

Company number: 3001139
Charity number: 1053930

FRIENDS OF THE TIVOLI
REPORT AND AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER 2020

FRIENDS OF THE TIVOLI

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FRIENDS OF THE TIVOLI

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST DECEMBER 2020

The Trustees are pleased to present their report together with the financial statements of the charity for the year ending 31st December 2020.

REFERENCE AND ADMINISTRATIVE DETAILS

Charity Number 1053930

Company Number 3001139

Principal Office 19 -23 West Borough, Wimborne, Dorset, BH21 1LT.

Auditors	Francis Clark LLP	Towngate House, 2 – 8 Parkstone Road, Poole, Dorset BH15 2PW
Bankers	Barclays Bank PLC	
Solicitors	Harold G Walker	30, West Borough, Wimborne Dorset, BH21 1NF

Directors and Trustees

The directors of the charitable company (the charity) are its trustees for the purpose of charity law and throughout the report are collectively referred to as the trustees.

The Trustees who served during the year and since the year end were as follows:

Andrew Francis Barnes (reappointed 25th January 2021) (deceased 7th June 2021)

Alan Breakwell (Chairman)

Anita June Cole

Robin Cook

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Friends of the Tivoli is a company limited by guarantee governed by its Memorandum and Articles of Association dated 17th December 1994 and amended on the 6th October 1997 and the 28th September 2004. It is registered as a charity with the Charity Commission. The company has currently over 100 members who undertake to contribute such amount as may be required (not exceeding £1) to the company's assets if it should be wound up, for payment of the company's debts and liabilities.

Appointment of Trustees

As set out in the Articles of Association the trustees retire by rotation and are elected by the members attending the annual general meeting (AGM). Members may also nominate trustees for election at the AGM. Trustees can co-opt members during the year and seek confirmation at the AGM. When considering co-option regard is given to a balance of skills to ensure that the trustees have as wide a knowledge base as possible.

Trustee Induction and Training

Any new Trustee will undergo an induction where they will be briefed on their legal obligations under Charity and Company law, the Charity Commission guidance on public benefit, the content of the Memorandum and Articles of Association, previous Trustees' minutes, the Way Ahead document and the Budget and recent financial performance of the Charity. They will also meet the General Manager and the other employees and have a tour of the facility. Trustees can attend appropriate training events where these will benefit in carrying out their role.

FRIENDS OF THE TIVOLI

REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 31ST DECEMBER 2020

Organisation

The Board of Trustees consisting of not less than three members and no upper limit administer the charity and its trading subsidiary. The board hold meetings to cover development, finance, and all aspects of the charity. A General Manager, Charlie North Lewis, is appointed by the Trustees to manage the day-to-day operations of the charity. In addition, there is a Building Services Manager, a Technical Manager, a Finance Administrator, an Office Administrator, a Box Office Administrator, Lighting Technician, Sound Technician and Front of House Manager all who are salaried employees with the Projectionists, and Technical Crew being paid a film/show fee.

The Charity relies heavily on volunteers to perform many tasks for example duty manager, front of house, box office, office, and financial administration, operating the bar and café, and day to day maintenance. It is estimated that in a normal year volunteers provide approximately 21,000 hours and at appropriate rates of pay this is equal to £183,000.

Related parties

The charity's wholly owned trading subsidiary, Tivmanco Limited, was established to operate the theatre, bar and refreshments and gift aids the surplus for the year to the charity. To comply with FRS102 update bulletin 2 relating to gift aid of surpluses, from 2018 onwards the surplus for the year will be reflected in the accounts in the year when the surplus is paid over. The 2019 surplus was retained by Tivmanco Limited, and tax was paid leaving the balance to meet the shortfall in 2020 arising from the pandemic.

Pay Policy

The directors who are the Trust's trustees give of their time freely and receive no remuneration and details of any Trustees' expenses are disclosed in note 6 to the accounts.

The pay of the paid staff is reviewed annually at the time the annual budget is being considered. The factors considered are inflation, pay levels locally and most importantly the ability of the theatre to pay. Trustees also review at budget time the theatre's performance in the current year. If the projected budget surplus is above a level determined annually by Trustees, then office staff/managers receive a thank you/bonus for contributing to the success of the theatre and that is paid in the following financial year. There has been a change in the technical crew this year with a former employee returning on a self-employed basis. The pay levels for the senior staff were set on similar posts elsewhere, local market rates and importantly what the theatre could afford.

Risk Management

The Trustees are aware of the risks the business faces and through the board meetings review progress to ensure that any risks are minimised. The General Manager and his team concentrate on the non-financial risks arising from fire, health and safety of artists and audience and other risks that are identified on an on-going basis and from the annual review by the Insurance Company. The Child Protection Policy is in line with the procedures of the local authority.

A risk management strategy has been adopted to cover an annual review of the risks the charity may face, the establishment of systems and procedures to manage the risks identified in the plan, and the implementation of procedures designed to minimise any potential impact should any risk materialise. The risk register is reviewed on an annual basis. A key element in the management of financial risk is the setting of a reserves policy and its regular review by the Trustees.

