

**REGISTRAR**



# **ABBNEY THEATRE ST ALBANS**

## **Report of the Trustees and Audited Financial Statements**

**THE ABBEY THEATRE TRUST (ST ALBANS) LIMITED**

**For the year ended 31<sup>st</sup> August 2017**

TUESDAY



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15/05/2018

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COMPANIES HOUSE

A Charity registered under number 247839

A Company limited by guarantee and registered in England and Wales number 877400

# **THE ABBEY THEATRE TRUST (ST. ALBANS) LIMITED**

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# THE ABBEY THEATRE TRUST (ST. ALBANS) LIMITED

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Company Number</b>	00877400 (England and Wales)	
<b>Charity Number</b>	247839	
<b>Principal Address</b>	Westminster Lodge Holywell Hill St Albans Hertfordshire AL1 2DL	
<b>Auditors</b>	Kingston Smith LLP 4 Victoria Square St Albans Hertfordshire AL1 3TF	
<b>Bankers</b>	Barclays Bank Plc 16-18 St Peters Street St Albans Hertfordshire AL1 3NA	
<b>Company Secretary</b>	C Spire	
<b>Directors</b>	M Goodman P Hale	
<b>Trustees</b>	M Goodman P Hale C Spire L Johnson S Cheek (retired 30th April 2017) C Rose (retired 30th April 2017) K Barry (appointed 1st May 2017) P Reardon A Stone (retired 30th April 2017) R Scales (appointed 1st May 2017) P Davidson H Miller D Hayward G Stratford S Jones A Mills (retired 30th April 2017) M Coltman (appointed 1st May 2017)	Chair Treasurer Secretary Marketing Membership Membership Membership Production Production Production Technical Development House Front of House Without Portfolio Without Portfolio Without Portfolio

CHAIRMAN'S REPORT  
FOR THE YEAR ENDED 31 AUGUST 2017

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**Another successful year**

Our 2016-17 season brought 30 productions to the Abbey Theatre, including 10 from our resident drama company, the Company of Ten (CoT). The CoT started the year with a dazzling production of Peter Shaffer's *Black Comedy* in which the lighting is reversed and the audience can only see the actors on stage during a 'black out'! Other CoT productions included John Van Druten's 1930's office drama, *London Wall*, with its contemporary themes of gender inequality and work-based romantic entanglements; and Patrick Hamilton's *Rope*, the play that Hitchcock later adapted for cinema. The CoT programme also included two modern dramas: Abi Morgan's poignant *Lovesong*, about the lives of a married couple – from their 20s to old age; and Mike Bartlett's savage play about workplace bullying, *Bull*. The season included new writing from CoT member, Mial Pagan, with *Dancehall Sweethearts*, a play about family life and romance against the background of the Troubles in Northern Ireland. The CoT also brought a production of the musical *Company* by Stephen Sondheim to our Main Stage about the simultaneous fear of and desire for commitment in a young man. Then over December 2016 the CoT charmed us with Alan Bennett's adaptation of Kenneth Grahame's *The Wind in the Willows*. Meanwhile the Company of Teens brought us its version of Patrick Marber's *The School Film* as part of the National Theatre Connections festival, as well as a vivid production of Shakespeare's *Macbeth*. In the meantime, St Albans Youth Music Theatre gave us the musical *Loserville* from Elliot Davis and James Bourne.

**A community theatre in action**

The season also showed our commitment to ensuring the Abbey Theatre plays a full part in the cultural life of the entire community of St Albans. In October 2016 the drama company Cardboard Citizens brought its play *Cathy* to the Studio. This moving play provided an updating of Ken Loach's 1966 television play, *Cathy Come Home* and demonstrated the continuing challenges faced by the homeless in today's society. Following each performance the audience, which included local government councillors and representatives of various local churches, were invited to debate the issues and substitute for various members of the cast, including in a scene involving *Cathy* and a Social Services official, as a way of engaging more deeply with the issues. The Main Stage provided a venue for Anandamela's colourful Indian musical miscellany, *Bollywood Nights*; an evenings with STAJE, St Albans' local jazz group, and a visit from Ga Ga Theatre with its children's entertainment, *Mrs Armitage and the Big Wave*. We also participated in the annual Shakespeare Schools Festival with acting groups from a number of local schools performing on the Main Stage. There were also outside productions from the youth drama school, Theatrix, KidsCanDance and Puccini's *Tosca* from St Albans Chamber Opera.

