already been met two years ahead of schedule and therefore the trust is now aiming to consolidate this excellent year and build for the future.

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.

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 is updated regularly;
- 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

00815227 (England and Wales)

Registered Charity number

253606

Registered office

Stephen Joseph Theatre
Westborough
Scarborough
North Yorkshire
YO11 1JW

SCARBOROUGH THEATRE TRUST LIMITED

**REPORT OF THE TRUSTEES
For The Year Ended 31 March 2021**

Trustees

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 (NYCC Councillor) (resigned 4.12.20)
Mr M J Wilkinson
Mr A H Wilson (appointed 19.3.21)
Mr J Lee
Mr M Hyde (resigned 19.7.20)
Mr R S Lumby
Mrs S K S Wright
Mr D T Warner
Mrs A Donkor (appointed 9.10.20)
Mr J Wilkinson (appointed 9.10.20)

Company Secretary

Mrs C Routh

Auditors

Fortus Audit LLP
Chartered Accountants & Statutory Auditors
5&6 Manor Court
Manor Garth
Scarborough
North Yorkshire
YO11 3TU

Joint Chief Executives

Ms C Routh
Mr P Robinson

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.

SCARBOROUGH THEATRE TRUST LIMITED

REPORT OF THE TRUSTEES
For The Year Ended 31 March 2021

AUDITORS

The auditors, Fortus Audit LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 3 December 2021 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'Caroline Routh', written in a cursive style.

Mrs C Routh - 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 2021 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 2021 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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, 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 this gives rise to a material misstatement in the financial statements themselves. 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 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.

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.

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

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (UK GAAP and the Companies Act 2006) and the relevant tax compliance regulations in the UK.

We understood how the company is complying with those frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through review of board minutes and discussions with those charged with governance.

We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur, by discussion with management from various parts of the business to understand where they considered there was a susceptibility to fraud. We considered the procedures and controls that the company has established to prevent and detect fraud, and how these are monitored by management, and also any enhanced risk factors such as performance targets.

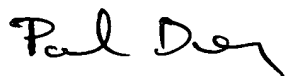
Based on our understanding, we designed our audit procedures to identify any non-compliance with laws and regulations identified in the paragraphs above.

We also performed audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

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/auditors-responsibilities. 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 Fortus Audit LLP
Chartered Accountants & Statutory Auditors
5&6 Manor Court
Manor Garth
Scarborough
North Yorkshire
YO11 3TU

Date: 13 December 2021

SCARBOROUGH THEATRE TRUST LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
For The Year Ended 31 March 2021

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	197,404	1,709	199,113	168,648
Charitable activities	5				
Operation of theatre		1,371,568	521,687	1,893,255	2,299,105
Other trading activities	3	10,548	-	10,548	164,763
Investment income	4	619	-	619	1,587
Total		<u>1,580,139</u>	<u>523,396</u>	<u>2,103,535</u>	<u>2,634,103</u>
EXPENDITURE ON					
Raising funds	6	27,231	-	27,231	112,654
Charitable activities	7				
Operation of theatre		1,356,042	249,899	1,605,941	2,491,230
Total		<u>1,383,273</u>	<u>249,899</u>	<u>1,633,172</u>	<u>2,603,884</u>
NET INCOME		<u>196,866</u>	<u>273,497</u>	<u>470,363</u>	<u>30,219</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		495,367	445,408	940,775	910,556
TOTAL FUNDS CARRIED FORWARD		<u><u>692,233</u></u>	<u><u>718,905</u></u>	<u><u>1,411,138</u></u>	<u><u>940,775</u></u>

The notes form part of these financial statements

SCARBOROUGH THEATRE TRUST LIMITED

BALANCE SHEET
31 March 2021

	Notes	2021 £	2020 £
FIXED ASSETS			
Tangible assets	14	284,099	233,345
CURRENT ASSETS			
Stocks	15	1,797	5,159
Debtors	16	251,577	384,893
Cash at bank and in hand		1,070,749	502,887
		<u>1,324,123</u>	<u>892,939</u>
CREDITORS			
Amounts falling due within one year	17	(197,084)	(185,509)
NET CURRENT ASSETS		<u>1,127,039</u>	<u>707,430</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,411,138</u>	<u>940,775</u>
NET ASSETS		<u>1,411,138</u>	<u>940,775</u>
FUNDS	20		
Unrestricted funds		692,233	495,367
Restricted funds		718,905	445,408
TOTAL FUNDS		<u>1,411,138</u>	<u>940,775</u>