FRIENDS OF THE TIVOLI

REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 31ST DECEMBER 2020

OBJECTIVES OF THE CHARITY

The main objective for which the Charity is established is to promote, restore, maintain, improve, and advance public education in the performing arts by the promotion and production of theatrical plays and the encouragement of the arts including film, shows, drama, mime, dance, singing and music for the benefit of the community. The Charity has a general aim of contributing to the quality of life of the people of East Dorset and the wider area by providing, on a regular basis, accessible professional and community arts events.

PRINCIPAL ACTIVITIES ACHIEVEMENTS AND PERFORMANCE

The Theatre has been severely affected by the pandemic in 2020 and this has impacted on the attendance figures. The position was looking very bright in January to mid-March with excellent support from the public. That changed from the 17th March when the theatre closed its doors and did not open again until the 1st October with social distancing in place. There was a limited number of film/satellite and one live show before the second lockdown occurred on the 5th November for one month. The theatre was able to show the Blues Band and several performances of the pantomime with limited audiences before closing again at the end of December.

Attendance	2016	2017	2018	2019	2020
Cinema/Satellite	21,686	20,607	27,698	25,845	7,758
Shows	53,246	57,012	55,786	52,414	14,195
Total	74,912	77,619	83,484	78,259	21,953

Attendance was down by over 70% compared with a normal year. Based on the films that were shown the average attendance was 117 (130 in 2019). The most popular films were Little Women, 1917, Emma, Cats, Le Mans, Knives Out and the Personal History of David Copperfield.

There were only 5 (16 in 2019) different screenings by satellite attracting an average attendance of 128 (147 in 2019) per showing. The three most popular were Present Laughter, Andre Rieu 70 years young and Cyrano De Bergerac which accounted for 90% of the total audience. In a normal year live theatre would have provided a wide range of opportunities with around 130 different events planned. This would have allowed the Tivoli to provide quality shows with a balanced programme to suit all tastes covering jazz, comedy, ballet, drama, musicals, tribute bands, celebrity guests, factual programmes, original artists and, over Christmas and New Year a pantomime. This was the third year that Made to Measure Productions were the producers of the pantomime and for the first time ever a socially distanced pantomime was enjoyed and proved very popular with the audiences. After such a difficult year it was rewarding that families could enjoy a pantomime and a big thank you to all involved in making this happen.

Wimborne Drama were able to perform Barefoot in the Park in February, and before lockdown Roger Chapman, Francis Rossi and Griff Rhys Jones appeared at the theatre for the first time and there was a welcome return for Albert Lee, Jim Davidson, and The Furies. There were only two live performances after the middle of March with social distancing measures in place and a special thanks to Ben Waters who performed in early November and the Blues Band in December.

It has been a major task for the box office staff dealing with the cancelled/ rearranged shows some of which have been moved more than once. It has been made more difficult with not knowing when the theatre will be able to open again and what measures will have to be in place for this to happen. The Trustees express their thanks to the General Manager and his team for the way they have operated through the crisis and the support that has been received from the public and the theatre world. The Tivoli reputation continues to grow in the theatre world and the General Manager takes every opportunity to enhance that reputation with the future programming.

FRIENDS OF THE TIVOLI

REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 31ST DECEMBER 2020

Works to maintain the building were undertaken during the year with both gas boilers being replaced and several maintenance jobs being carried out whilst the theatre was closed. Appropriate works were undertaken to ensure the premises met the COVID 19 guidelines and measures were in place to ensure the theatre could open safely. The canopy project was finally completed, and the advertising screen is now operating in accordance with the approved permissions. The Reserves were used to update the Monitors for the Technical Manager and the Trustees agreed to proceed with the roof repairs as part of the Fly tower planning approval. These works will not start until the new year and hopefully will be well on the way to competition before the theatre reopens in late May 2021.

A new box office system went live on the 26th February just before the first lockdown. It was pleasing that the Volunteers who operate the system have adapted well to the new procedures which were very different to the system they had previously used. A thank you to Pauline and Lauren for all their work in ensuring that the changeover went smoothly.

In June, an appeal was launched to help support the theatre during the pandemic and ensure it was able to re-open when it was safe to do so. The response has been amazing over £63,000 has been raised and with gift aid this figure is closer to £70,000. The theatre is at the heart of the community and the response reflects how important the facility is to so many people. The Trustees are so grateful for all the contributions received whether it be by way of a donation, customers donating their cancelled show tickets to the appeal, crowdfunding by pupils of Blandford school who have performed at the theatre and corporate support. Thank you to everyone.

The Trustees have given due regard to public benefit when planning the charity's activities in accordance with the Charity Commission's General Guidance on Public Benefit. The paragraphs above set out the activities, achievements, and performance during the year, which are directly related to the objects and purposes for which the charity exists and are fully compliant with the Charity Commission Principles on Public Benefit.