Our next season is a very special one as we will be celebrating 50 years of the Abbey Theatre.



THE ABBEY THEATRE TRUST (ST. ALBANS) LIMITED

CHAIRMAN'S REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2017

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**London Wall**



**Loserville**



**Bull**

## **STRUCTURE GOVERNANCE AND MANAGEMENT**

### **Governing Document**

Abbey Theatre Trust (St. Albans) Limited is a company limited by guarantee governed by its Memorandum and Articles of Association dated 25th June 2004. It is registered as a charity with the Charity Commission. Every member of the charity undertakes to contribute such amounts as may be required (not exceeding £10) to the charity's assets if it should be wound up.

### **Organisation and structure**

The Charity is administered by a Board of Trustees, which commonly meets monthly. There are 13 Trustees, including a Chairman, Secretary and Treasurer. The board has appointed a Theatre Manager to act as a licensee and to manage day-to-day administration.

### **Recruitment and Appointment of Trustees**

Trustees are elected as the holders of designated offices at the Annual General Meeting for an initial period of two years (three years in the case of officers) and then may stand for a further two years (three years in the case of officers). After serving for four consecutive years (six consecutive years for officers), trustees must retire.

Two trustees "without portfolio" are elected for two years.

The board of trustees may also appoint a trustee to fill a vacancy or as an additional trustee to serve until the next annual general meeting.

### **Induction and training of new trustees**

Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role. Relevant articles and publications are also circulated.

### **Risk Management**

The Trust is faced with a number of on-going risks, both financial and other, including:

- Ensuring that the Charity continues to be sustainable in the medium to long term
- Maintaining a position within the St Albans community
- Audience and membership demographics
- Marketing to and attracting new audiences
- Marketing to and attracting new members
- Maintaining members
- Accommodating outside lets required for the generation of additional revenue
- Staffing outside lets
- The requirement for a front of house service staffed by volunteers
- The age of the building and the increasing complexity and cost of the property management, including ongoing maintenance and repairs
- Potential conflicts between artistic objectives and commercial requirements

The Board conducts regular reviews of the risks the Charity may face, with a view to ensuring:

- The creation of a strategies for mitigating risks, including, medium to long term strategies to ensure the sustainability of the theatre
- The establishment of systems and procedures to mitigate those risks identified
- The implementation of strategies and procedures designed to minimise any potential adverse impact should those risks materialise

TRUSTEES REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2017

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**Objectives and Activities**

To promote, maintain, improve and advance education in and appreciation of the arts, including the production of plays and the encouragement of dramatic arts, to formulate, prepare and establish schemes thereof provided that all objectives of the Trust shall be of a charitable nature.

There have been no changes to the Charity's principal objectives since the last report.

The main activity in the year continued to be the presentation of theatrical productions for public performance by the members of the Company. The Charity provides a vibrant, artistic hub for the community, offering opportunities to enjoy and participate in a wide range of performance-related activities. The Charity offers opportunities to a broad base of the community.

Other activities included the provision of performance facilities to other organisations and facilities for training in drama and related skills.

The Trustees have given regard to the Charity Commission's guidance on public benefit.