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

The financial statements were approved by the Board of Trustees and authorised for issue on 3 December 2021 and were signed on its behalf by:

Mrs H Booden - Trustee

Helen Booden

The notes form part of these financial statements

SCARBOROUGH THEATRE TRUST LIMITED

CASH FLOW STATEMENT
For The Year Ended 31 March 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	685,123	(157,699)
Net cash provided by/(used in) operating activities		<u>685,123</u>	<u>(157,699)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(117,880)	(58,382)
Sale of tangible fixed assets		-	40
Interest received		619	1,587
Net cash used in investing activities		<u>(117,261)</u>	<u>(56,755)</u>
Change in cash and cash equivalents in the reporting period		<u>567,862</u>	<u>(214,454)</u>
Cash and cash equivalents at the beginning of the reporting period		<u>502,887</u>	<u>717,341</u>
Cash and cash equivalents at the end of the reporting period		<u><u>1,070,749</u></u>	<u><u>502,887</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 2021

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

	2021 £	2020 £
Net Income for the reporting period (as per the Statement of Financial Activities)	470,363	30,219
Adjustments for:		
Depreciation charges	67,124	36,315
Profit on disposal of fixed assets	-	(40)
Interest received	(619)	(1,587)
Decrease in stocks	3,362	1,725
Decrease in debtors	133,316	46,924
Increase/(decrease) in creditors	11,577	(271,255)
Net cash provided by/(used in) operations	<u>685,123</u>	<u>(157,699)</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.20 £	Cash flow £	At 31.3.21 £
Net cash			
Cash at bank and in hand	<u>502,887</u>	<u>567,862</u>	<u>1,070,749</u>
	<u>502,887</u>	<u>567,862</u>	<u>1,070,749</u>
Total	<u>502,887</u>	<u>567,862</u>	<u>1,070,749</u>

The notes form part of these financial statements

SCARBOROUGH THEATRE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 31 March 2021

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

Costs of generating funds are those costs incurred in attracting voluntary income and grants, and those incurred in trading activities that raise funds.

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.

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 remaining period of the lease
Furniture, fixtures, fittings and equipment	- Straight line over 6 years
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.

SCARBOROUGH THEATRE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 March 2021

1. ACCOUNTING POLICIES - continued

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 20.

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.

The trustees have considered the impact of COVID-19 in relation to their assessment of going concern and in their opinion have taken all reasonable steps to mitigate these factors. As at the point of authorising the accounts, and for the foreseeable future, the directors consider the going concern assumption to still be appropriate. The trustees acknowledge that given the currently rapidly changing business and social environment, there are likely to be significant unknown factors which may present themselves. Such factors are considered by the trustees to represent a general inherent level of risk in relation to the going concern assumption albeit not quantifiable at this time.

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.

2. DONATIONS AND LEGACIES

	2021	2020
	£	£
Donations	<u>199,113</u>	<u>168,648</u>

Of the donations received in the year £1,710 relates to restricted funds (2020 - £1,344).

SCARBOROUGH THEATRE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 March 2021

3. OTHER TRADING ACTIVITIES

	2021	2020
	£	£
Programme sales	-	14,326
Sweets and ice creams	2,120	46,705
Bar sales	8,428	103,732
	<u>10,548</u>	<u>164,763</u>

4. INVESTMENT INCOME

	2021	2020
	£	£
Deposit account interest	<u>619</u>	<u>1,587</u>

5. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2021	2020
		£	£
Box office income	Operation of theatre	71,506	1,077,550
Touring income	Operation of theatre	-	92,934
Grants	Operation of theatre	1,302,740	869,110
Theatre lettings	Operation of theatre	1,200	9,299
Miscellaneous income	Operation of theatre	52,779	158,710
Outreach department income	Operation of theatre	15,262	91,502
Government grants	Operation of theatre	449,768	-
		<u>1,893,255</u>	<u>2,299,105</u>

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

	2021	2020
	£	£
Arts Council	649,449	637,715
Scarborough Borough Council	116,604	116,604
Other grants	6,000	1,500
Scarborough Theatre Development Trust	-	10,000
Esme Fairburn Foundation	40,000	40,000
North Yorkshire County Council (Essential Life Skills)	-	21,719
Phillip Come Trust	10,000	12,000
McCain's	15,000	15,000
Oak Foundation	5,000	5,000
Theatre's Trust	-	9,572
Culture relief	222,935	-
Garfield Weston	237,752	-
	<u>1,302,740</u>	<u>869,110</u>

Of the grant received in 2021, £521,687 related to restricted funds (2020 - £104,291).