FINANCIAL REVIEW

Trustees monitor the budget throughout the year with the emphasis being on income via monthly monitoring sheets. This was the case for the first two months and then the impact of the pandemic hit the theatre and it closed for over 6 months. Trustees now had to review the budget on the basis that no income was coming in but there were still significant outgoings. A revised budget was prepared in June assuming a return to some activity by late in the year with the likelihood that it would take until 2023 to return to the 2019 levels and profitability. There would be difficult challenges over the next 2 years with the level of reserves in hand help cushioning the impact.

A further review of the Budget was undertaken in October when a clearer picture was emerging and there was greater clarity of the financial support available. The Trustees have ensured that all grants the theatre were eligible for have been received and the furlough scheme has been used whilst at the same time ensuring that the running of the theatre has not been compromised. All expenditure has been closely monitored and reductions have been achieved wherever possible. Finally, when applying to the Arts Council in January 2021 for a grant from the Cultural Recovery Fund the 2020 Budget was revisited, and the Trustees are pleased that the final figure is within that estimate.

Originally the budget for 2020 was framed on Tivmanco the wholly owned trading subsidiary having a turnover exceeding 1.3 million pounds in line with the 2019 level. In 2020 turnover was around £433,000 a drop of £900,000 (70%) the lowest turnover since 2004.

For the first time the commercial trading operations show a deficit in 2020 of £65,744 (£109,645 surplus in 2019) a turnaround between the two years of just under £191,000 which can be accounted for by the theatre being closed for long periods of the year thereby generating no income but still incurring expenditure. The surplus in 2019 was retained in Tivmanco and will be used to meet the shortfall in 2020.

FRIENDS OF THE TIVOLI

REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 31ST DECEMBER 2020

This is not the complete financial picture as the charity is responsible for the external maintenance, insurance, business rates, water/sewerage rates, and other expenses of the buildings as well as receiving income from donations, membership, and fundraising. The charity benefited by the business rates holiday as well as government support and the income raised from the appeal. This resulted in a surplus and has left the charity in a sounder position at the end of the financial year than was predicted in June. There are big challenges ahead over the next two years and the sound financial position of the charity built up over many years will be helpful along with other financial support from the Cultural Recovery Fund to see it through this difficult time.

The Trustees have always supported the General Manager in moving the theatre forward whilst ensuring that any increased financial commitment is planned and only implemented when it is financially prudent to do so. Strong financial management will continue to be exercised minimizing risk wherever possible so that the challenges facing the Tivoli are managed in a measured way. This is essential as we face the next two years knowing the challenges faced in re-opening and ensuring that the public feel safe to return and once again enjoy the excellent Tivoli programme.

The Trustees have used the Way Ahead document to carry out annually a thorough review of the needs of the theatre and agree their spending plans for the forthcoming year. The Trustees remain prudent and will review this document during 2021 to ensure that it is still fit for purpose considering the world we now live in.

The Trustees would like to take this opportunity of thanking all the staff, and volunteers for their commitment during 2020 which was a difficult year and to welcoming them all back when it is safe, and the theatre has re-opened.

Investment Policy

The Trustees have regard to the liquidity requirements of operating the theatre and kept available funds as cash and placed them on deposit at the best rate obtainable. The theatre has no permanent endowment or annual financial support and relies on income from the customers visiting the theatre to meet the costs of running the theatre. Due to the nature of the business income is not invested for the long term.

Reserves Policy

The Charity aims to maintain unrestricted funds, the free reserves of the charity, at a level sufficient to ensure that all unrestricted expenditure outstanding at any one time can be met. Unrestricted funds were maintained at this level throughout the year. Great care is taken to ensure that no expenditure is incurred unless it can be afforded. Enhancements or improvements will not be approved unless the Trustees are satisfied that the need has been justified and the funds are there to meet that expenditure.

The Trustees review their policy annually and have agreed that the minimum level of reserves should be based on 60% of the estimated fixed costs for the following financial year which would continue to be paid if the theatre were closed for a 6-month period. The appropriate figure is £145,000. A risk assessment has also been undertaken to assess what the level of reserves should be if a risk-based approach was used as the basis of calculation. It is reassuring that the review was in line with the current level of reserves. In the light of the events of 2020 and the impact this will have on future years a further review of the Reserves Policy will be undertaken. As part of the review the level required to provide an equipment replacement reserve will be considered by Trustees. Any surplus reserve funds are available for maintaining, improving, and enhancing the theatre.

On the 1st January 2020 £392,852 of unrestricted funds was available and £774,544 designated funds (see note 15), during the course of the year £66,446 (£235,556 in 2019) was met from the unrestricted funds for monitors, a specialist printer, replacing the two gas boilers, works and fees for the canopy and roof and works relating to the screen dock and store. After taking into account the surplus for the year the amount of unrestricted funds available at the 31st December 2020 was £402,894 and £785,795 designated. The only call currently on the balance is for payments on the roof contract.