**Strategies**

The strategies employed to achieve the Charity's objectives are:

- Artistic - to present a varied programme of main productions, attractive to substantial audiences, at approximately one per month from September to July. This is the largest single income stream
- Training - to provide a training and development programme for members, both technical and performance based, and plan for the provision of training opportunities for the broader community
- Youth Development - to support and provide facilities for youth groups and youth activities within the Company
- Involvement in the Community - to make theatrical presentation and training facilities available to a wide range of outside organisations, including other theatre and performance companies and schools
- External Awareness - to engage with the community and promote greater awareness of the theatre and its activities in the community
- Future Development - to determine the feasibility of developing the theatre building to ensure the future viability of the Charity
- Technical - to maintain, renew and update equipment on an ongoing basis
- Buildings - to maintain the infrastructure on a continuous basis, including substantial renewals as required. To budget for ongoing significant spending in this area and to maintain a reserve in hand for any unexpectedly large building repairs required to be done at short notice
- Generation of Additional Income - to hire out the theatre and training facilities to relevant external organisations in order to maximise earnings, insofar as is consistent with the Charity's objectives and with members' interests. Identify opportunities for generating additional revenue
- Staffing - to recognise the importance of significant developments in front of house and backstage staffing requirements and in facilitating outside lets

**ACHIEVEMENT AND PERFORMANCE**

**Charitable activities**

Activities during the year that reflect a progressive and efficient company, with healthy finances, included:

- A varied programme of productions of good artistic and technical quality
  - Providing two active and successful groups for young people for participation and training - St Albans Youth Music Theatre and the Company of Teens
  - Providing facilities to two external drama groups, one that provides daily training for 4-18 year olds, in term time, and another for 1-3 year olds
  - Providing an inclusive environment open to the community to participate in theatrical productions
  - Providing training in acting, directing and other theatrical skills
-

## THE ABBEY THEATRE TRUST (ST. ALBANS) LIMITED

### TRUSTEES REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

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- Providing opportunities for training and developing skills in diverse areas of theatrical production, including, lighting, sound, set design and building, wardrobe and props
- Providing facilities for the community
- A number of outside lets and hires that continue to provide a valuable contribution towards running costs as well as providing our regular audience with additional opportunities to visit the theatre and also attracting people who might not otherwise have visited
- Ongoing relationship with Radio Verulam for the broadcast of radio plays

#### Other Activities

The Trustees continued with their exploration of the viability and potential of undertaking a major re-development plan for the theatre so as to ensure the long term future of the Trust. There was a period of consultation with the members in relation to the Architects' (Haworth Tomkins) feasibility study with respect to the re-development works. Following which, an EGM was held on 29th November 2016, at which the Members approved the Haworth Tomkins' feasibility study. At the EGM, it was resolved that the Trustees be authorised to proceed with plans to re-develop the theatre building and to raise funds for the execution of such re-development works.

The fundraising feasibility study from Kingston Smith LLP was inconclusive, and the Trustees instructed a further fundraising feasibility study from Money Tree Fundraising. The Money Tree Fundraising report concluded that the Trust was likely to be able to raise in the region of £750,000 from Trusts and a public appeal for the re-development works.

The Trustees will be considering both Haworth Tomkins and Money Tree Fundraising's feasibility studies in order to produce a definitive plan for the re-development of the theatre in the best ongoing interests of the Trust.

#### FINANCIAL REVIEW

##### Reserves

In the light of the our plans to develop the theatre, the existing "General fund" and "Repairs and renewals reserve" were combined at the end of the year and will in future be maintained at £60,000, a figure intended to cover any annual deficit and potential major replacement expenditure on the theatre's existing buildings. The remainder of our accumulated surplus has been transferred to the "Development reserve", to which any future surpluses will go and which will now reflect changes in the value of our investments.

The Trust now has unrestricted funds of £595,987 made up of:

- The General Fund of £60,000 consisting of cash and liquid assets freely available for use;
- The Operating reserve of £50,000 which will be untouched in normal circumstances;
- The Development reserve now standing at £485,987 for the future expansion of the theatre buildings, preliminary feasibility studies for which have started and to which costs have been charged this year. Further payments in respect of the soundproofing of the auditorium and related work (approximately £6,000 – see 'Expenditure' below) will be charged to that reserve.