SCARBOROUGH THEATRE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 March 2021

6. RAISING FUNDS

Other trading activities

	2021	2020
	£	£
Bar, shop, sweets and ice cream purchases	7,897	62,176
Programmes	315	6,148
Development costs	19,019	44,330
	<u>27,231</u>	<u>112,654</u>

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 8)	Support costs (see note 9)	Totals
	£	£	£
Operation of theatre	<u>1,596,516</u>	<u>9,425</u>	<u>1,605,941</u>

8. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2021	2020
	£	£
Staff costs	884,464	1,153,753
Rent	27,500	27,317
Water rates	2,827	4,846
Insurance	29,172	27,808
Light and heat	32,104	65,717
Telephone	4,910	8,688
Postage and stationery	7,942	13,901
Publicity and marketing	29,282	119,564
Guest directors, designers and visiting companies fees	85,603	303,572
Commissions and royalties	17,664	54,586
Production expenses	31,604	158,437
Outreach department expenses	29,508	78,234
Touring expenses	(266)	66,813
Motor expenses	2,618	2,420
Ticket printing	550	2,182
Theatre licences and subscriptions	7,030	8,100
Repairs and renewals	50,046	53,583
Cleaning	3,381	15,108
Miscellaneous administration	5,752	15,399
Legal and professional fees	-	13,232
Bank charges and interest	2,313	4,958
Merchant and spektrix charges	13,501	37,155
Irrecoverable VAT	42,283	95,652
Bad debts	5,336	(3,729)
Fundraising costs	729	6,800
Grant expenditure and transition costs	213,539	111,259
Depreciation	67,124	36,315
Loss on sale of assets	-	(40)
	<u>1,596,516</u>	<u>2,481,630</u>

SCARBOROUGH THEATRE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 March 2021

9. SUPPORT COSTS

	Governance costs
	£
Operation of theatre	9,425
	<u> </u>

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

	2021	2020
	Operation of theatre	Total activities
	£	£
Auditors' remuneration	5,750	6,000
Auditors' remuneration for non audit work	3,675	3,600
	<u> </u>	<u> </u>
	9,425	9,600
	<u> </u>	<u> </u>

10. NET INCOME/(EXPENDITURE)

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

	2021	2020
	£	£
Auditors' remuneration	5,750	6,000
Auditors' remuneration for non audit work	3,675	3,600
Depreciation - owned assets	67,126	36,315
Surplus on disposal of fixed assets	-	(40)
	<u> </u>	<u> </u>

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2021 nor for the year ended 31 March 2020.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2021 nor for the year ended 31 March 2020.

12. STAFF COSTS

	2021	2020
	£	£
Wages and salaries	816,039	1,077,496
Social security costs	54,748	62,113
Other pension costs	13,677	14,144
	<u> </u>	<u> </u>
	884,464	1,153,753
	<u> </u>	<u> </u>

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

	2021	2020
Fundraising of voluntary income	1	1
Operation of theatre	67	74
	<u> </u>	<u> </u>
	68	75
	<u> </u>	<u> </u>

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

The cost of key management personnel for the year was £246,959.

SCARBOROUGH THEATRE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 March 2021

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	167,304	1,344	168,648
Charitable activities			
Operation of theatre	2,194,814	104,291	2,299,105
Other trading activities	164,763	-	164,763
Investment income	1,587	-	1,587
Total	2,528,468	105,635	2,634,103
EXPENDITURE ON			
Raising funds	112,654	-	112,654
Charitable activities			
Operation of theatre	2,356,681	134,549	2,491,230
Total	2,469,335	134,549	2,603,884
NET INCOME/(EXPENDITURE)	59,133	(28,914)	30,219
RECONCILIATION OF FUNDS			
Total funds brought forward	436,235	474,321	910,556
TOTAL FUNDS CARRIED FORWARD	495,368	445,407	940,775