FRIENDS OF THE TIVOLI

REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 31ST DECEMBER 2020

PLANS FOR FUTURE PERIODS

“The Way Ahead – Review of the Tivoli Theatre” is an in depth look at all aspects of the theatre covering Governance (constitution, trustees, volunteers, and friends of the Tivoli) Budgetary/Financial Reporting (budget, monitoring, reporting, balances, and accounting records) Employees, Image (Box Office and Community) and Buildings. It is a flexible document which will undergo a detailed review in 2021 to ensure it is relevant to meet the changing times we live in.

Significant works have taken place over the last few years and 2021 will see the completion of the works to the roof which was essential to be carried out to safeguard the building. Other works approved as part of the planning approval was the fly tower and this scheme is now on hold along with any discussions on the future use of existing under used space until there is a clear way forward for the theatre to re-open safely, without social distancing in place and operating on a profitable basis.

The Trustees challenge is therefore to ensure that the theatre has the necessary resources to continue operating over the next couple of years and then hopefully from 2023 the theatre will return to profitability and can once again look forward to a sustainable future.

Prudent management over the years has ensured that there are sufficient reserves in the short term to deal with the impact and this has been further strengthened by the Appeal and a grant from the Arts Council under the Cultural Recovery Fund. The theatre has also benefitted from the additional support provided by the Government following the March budget and will also continue to utilise the furlough scheme where appropriate.

The forecast is for a shortfall in 2021 and 2022 before returning to profitability in 2023. Forecasts for 2021 and 2022 were produced in October 2020 and many factors have already changes especially on support from the Government and the extension of the furlough scheme coupled with the good news at the end of March that the theatre had been successful in its application to the Arts Council. On the other side the forecast for 2021 was based on the theatre being able to open earlier than is now possible under the Government's roadmap. A start in late May is planned with several socially distanced events with hopefully a return to normality from late Summer/early Autumn. One of the big issues will be the confidence of the audience to return and feel safe and it is expected that this will take time. All these factors will have a bearing on the financial position for 2021 and a revised budget will be drawn up when the picture is clearer, and the Trustees will continue to monitor on a regular basis.

FRIENDS OF THE TIVOLI

REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 31ST DECEMBER 2020.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles in the Charities SORP 2019 FRS102.
- make judgements and estimates that are reasonable and prudent.
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

A resolution to re-appoint Francis Clark LLP for the ensuing year will be proposed at the Annual General Meeting in accordance with Section 485 of the Companies Act 2006.

This report of the Trustees has been prepared in accordance with the small companies regime under the Companies Act 2006.

Approved by the board of Trustees on 31 August 2021 and signed on their behalf by:

Alan Breakwell

FRIENDS OF THE TIVOLI

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FRIENDS OF THE TIVOLI

OPINION

We have audited the financial statements of Friends of the Tivoli (the 'charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2020, which comprise the Group Statement of Financial Activities, Charitable Company and Group Balance Sheet and Charitable Company and Group Statement of Cash Flows, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the groups and charitable company affairs as at 31 December 2020 and of its results 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 OF OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 Charity's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were 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 trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

FRIENDS OF THE TIVOLI

INDEPENDENT AUDITORS' REPORT (CONTINUED)

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the 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 has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the group and charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the financial statements. 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.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of responsibilities of trustees set out on page 6, the trustees 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 group and 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 charity or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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:

As part of our audit planning we obtained an understanding of the legal and regulatory framework that is applicable to the Charity. We gained an understanding of the Charity and the sector in which the Charity operates as part of this assessment to identify the key laws and regulations affecting the Charity. As part of this, we reviewed the Charity's website for an indication of any regulations in place and discussed these with the relevant individuals responsible for compliance. The key regulations we identified were Charity legislation, health and safety regulations and breaches of The General Data Protection Regulation ("GDPR"). We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011 and Charities SORP - FRS 102.

FRIENDS OF THE TIVOLI

INDEPENDENT AUDITORS' REPORT (CONTINUED)

We discussed with management how the compliance with these laws and regulations is monitored and discussed policies and procedures in place. We also identified the individuals who have responsibility for ensuring that the Charity complies with laws and regulations and deals with reporting any issues if they arise. As part of our planning procedures, we assessed the risk of any non-compliance with laws and regulations on the Charity's ability to continue trading and the risk of material misstatement to the accounts.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved the following:

- Enquiries of management and trustees regarding their knowledge of any non-compliance with laws and regulations that could affect the financial statements. As part of these enquiries we also discussed with management whether there have been any known instances, allegations or suspicions of fraud, of which there were none.
- Reviewed filings with the Charity Commission and whether there were any serious incident reports made during the year, of which there were none.
- Discussed with management if any health and safety incidents have been recorded during the year, of which there were none.
- Reviewed legal and professional costs to identify any possible non-compliance or legal costs in respect of non-compliance, of which there were none.
- Reviewed Board minutes.
- Audited the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.
- Reviewed estimates and judgements made in the accounts for any indication of bias, of which there were none.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