The Trustees consider that there are sufficient funds for the continuing activities of the Company.

##### Outturn for the year

The surplus resulting from our own activities, i.e. before depreciation and change in value of investments, was £17,073 compared with £5,562 last year.

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## THE ABBEY THEATRE TRUST (ST. ALBANS) LIMITED

### TRUSTEES REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

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#### Income

Once again our audience-related income was higher than the previous year – ticket sales and bar and refreshment sales both showed a marked increase. We also benefited from our investment in the theatre in additional lucrative hires, and from two legacies totalling £10,500 from former – and much missed – members.

#### Expenditure

Costs in four areas rose noticeably compared with last year: (i) maintenance, where we had to replace electrical wiring in part of the building, (ii) technical, where we found it necessary to purchase a replacement sound desk, (iii) production, with the Company of Ten's foray into musical theatre with a (highly successful) production of 'Company'; and (iv), where, as foreseen last year, the Development reserve incurred architect's fees for preliminary feasibility work. Elsewhere we made savings in ongoing costs including signing new utility contracts.

Capital expenditure incurred during the year was the replacement of our elderly main boilers with new energy-efficient ones and the commencement of work to soundproof the auditorium to enable simultaneous shows there and in the Studio theatre.

#### Investment policy and objectives

The Trustees, having regard to the liquidity requirements of operating the theatre and to the reserves policy, have placed funds in term and notice deposits and in investment funds suitable for charities. The value of the latter rose considerably during the year as it did in 2015/16. The Trustees are aware of the risks, believe they are acceptable, but regularly review them in light of geo-political and economic events.

#### FUTURE DEVELOPMENTS

The Development Reserve exists to facilitate such developments as and when major strategic expenditure is required. The proposed development under review includes:

- Additional rehearsal space
- Improved audience and community facilities, to include an extended, multifunctional foyer and link between the main theatre and studio

In addition the Trustees are seeking to improve:

- Outreach to the local Community
- Marketing strategies

TRUSTEES REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2017

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The directors (as detailed on the legal and administrative information page) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Principles.

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 the 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 of the Charity SORP;
- Make judgements that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume 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 to taking reasonable steps for the prevention and detection of fraud and other irregularities.

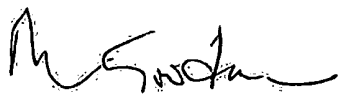
**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each trustee has taken all steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of the information.

**AUDITORS**

The auditors, Kingston Smith, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD**



M Goodman - Chairman and Trustee

Date: 13/3/18

## **Independent Auditor's Report to the Trustees of The Abbey Theatre Trust (St Albans) Limited**

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We have audited the financial statements of The Abbey Theatre Trust (St Albans) Limited for the year ended 31st August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, and the related notes. 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) including FRS 102 'The Financial Reporting Standards Applicable in the UK and

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 Part 16 of the Companies Act 2006. Our audit work has been undertaken for no purpose other than to draw to the attention of the charitable company's members those matters which we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective Responsibilities of Trustees and Auditor**

As explained more fully in the Trustees' Responsibilities Statement set out on page 6, the trustees (who are 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the Trustees Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our

### **Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2017 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 properly prepared in accordance with the requirements of the Companies Act 2006.

**Independent Auditor's Report to the Trustees of  
The Abbey Theatre Trust (St Albans) Limited**

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**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

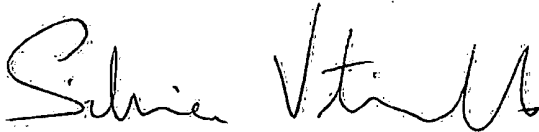
- the information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' annual report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters where the Companies Act 2006 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.