14. TANGIBLE FIXED ASSETS

	Improvements to property £	Furniture, fixtures, fittings and equipment £	Motor vehicles £	Totals £
COST				
At 1 April 2020	155,167	607,166	13,500	775,833
Additions	-	117,880	-	117,880
At 31 March 2021	155,167	725,046	13,500	893,713
DEPRECIATION				
At 1 April 2020	9,310	527,778	5,400	542,488
Charge for year	3,104	61,322	2,700	67,126
At 31 March 2021	12,414	589,100	8,100	609,614
NET BOOK VALUE				
At 31 March 2021	142,753	135,946	5,400	284,099
At 31 March 2020	145,857	79,388	8,100	233,345

SCARBOROUGH THEATRE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 March 2021

15. STOCKS

	2021	2020
	£	£
Stocks	<u>1,797</u>	<u>5,159</u>

16. DEBTORS

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	14,696	14,060
Other debtors	10,000	10,000
Prepayments and accrued income	<u>45,621</u>	<u>172,073</u>
	<u>70,317</u>	<u>196,133</u>
Amounts falling due after more than one year:		
Other debtors	<u>181,260</u>	<u>188,760</u>
Aggregate amounts	<u>251,577</u>	<u>384,893</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

	2021	2020
	£	£
Receipts in advance	11,312	30,151
Trade creditors	38,059	46,106
Amounts owed to group undertakings	12,040	11,819
Social security and other taxes	13,003	14,143
Accrued expenses	<u>122,670</u>	<u>83,290</u>
	<u>197,084</u>	<u>185,509</u>

18. LEASING AGREEMENTS

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

	2021	2020
	£	£
Within one year	27,500	27,500
Between one and five years	110,000	110,000
In more than five years	<u>1,113,750</u>	<u>1,141,250</u>
	<u>1,251,250</u>	<u>1,278,750</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 2021

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
Fixed assets	76,726	207,373	284,099	233,345
Current assets	812,591	511,532	1,324,123	892,939
Current liabilities	(197,084)	-	(197,084)	(185,509)
	<u>692,233</u>	<u>718,905</u>	<u>1,411,138</u>	<u>940,775</u>

20. MOVEMENT IN FUNDS

	At 1.4.20 £	Net movement in funds £	At 31.3.21 £
Unrestricted funds			
General fund	495,367	196,866	692,233
Restricted funds			
Benefactors account	27,428	(765)	26,663
Arts Council - Small Capital Grants	364,616	(3,104)	361,512
New Work & Talent Fund	9,181	-	9,181
Esme Fairburn Foundation	26,884	2,265	29,149
Theatres Trust	7,019	(2,712)	4,307
Phillip Carne Trust	5,280	(3,040)	2,240
Oak Foundation	5,000	4,880	9,880
Culture Relief Fund	-	32,221	32,221
Garfield Weston Foundation	-	237,752	237,752
COAST	-	5,000	5,000
Mein Trust	-	1,000	1,000
	<u>445,408</u>	<u>273,497</u>	<u>718,905</u>
TOTAL FUNDS	<u>940,775</u>	<u>470,363</u>	<u>1,411,138</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,580,139	(1,383,273)	196,866
Restricted funds			
Benefactors account	1,710	(2,475)	(765)
Arts Council - Small Capital Grants	-	(3,104)	(3,104)
Esme Fairburn Foundation	40,000	(37,735)	2,265
Theatres Trust	(1)	(2,711)	(2,712)
Phillip Carne Trust	10,000	(13,040)	(3,040)
Oak Foundation	5,000	(120)	4,880
Culture Relief Fund	222,935	(190,714)	32,221
Garfield Weston Foundation	237,752	-	237,752
COAST	5,000	-	5,000
Mein Trust	1,000	-	1,000
	<u>523,396</u>	<u>(249,899)</u>	<u>273,497</u>
TOTAL FUNDS	<u>2,103,535</u>	<u>(1,633,172)</u>	<u>470,363</u>

SCARBOROUGH THEATRE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 March 2021

20. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.4.19 £	Net movement in funds £	At 31.3.20 £
Unrestricted funds			
General fund	436,235	59,132	495,367
Restricted funds			
Benefactors account	28,716	(1,288)	27,428
Arts Council - Small Capital Grants	367,720	(3,104)	364,616
New Work & Talent Fund	15,425	(6,244)	9,181
Essential Life Skills Fund	37,460	(37,460)	-
Esme Fairburn Foundation	25,000	1,884	26,884
Theatres Trust	-	7,019	7,019
Phillip Carne Trust	-	5,280	5,280
Oak Foundation	-	5,000	5,000
	<u>474,321</u>	<u>(28,913)</u>	<u>445,408</u>
TOTAL FUNDS	<u>910,556</u>	<u>30,219</u>	<u>940,775</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,528,468	(2,469,336)	59,132
Restricted funds			
Benefactors account	1,344	(2,632)	(1,288)
Arts Council - Small Capital Grants	-	(3,104)	(3,104)
New Work & Talent Fund	-	(6,244)	(6,244)
Essential Life Skills Fund	21,719	(59,179)	(37,460)
Esme Fairburn Foundation	40,000	(38,116)	1,884
Theatres Trust	9,572	(2,553)	7,019
Phillip Carne Trust	12,000	(6,720)	5,280
Regional Theatre Young Director	1,000	(1,000)	-
McCain's Project	15,000	(15,000)	-
Oak Foundation	5,000	-	5,000
	<u>105,635</u>	<u>(134,548)</u>	<u>(28,913)</u>
TOTAL FUNDS	<u>2,634,103</u>	<u>(2,603,884)</u>	<u>30,219</u>

SCARBOROUGH THEATRE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 March 2021

20. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.4.19 £	Net movement in funds £	At 31.3.21 £
Unrestricted funds			
General fund	436,235	255,998	692,233
Restricted funds			
Benefactors account	28,716	(2,053)	26,663
Arts Council - Small Capital Grants	367,720	(6,208)	361,512
New Work & Talent Fund	15,425	(6,244)	9,181
Essential Life Skills Fund	37,460	(37,460)	-
Esme Fairburn Foundation	25,000	4,149	29,149
Theatres Trust	-	4,307	4,307
Phillip Carne Trust	-	2,240	2,240
Oak Foundation	-	9,880	9,880
Culture Relief Fund	-	32,221	32,221
Garfield Weston Foundation	-	237,752	237,752
COAST	-	5,000	5,000
Mein Trust	-	1,000	1,000
	<u>474,321</u>	<u>244,584</u>	<u>718,905</u>
TOTAL FUNDS	<u>910,556</u>	<u>500,582</u>	<u>1,411,138</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	4,108,607	(3,852,609)	255,998
Restricted funds			
Benefactors account	3,054	(5,107)	(2,053)
Arts Council - Small Capital Grants	-	(6,208)	(6,208)
New Work & Talent Fund	-	(6,244)	(6,244)
Essential Life Skills Fund	21,719	(59,179)	(37,460)
Esme Fairburn Foundation	80,000	(75,851)	4,149
Theatres Trust	9,571	(5,264)	4,307
Phillip Carne Trust	22,000	(19,760)	2,240
Regional Theatre Young Director	1,000	(1,000)	-
McCain's Project	15,000	(15,000)	-
Oak Foundation	10,000	(120)	9,880
Culture Relief Fund	222,935	(190,714)	32,221
Garfield Weston Foundation	237,752	-	237,752
COAST	5,000	-	5,000
Mein Trust	1,000	-	1,000
	<u>629,031</u>	<u>(384,447)</u>	<u>244,584</u>
TOTAL FUNDS	<u>4,737,638</u>	<u>(4,237,056)</u>	<u>500,582</u>

Restricted funds

Arts Council - Small capital grants

SCARBOROUGH THEATRE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 March 2021

20. MOVEMENT IN FUNDS - continued

This fund was established when 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. Some of the money was loaned to Scarborough Theatre Development Trust, which owns the building, and work on wardrobes, furniture stores and outreach centre were completed. The loan was repaid within this accounting period.

Other

The New Work and Talent Fund was set up as a fundraising initiative to raise money to invest in new young writers and was previously named Stephen Joseph Theatre Plus.

The benefactors accounts represent monies raised by donations and grants that have been used to fund capital expenditure.

The Esmee Fairburn Foundation provided funding towards a new post of creative producer, supporting the artistic programme and leading to stronger financial resilience.

Finally the Essential Life Skills fund relates to money awarded by North Yorkshire County Council to engage with young people from economically deprived areas that do not have access to arts and cultural activities.

21. RELATED PARTY DISCLOSURES

Two directors also sit on the board of Scarborough Theatre Development Trust, who own the freehold property from which the company operates.

During the year, rent of £27,500 was paid to Scarborough Theatre Development Trust under the terms of the lease. A loan exists between the two companies as shown in note 16 to the accounts.

22. ULTIMATE CONTROLLING PARTY

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