USE OF OUR REPORT

This report is made solely to the group and charitable company's trustees, 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 group and charitable company's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Anne-Marie Gates FCCA FCA (Senior Statutory Auditor)
For and on behalf of Francis Clark LLP,
Chartered Accountants and Statutory Auditor

Towngate House
2-8 Parkstone Road
Poole
Dorset
BH15 2PW

Date: 20 September 2021

FRIENDS OF THE TIVOLI

GROUP STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

For the Year Ended 31st December 2020

INCOME AND ENDOWMENTS	Note	Unrestricted Funds	Restricted Funds	Total Funds	
		2020 £	2020 £	2020 £	2019 £
Income and endowments from					
Donations and legacies	2	103,929	-	103,929	56,612
Other trading activities					
Fundraising	2	92	-	92	894
Commercial trading operations	3	442,227	-	442,227	1,351,833
Investment Income	2	2,347	-	2,347	3,884
Total income and endowments		548,595	-	548,595	1,413,223
RESOURCES EXPENDED					
Raising funds					
Cost of generating voluntary income	4	250	-	250	250
Fundraising trading	4	-	-	-	28
Charitable activities					
Other expenditure	4	84,825	-	84,825	94,872
Commercial trading operations	3	507,971	-	507,971	1,242,188
Total expenditure		593,046	-	593,046	1,337,338
Net incoming resources before transfers		(44,451)	-	(44,451)	75,885
Gross transfer between funds	14&15	-	-	-	-
Net movement in funds for the year		(44,451)	-	(44,451)	75,885
Reconciliation of funds					
Total funds brought forward		1,277,041	-	1,277,041	1,201,156
Total funds carried forward		1,232,590	-	1,232,590	1,277,041

All the charity's activities derive from continuing operations during the above periods.

The notes on pages 14 to 22 form part of these accounts.

FRIENDS OF THE TIVOLI AND GROUP

BALANCE SHEET
At 31st December 2020

		Group		Charity	
	Note	2020	2019	2020	2019
		£	£	£	£
Fixed Assets					
Tangible Assets	7	640,794	629,543	640,794	629,543
Investment in Subsidiary	9	-	-	1	1
		640,794	629,543	640,795	629,544
Current Assets					
Stocks	10	4,081	4,034	-	-
Debtors	11	28,867	14,001	86,368	31,929
Cash at Bank and in Hand		854,522	1,043,069	474,256	520,789
		887,470	1,061,104	560,624	552,718
Creditors					
Amounts falling due within one year	12	295,674	413,606	12,730	14,866
Net Current Assets		591,796	647,498	547,894	537,852
Net Assets		1,232,590	1,277,041	1,188,689	1,167,396
Funds of The Charity					
Restricted	14	-	-	-	-
Unrestricted:					
General Charitable Funds	15	1,232,590	1,277,041	1,188,689	1,167,396
Total Charity Funds		1,232,590	1,277,041	1,188,689	1,167,396

The accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Approved by the board of Trustees on 31 August 2021 and signed on its behalf by:

Alan Breakwell
Trustee (Director)

The notes on pages 14 to 22 form part of these accounts.

FRIENDS OF THE TIVOLI

Statement of Cash Flows and Consolidated Statement of Cash Flows

For year ended 31st December 2020

		Group		Charity	
	Note	2020 £	2019 £	2020 £	2019 £
Cash used in operating activities	17	(124,448)	168,906	17,566	196,318
Cash flows from investing activities					
Interest Income	2	2,347	3,884	2,347	3,884
Purchase of fixed assets	7	(66,446)	(235,556)	(66,446)	(235,556)
Cash used in investing activities		(64,099)	(231,672)	(64,099)	(231,672)
Increase(decrease) in cash and cash equivalents in the year		(188,547)	(62,766)	(46,533)	(35,354)
Cash and cash equivalents at the beginning of the year		1,043,069	1,105,835	520,789	556,143
Total cash and cash equivalents at the 31st December 2020		854,522	1,043,069	474,256	520,789

The notes on pages 14 to 22 form part of these accounts.

FRIENDS OF THE TIVOLI
NOTES TO THE ACCOUNTS
For the Year Ended 31st December 2020

1. Accounting Policies

(a) Basis of accounting

Friends of the Tivoli is a registered charity, registration number 1053930, Company number 3001139, registered in the United Kingdom. The address of the charity is given in the reference and administrative details on page 1 of these financial statements. The nature of the charity's operations and principal activities are described in the Trustees annual report set out on pages 1 - 7.

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

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

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

(b) Incoming resources

All incoming resources becoming available to the charity during the year are recognised in the Statement of Financial Activities. Grants and donations for specific purposes are accounted for as restricted income. Ticket sales, rental income from letting of the Tivoli theatre and bar and refreshment sales are recognised in the year the event took place. Income is stated gross of related expenditure but where appropriate net of VAT.