**SILVIA VITIELLO**  
**Senior Statutory Auditor**  
**for and on behalf of Kingston Smith LLP**

4 Victoria Square  
St Albans  
Hertfordshire  
AL1 3TF

Date:

THE ABBEY THEATRE TRUST (ST. ALBANS) LIMITED

STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £
<b>Income and endowments from:</b>							
Donations and legacies	2	18,091	-	18,091	5,816	-	5,816
Charitable activities	4	202,287	-	202,287	184,622	-	184,622
Investments	3	1,339	-	1,339	1,768	-	1,768
<b>Total</b>		<b>221,717</b>	<b>-</b>	<b>221,717</b>	<b>192,206</b>	<b>-</b>	<b>192,206</b>
<b>Expenditure on:</b>							
Charitable activities	6	202,984	24,950	227,934	184,151	24,403	208,554
Raising funds	5	1,660	-	1,660	2,493	-	2,493
<b>Total</b>		<b>204,644</b>	<b>24,950</b>	<b>229,594</b>	<b>186,644</b>	<b>24,403</b>	<b>211,047</b>
Net gains/(losses) on investments	9	54,375	-	54,375	50,906	-	50,906
Transfers between funds	14	(57,670)	57,670	-	(47,297)	47,297	-
<b>Net movement in funds</b>		<b>13,778</b>	<b>32,720</b>	<b>46,498</b>	<b>9,171</b>	<b>22,894</b>	<b>32,065</b>
<b>Reconciliation of funds:</b>							
Total funds brought forward		582,209	955,251	1,537,460	573,038	932,357	1,505,395
<b>Total funds carried forward</b>	<b>14</b>	<b>595,987</b>	<b>987,971</b>	<b>1,583,958</b>	<b>582,209</b>	<b>955,251</b>	<b>1,537,460</b>

The Statement of Financial Activities includes all gains and losses recognised in the year and all income and expenditure derive from continuing activities.

THE ABBEY THEATRE TRUST (ST. ALBANS) LIMITED

BALANCE SHEET AS AT 31 AUGUST 2017

	Note	2017 £	2016 £
<b>Fixed assets:</b>			
Tangible assets	8	983,221	950,501
Investments	9	473,234	418,859
		<u>1,456,455</u>	<u>1,369,360</u>
<b>Current assets:</b>			
Stocks	10	2,260	2,286
Debtors	11	17,389	36,306
Cash at bank and in hand		151,683	182,152
		<u>171,332</u>	<u>220,744</u>
<b>Liabilities:</b>			
Creditors: Amounts falling due within one year	12	43,829	52,644
<b>Net current assets</b>		<u>127,503</u>	<u>168,100</u>
<b>Total assets less current liabilities</b>		1,583,958	1,537,460
<b>Total net assets</b>		<u>1,583,958</u>	<u>1,537,460</u>
<b>The funds of the charity:</b>			
Unrestricted funds	14	595,987	582,209
Restricted funds	14		
St Albans Youth Music Theatre (SAYMT)		4,750	4,750
Tangible fixed asset reserve		983,221	950,501
<b>Total funds</b>		<u>1,583,958</u>	<u>1,537,460</u>

The trustees acknowledge their responsibilities for ensuring that the charitable company keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of the financial period and of its profit or loss for the financial period in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within part 15 of the Companies Act 2006.

Approved by the Board of Trustees signed on its behalf by:

  
M Goodman - Trustee

  
P Hale - Trustee

13/3/18  
Date

13/3/18  
Date

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 AUGUST 2017

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**1 Accounting policies**

**Basis of preparation**

A summary of the principal accounting policies adopted, judgements and key sources of estimation uncertainty, is set out below.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The company is a public benefit entity for the purposes of FRS 102 and a registered charity established as a company limited by guarantee and therefore has also prepared its financial statements in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (The FRS 102 Charities SORP), the Companies Act 2006 and Charities Act 2011.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts.

**Going concern**

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of the approval of these financial statements. In particular, the trustees have considered the charity's forecasts and projections and have taken account of pressures on fee income. After making enquiries, the trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

**Critical accounting judgements**

There are no judgements, estimates or assumptions that affect the amounts recognised in the financial statements.