(c) Resources expended.

Expenditure is recognised when it is incurred and is reported gross of related income. It is recognised on an accruals basis and allocated to the appropriate headings in the financial statements.

(d) Government Grants

A grant that becomes receivable as compensation for expenses already incurred will be recognised in the profit and loss in the same period in which the related expense is incurred.

(e) Tangible fixed assets

Individual fixed assets costing £1,000 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

(f) Depreciation

Depreciation is provided on all tangible fixed assets in use, at rates and bases calculated to write off the cost or valuation less estimated residual value, of each asset over its expected useful life, on a straight-line basis, as follows: - Freehold Improvements – 3.3% and 12.5%, Electrical and Stage Equipment – 12.5% and Furniture and Other Equipment – 12.5%.

FRIENDS OF THE TIVOLI

NOTES TO THE ACCOUNTS (continued) For the Year Ended 31st December 2020

(g) Stock

Stock is recorded at the lower of cost and net realisable value after due regard for obsolete and slow-moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs.

(h) Trade Debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Charity will not be able to collect all amounts due according to the original terms of the receivables.

(i) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

(j) Trade Creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

(k) Operating Leases

Rental chargeable under operating leases are charged in the profit and loss account on a straight-line basis over the lease term.

(l) Funds

Restricted Funds are recognised when a restriction is placed upon incoming resources. Note 15 analyses the restricted funds in more detail.

Designated funds are unrestricted funds where the resources are set aside for specific purposes at the discretion of the trustees.

Unrestricted income funds are general funds that are available for use at the trustee's discretion in furtherance of the objectives of the Charity.

FRIENDS OF THE TIVOLI

NOTES TO THE ACCOUNTS (continued) For the Year Ended 31st December 2020

(m) Going Concern

The financial statements have been prepared on a going concern basis. As explained in the trustee report the board have considered the impact on the charity's operations and finances in the short to medium term from the uncertainty relating to the coronavirus pandemic. In the opinion of the board, with the Coronavirus Job Retention Scheme, Coronavirus grant funding, Arts Council grant, and the Appeal coupled with proactively managing cash-flow the charity has sufficient working capital to continue to meet its financial obligations and pay its liabilities as they fall due for the foreseeable future and therefore the financial statements have been prepared on a going concern basis. The cash position at the end of 2022 is forecast to be around £600k (which includes advance ticket sales) despite the forecasted deficit for 2021 and 2022. The board have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure will be sufficient with the level of reserves held for the charity to be able to continue as a going concern.

2. Income and endowments

	2020 £	2020 £	2019 £
	Unrestricted	Restricted	Total
Donations and legacies			
Donations	39,280	-	49,654
Membership	1,341	-	1,487
Digital Equipment Agreement	-	-	5,471
Appeal	63,308	-	-
	103,929	-	56,612
Other trading activities			
Fundraising	92	-	894
Investment Income			
Building Society Interest	1,132	-	2,067
Bank Interest	908	-	1,237
COIF Charity Deposit Fund Interest	307	-	580
	2,347	-	3,884

Voluntary income of £45,000 in the prior year was attributable to restricted funds and £11,612 was attributable to unrestricted funds.

Other trading activities income of £894 in the prior year was attributable to restricted funds.

Investment income of £3,884 in the prior year was attributable to unrestricted funds.

FRIENDS OF THE TIVOLI

NOTES TO THE ACCOUNTS (continued) For the Year Ended 31st December 2020

3. Commercial trading operations

The Charity has a wholly owned non-charitable trading subsidiary, Tivmanco Limited which is incorporated in the UK. Its issued share capital of £1 is owned by the Charity and held primarily for the purpose of furthering the Charity's Objects. Tivmanco Limited is responsible for the operation of the Tivoli Theatre. Tivmanco Limited covenants its taxable profit to Friends of the Tivoli. A summary of its trading results is shown below. The subsidiary's financial statements have been consolidated with those of the Friends of the Tivoli in the group accounts presented here.

	2020 £ Unrestricted	2019 £ Unrestricted
Profit and Loss Account		
Turnover	384,747	1,351,833
Cost of sales	225,599	816,119
Gross profit	159,148	535,714
Administrative expenses	288,554	400,350
Trading profit	(129,406)	135,364
Other operating income	48,241	-
Profit before taxation	(81,165)	135,364
Taxation	(15,421)	25,719
Net profit	(65,744)	109,645
Amount b/f from subsidiary	109,645	191,592
Amount gift aided to Friends of the Tivoli	-	191,592
Retained in subsidiary	43,901	109,645

A summary of the financial activities undertaken by the charity is set out below:

	2020 £	2019 £
Gross incoming resources	106,368	252,982
Expenditure on charitable activities	(80,760)	(90,892)
Fundraising costs	(250)	(278)
Governance and investment management costs	(4,065)	(3,980)
Net incoming resources	21,293	157,831
Total funds brought forward	1,167,396	1,009,564
Total funds carried forward	1,188,689	1,167,396
Represented by:		
Restricted income funds	-	-
Unrestricted income funds	1,188,689	1,167,396
	1,188,689	1,167,396

FRIENDS OF THE TIVOLI

NOTES TO THE ACCOUNTS (continued) For the Year Ended 31st December 2020

4. Expenditure

	2020 £ Unrestricted	2020 £ Restricted	2019 £ Total
Cost of generating voluntary income			
Membership expenses	250	-	250
Fundraising trading costs			
Fundraising activities	-	-	28
Investment management costs			
Bank Charges	-	-	-
Charitable activities			
Theatre and Cinema costs			
Establishment expenses	25,565	-	28,409
Depreciation	55,195	-	62,483
Governance costs			
Audit Fee	4,065	-	3,980
Trustees Indemnity Insurance	-	-	-
	84,825	-	94,872

Trustees Indemnity Insurance is covered but following a change in Insurance Company there is now a combined policy, and the individual cost cannot be identified.

All expenditure in the previous year was attributable to unrestricted funds.

5. Staff costs

	2020 £	2019 £
Group		
Gross salaries including Show Fees	174,325	195,648
National insurance	9,039	12,105
Pension	5,142	4,707
The weekly average number of employees during the year for the Group was as follows	9	9
No employee earned more than £60,000.		

6. Net income

	2020 £	2019 £
This is stated after charging:		
Staff costs (see note 5)	188,506	212,460
Auditors' remuneration: Charitable company	4,065	3,980
Trading subsidiary	4,585	4,480
Depreciation	55,195	62,483

FRIENDS OF THE TIVOLI

NOTES TO THE ACCOUNTS (continued) For the Year Ended 31st December 2020

Trustees' remuneration and expenses

The Trustees (directors) received no remuneration or any other benefit from the charity (2019: nil) and reimbursed expenses (2019: £21).

Funds belonging to the Charity have been used in the purchase of insurance to protect the Charity from loss arising from the neglect or defaults of its trustees, employees or agents and indemnify the trustees against the consequences of any neglect or default on their part.

7. Tangible fixed assets

	Freehold Improvements	Electrical and Stage Equipment	Furniture and other Equipment	Total
Cost or valuation:				
1st January 2020	716,324	415,669	70,241	1,202,234
Additions	56,370	8,892	1,184	66,446
Disposal of Asset				
31st December 2020	772,694	424,561	71,425	1,268,680
Depreciation:				
1st January 2020	195,694	326,408	50,589	572,691
Provision for year	28,332	21,423	5,440	55,195
Disposal of Asset				
31st December 2020	224,026	347,831	56,029	627,886
Net book values:				
31st December 2020	548,668	76,730	15,396	640,794
31st December 2019	520,630	89,261	19,652	629,543

8. Freehold Property

In 2004 the freehold of the Tivoli Theatre (19/23 West Borough) was acquired from the Dorset County Council and 25/27 West Borough from the East Dorset District Council, previously both properties had been leased on peppercorn rents. If the buildings ceased to operate for theatre activities, then the properties would return to the local authority Dorset Council.

9. Investments

	2020 £	2019 £
Investments in subsidiaries:		
Shares at cost	<u>1</u>	<u>1</u>

The Company holds 100% of the ordinary share capital of Tivmanco Limited which is a company registered in England (company number 03237197), undertaking trading activities associated with operating the Tivoli Theatre.

FRIENDS OF THE TIVOLI

NOTES TO THE ACCOUNTS (continued) For the Year Ended 31st December 2020

10. Stocks

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Goods for resale	4,081	4,034	-	-

11. Debtors

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Trade debtors	30	1,077	-	-
Amounts owed by group undertakings	-	-	83,582	30,380
Other Debtors	-	-	-	-
Prepayments and accrued income	13,416	12,924	2,786	1,549
Corporation tax	15,421	-	-	-
	28,867	14,001	86,368	31,929

12. Creditors falling due within one year.

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Trade creditors	6,925	16,693	(86)	682
Amounts owed to group undertakings	-	-	-	-
Other taxes and social security costs	-	27,535	-	-
Accruals and deferred income	288,749	369,378	12,816	14,184
	295,674	413,606	12,730	14,866

13. Commitments

Operating Lease Commitments

As at 31st December 2020 the group had annual commitments under non – cancellable operating leases as follows:

Operating Leases which expire:	2020	2019
	£	£
Within one year	2,912	2,912
Within two and five years	2,790	3,895
	5,702	6,807

FRIENDS OF THE TIVOLI

NOTES TO THE ACCOUNTS (continued) For the Year Ended 31st December 2020

14. Restricted Funds

When works are completed, the related restricted funds are released in that year. The appropriate adjustment is made between restricted and unrestricted funds. There were no restricted funds in 2020.