**Incoming resources**

All income is recognised in the Statement of Financial Activities when the conditions for receipt have been met and there is reasonable assurance of receipt.

Voluntary income includes donations, gifts and legacies. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in a future accounting period; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Donations include income from fundraising activities together with unsolicited income. Income from charitable activities is recognised as earned (as related goods and services are provided). Investment income is recognised on a receivable basis.

**Deferred income**

A provision for deferred income is made where the income is received in the year but can only be recognised for the next financial year and can be reliably measured at the balance sheet date.

**Resources expended**

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Costs are allocated between categories on a direct basis. Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer will be required in settlement and the amount of the obligation can be measured reliably.

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 AUGUST 2017

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**1 Accounting policies (continued)**

**Fund accounting**

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is identified to the fund.

Unrestricted funds are donations and other income received or generated for the objects of the charity without further specified purpose and are available as general funds.

**Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

- Long leasehold
- Equipment
- in accordance with the property
- 10 - 20 years straight line

The charity has taken advantage of the transitional arrangements to SORP 2015 to adopt the revaluation under previous UK GAAP as deemed cost for its leasehold property.

**Fixed asset investments**

Fixed asset investments are included at market value at the balance sheet date. Realised and unrealised investment gains are reflected in the Statement of Financial Activities.

**Financial instruments**

**a. Financial assets**

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method, unless the arrangement constitutes a financing transaction, where the transaction is measured as the present value of the future receipts discounted at a market rate of interest.

**b. Financial liabilities**

Basic financial liabilities are initially measured at transaction price.

**Legal status**

The charity is incorporated as a company limited by guarantee and is registered with the Charity Commission. The members of the company have undertaken to contribute up to their guarantee of £10 each towards the liabilities of the company, in the event that it is wound up whilst they are, or within one year of being, members.



THE ABBEY THEATRE TRUST (ST. ALBANS) LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2017

**2 Donations and Legacies**

	<b>2017 Unrestricted Funds £</b>	<b>2016 Unrestricted Funds £</b>
Donations	7,591	5,316
Legacies	10,500	500
	<u>18,091</u>	<u>5,816</u>

**3 Income from investments**

	<b>2017 Unrestricted Funds £</b>	<b>2016 Unrestricted Funds £</b>
Deposit account interest	<u>1,339</u>	<u>1,768</u>

**4 Income from charitable activities**

	<b>2017 Unrestricted Funds £</b>	<b>2016 Unrestricted Funds £</b>
Ticket and programme sales	111,576	104,104
Income from visiting companies, hire of premises and of stage properties and wardrobe items	37,345	31,599
Members' subscriptions	11,160	11,357
Bar and refreshment sales	42,206	37,562
	<u>202,287</u>	<u>184,622</u>

**5 Expenditure on Raising Funds**

	<b>2017 Unrestricted Funds £</b>	<b>2016 Unrestricted Funds £</b>
Newsletter/Prompt Corner	1,613	1,957
Club activities	47	536
	<u>1,660</u>	<u>2,493</u>

THE ABBEY THEATRE TRUST (ST. ALBANS) LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2017

**6 Expenditure on Charitable Activities**

	<b>2017</b>	<b>2016</b>
	<b>Unrestricted</b>	<b>Unrestricted</b>
	<b>Funds</b>	<b>Funds</b>
	<b>£</b>	<b>£</b>
<b>Costs directly attributable to charitable activities</b>		
Productions	21,023	14,338
Other production costs	222	474
Marketing and programmes	16,399	18,158
Bar and refreshments	19,577	17,458
<b>Support and governance costs</b>		
Theatre buildings maintenance	21,692	16,965
Theatre services and utilities	28,884	33,172
Stage, sound and lighting equipment	17,234	14,737
Insurance	10,420	9,992
Box office, internet sales and computers	13,477	14,004
Salary and national insurance	25,930	26,824
Other running costs and administrative expenses	6,836	7,599
Theatre development costs	17,660	6,650
Auditors fees	3,630	3,780
	<u>202,984</u>	<u>184,151</u>
	<b>Restricted</b>	<b>Restricted</b>
	<b>Funds</b>	<b>Funds</b>
	<b>£</b>	<b>£</b>
<b>Support and governance costs</b>		
Depreciation	24,950	24,403
	<u>24,950</u>	<u>24,403</u>