15. Unrestricted Funds

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
At 1st January 2020	1,277,041	1,170,101	1,167,396	978,509
Surplus for the year	(44,451)	106,940	21,293	112,832
Transfer between funds			-	76,055
At 31st December 2020	<u>1,232,590</u>	<u>1,277,041</u>	<u>1,188,689</u>	<u>1,167,396</u>
Fixed Asset Reserve	640,794	629,543	640,795	629,544
Designated Reserve	145,000	145,000	145,000	145,000
General Reserve	<u>446,796</u>	<u>502,498</u>	<u>402,894</u>	<u>392,852</u>
	<u>1,232,590</u>	<u>1,277,041</u>	<u>1,188,689</u>	<u>1,167,396</u>

16. Analysis of Group Net Assets between Funds

	General Fund £	Designated Funds £	Restricted Funds £	2020 Total £	2019 Total £
Tangible Fixed Assets		640,794		640,794	629,543
Cash at Bank and in Hand	709,522	145,000		854,522	1,043,069
Other net current assets/liabilities	(262,726)			(262,726)	(395,571)
TOTAL	446,796	785,794		1,232,590	1,277,041

FRIENDS OF THE TIVOLI

NOTES TO THE ACCOUNTS (continued) For the Year Ended 31st December 2020

17. Reconciliation of Net Movement in Funds to Net Cash Flow from Operating Activities

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Net movement in funds	(44,451)	75,885	21,293	(33,760)
Add depreciation charge	55,195	62,483	55,195	62,483
Add 2018 Subsidiary surplus			-	191,592
Deduct Interest Income	(2,347)	(3,884)	(2,347)	(3,884)
Decrease/Increase in Stock	(47)	672		
Decrease/Increase in Debtors	(14,866)	9,494	(54,439)	(17,086)
Decrease/Increase in Creditors	(117,932)	24,256	(2,136)	(3,027)
Total	(124,448)	168,906	17,566	196,318

18. Related Parties

The Charity's wholly owned non-charitable trading subsidiary, Tivmanco Limited, also has its registered office at 19-23 West Borough, Wimborne, Dorset. At the balance sheet date £83,582 was owed to Tivmanco Limited (2019: £30,380 being the balance on the inter-company loan account through which relevant expenses and income are transferred to the charitable company).

FRIENDS OF THE TIVOLI

CHARITY DETAILED INCOME AND EXPENDITURE ACCOUNT
For the Year Ended 31st December 2020

	2020		2019	
	£	£	£	£
Income				
Donations and fundraising		104,021		57,505
Covenant Tivmanco		-		191,592
Interest		2,347		3,884
		106,368		252,981
Administrative Expenses				
Fundraising Activities	-		28	
Membership Activities	250		250	
Rates and Water	1,233		3,796	
Insurances	12,646		12,101	
Audit fees	4,065		3,980	
Repairs and maintenance	10,023		10,326	
Irrecoverable VAT	1,650		1,382	
Depreciation	55,195		62,483	
Miscellaneous Expenses	13	85,075	804	95,150
Net Income for the year		21,293		157,831

FRIENDS OF THE TIVOLI
CONSOLIDATED DETAILED INCOME AND EXPENDITURE ACCOUNT
For the Year Ended 31st December 2020

	2020		2019	
	£	£	£	£
Stage Shows and Cinema				
Turnover	328,221		1,134,894	
Paid to performers/promoters and for films	214,392		776,806	
		113,829		358,088
Refreshments				
Turnover	14,808		58,219	
Cost of sales	5,809		20,382	
		8,999		37,837
Bar				
Turnover	13,168		50,162	
Cost of sales	5,398		18,931	
		7,770		31,231
Net takings from theatre		130,598		427,156
Miscellaneous sales and advertising		36,293		103,717
Rent		220		3,566
Donations, gifts, and grants		152,263		57,505
Covenant Tivmanco		-		191,592
Interest receivable		3,622		5,159
		322,996		788,695
Administrative Expenses				
Salaries	195,364		215,460	
Light and heat	15,975		20,118	
Rates and water	1,233		3,796	
Repairs and maintenance	20,718		24,606	
Insurance	12,646		12,101	
Cleaning and toiletries	6,035		13,820	
Motor and travel	180		1,003	
Security	2,715		15,378	
Telephone	3,474		2,942	
Equipment hire, and replacement	2,603		1,490	
Printing, postage stationery and computer	20,081		20,295	
Performing Rights Society (net)	527		-782	
Advertising	15,137		37,127	
Audit fees	8,650		8,459	
Professional Advice	772		12,680	
Bank charges	703		1,701	
Depreciation	55,195		62,483	
Fundraising expenses	-		28	
Transactions & Online Charges	9,239		25,071	
Membership expenses	250		250	
Sundry expenses	2,203		5,001	
Irrecoverable VAT	9,168		12,473	
Corporation tax	(15,421)		25,719	
		367,447		521,219
Profit for the year		(44,451)		267,476
Retained by Tivmanco		-		109,645
Surplus/ Loss for year		(44,451)		157,831