**7 Staff costs**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Staff expenses includes the following employee costs:		
Wages and salaries	25,377	26,194
Social security costs	445	630
Pension costs	109	-
	<u>25,930</u>	<u>26,824</u>

No employee received benefits in excess of £60,000 (2016: Nil)

The average number of employees during the year was 1 (2016: 1)

Key management personnel are considered to be the trustees and the theatre manager. The total employee benefits of the Charity's key management personnel was £25,930 (2016: £26,824).

No trustees received any remuneration for their services during the year (2016: £Nil). During the year travel expenses of £nil were reimbursed to one trustee (2016: £12).

The Abbey Theatre Trust has about three hundred members at any one time. In both 2016/17 and 2015/16 a large majority have been actively involved in productions, both on stage and behind the scenes, and/or in invaluable front-of house and support activities.

THE ABBEY THEATRE TRUST (ST. ALBANS) LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2017

**8 Tangible fixed assets**

	Long Leasehold	Equipment	Total
	£	£	£
Cost as at 1st September 2016	1,186,662	213,478	1,400,140
Additions	19,409	38,261	57,670
Cost as at 31st August 2017	<u>1,206,071</u>	<u>251,739</u>	<u>1,457,810</u>
Accumulated depreciation brought forward	301,066	148,573	449,639
Charge for the year	18,073	6,877	24,950
Accumulated depreciation carried forward	<u>319,139</u>	<u>155,450</u>	<u>474,589</u>
Net book value as at 1st September 2016	<u>885,596</u>	<u>64,905</u>	<u>950,501</u>
Net book value as at 31st August 2017	<u>886,932</u>	<u>96,289</u>	<u>983,221</u>

**9 Fixed asset investments**

	£
Market and Net book value as at 6th April 2016	418,859
Revaluations	54,375
Market and Net book value as at 5th April 2017	<u>473,234</u>

All investments are UK listed investments, they are held to provide investment income to the charity.

**10 Stocks**

	2017	2016
	£	£
Refreshments and bar stock	<u>2,260</u>	<u>2,286</u>

**11 Debtors**

	2017	2016
	£	£
Trade debtors	840	3,471
Prepayments and accrued income	9,953	8,792
Fixed asset deposits	-	17,626
VAT debtor	6,596	6,417
	<u>17,389</u>	<u>36,306</u>

**12 Creditors**

	2017	2016
	£	£
Accruals	5,437	8,266
Deferred income from advance ticket sales	5,729	3,103
Deferred income from advance membership subscriptions	3,206	2,768
Deferred income from advance hires	489	941
Fixed asset provisions	-	17,626
Social security and other taxes	894	841
Other creditors	28,074	19,099
	<u>43,829</u>	<u>52,644</u>

THE ABBEY THEATRE TRUST (ST. ALBANS) LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2017

**13 Deferred income**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Deferred Income at 1st September 2016	6,812	9,725
Resources deferred in the year	9,424	6,812
Amounts released from previous years	<u>(6,812)</u>	<u>(9,725)</u>
Deferred Income at 31st August 2017	<u>9,424</u>	<u>6,812</u>
Deferred income comprises the following:		
Advance ticket sales	5,729	3,103
Advance membership subscriptions	3,206	2,768
Advance hires	<u>489</u>	<u>941</u>
	<u>9,424</u>	<u>6,812</u>

**14 Statement of funds**

	<b>Balance at 01-Sep-16</b>	<b>Movement in resources</b>		<b>Transfers</b>	<b>Balance at 31-Aug-17</b>
	<b>£</b>	<b>Income</b>	<b>Expenditure</b>	<b>£</b>	<b>£</b>
<b>Unrestricted funds</b>					
General fund	183,859	276,092	(186,984)	(212,967)	60,000
Operating reserve	50,000	-	-	-	50,000
Development reserve	308,350	-	(17,660)	195,297	485,987
Repairs and renewals	<u>40,000</u>	<u>-</u>	<u>-</u>	<u>(40,000)</u>	<u>-</u>
	<u>582,209</u>	<u>276,092</u>	<u>(204,644)</u>	<u>(57,670)</u>	<u>595,987</u>
<b>Restricted funds</b>					
Tangible fixed asset reserve	950,501	-	(24,950)	57,670	983,221
St Albans Youth Music Theatre (SAYMT)	<u>4,750</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,750</u>
	<u>955,251</u>	<u>-</u>	<u>(24,950)</u>	<u>57,670</u>	<u>987,971</u>
<b>Total funds</b>	<u><u>1,537,460</u></u>	<u><u>276,092</u></u>	<u><u>(229,594)</u></u>	<u><u>-</u></u>	<u><u>1,583,958</u></u>

**Purpose of funds**

**General Reserve**

The General fund represents funds that are readily available for use and not allocated to a specific purpose. The trustees have decided that £60,000 is adequate to cover possible annual deficits and potential repairs, and transferred the balance to the Development Reserve

**Development Reserve**

The trustees have agreed to set aside amounts from annual surpluses to build substantial funds towards major developments to the theatre's infrastructure.

**Operating Reserve**

The operating reserve exists to enable the company's operating costs to be covered for 12 months should its theatre facilities be not available for any reason. The trustees have assessed that £50,000 is the appropriate level at which to maintain this reserve.

**Repairs and Renewals Reserve**

The repair and renewal reserve exists to fund future major refurbishment work and emergency repairs. The trustees used the balance towards the capital projects and chose not to replenish it since the original purposes are now covered by the General fund and the Development reserve.

**St. Albans Youth Music Theatre Reserve**

This reserve represents the value of the endowment, when this group came under the wing of the Abbey Theatre. It will be used when required towards exceptional show costs incurred by SAYMT.

**Tangible Fixed Asset Reserve**

The funds relating to the tangible fixed assets are classified as restricted, as they are required for use for the purposes of the Charity.

THE ABBEY THEATRE TRUST (ST. ALBANS) LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2017

<b>15 Analysis of net assets between funds</b>	<b>Unrestricted Funds 2017 £</b>	<b>Restricted Funds 2017 £</b>	<b>Total Funds 2017 £</b>	<b>Total 2016 £</b>
Tangible fixed assets	-	983,221	983,221	950,501
Fixed asset investments	473,234	-	473,234	418,859
Current assets	166,582	4,750	171,332	220,744
Creditors due within one year	(43,829)	-	(43,829)	(52,644)
<b>Total</b>	<b>595,987</b>	<b>987,971</b>	<b>1,583,958</b>	<b>1,537,460</b>

**16 Lease commitments**

Below are the aggregate amounts payable under operating leases expiring in:

	<b>2017 £</b>	<b>2016 £</b>
Two to five years	420	634

**17 Capital commitments**

During the year a contract was signed for soundproofing the auditorium to allow events to use both it and the foyer and studio at the same time. The work was partly completed by the end of the year and the value accounted for. The value of the remaining work was expected to be £5,981 which will be paid in the 2017-18 financial year.

**18 Related party transactions**

The services of Cheryl Coltman for office assistance have been engaged by the Trust for half a day a week. During the financial year her husband, Mark Coltman, was elected as a trustee. The total amount paid to Cheryl Coltman since his election was £615.

Mark Coltman received £44 for professional services (2016: nil). This transaction was carried out at arm's length.