

Charity Registration No. 1134863

Company Registration No. 06940032 (England and Wales)

THE LOFT THEATRE COMPANY

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

THE LOFT THEATRE COMPANY

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr D Fletcher Mrs S Moore Mr R Moore Mr W Wilkinson Mr J Synge Mr C O'Brien Mr P Daly-Dickson Ms T Lacey Mr R Lowe Ms V Betts Ms E Morgan	(Appointed 28 April 2020) (Appointed 28 April 2020)
Charity number	1134863	
Company number	06940032	
Registered office	Loft Theatre Victoria Colonnade Leamington Spa Warwickshire CV31 3AA	
Independent examiner	Burgis & Bullock 23-25 Waterloo Place Warwick Street Leamington Spa Warwickshire CV32 5LA	
Bankers	HSBC Bank plc The Parade PO Box 88 Leamington Spa Warwickshire CV32 4BU	
Solicitors	Blythe Liggins Edmund House Rugby Road LEAMINGTON SPA CV32 6EL	

THE LOFT THEATRE COMPANY

LEGAL AND ADMINISTRATIVE INFORMATION

Investment advisors

Self Chartered Financial Planners
6 Elm Court
Arden Street
Stratford Upon Avon
Warwickshire
CV37 6PA

THE LOFT THEATRE COMPANY

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THE LOFT THEATRE COMPANY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 AUGUST 2020

The trustees present their report and accounts for the year ended 31st August 2020.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing document the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2019).

Structure, governance and management

The charity is a company limited by guarantee and was incorporated on 22nd June 2009. The charity is governed by its memorandum and articles of Association dated 22nd June 2009 as amended by special resolution dated 11th January 2010 and special resolution dated 8th April 2018.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

	Member of audit committee	
Mr D Fletcher	Yes	
Ms C Beeston		(Resigned on 14 March 2020)
Mr R Moore		
Ms E Morris		(Resigned on 13 March 2020)
Ms S Moore	Yes	
Mr C O'Brien		
Mr J Synge	Yes	
Mr W Wilkinson	Yes	
Mr P Daly-Dickson		
Mr R Lowe		
Ms T Lacey		
Ms E Morgan		(Appointed 28 April 2020)
Ms V Betts		(Appointed 28 April 2020)

The board have appointed an artistic director, Sue Moore, and a general manager, Amanda Laidler (until November 2020) and Robin Boyd (from December 2020), and delegated to them limited powers to manage the day-to-day affairs of the company. The Loft Theatre Company is run almost entirely by volunteers and provides opportunities for the community to join the Theatre and participate in the management and presentation of high quality theatre. There are no barriers to participation and admission to performances is open to the general public and there are concessionary ticket price schemes in operation.

The Trustees have assessed the major risk factors to which the charity is exposed and are satisfied that systems are in place to mitigate the company's exposure to risks.

THE LOFT THEATRE COMPANY

TRUSTEES' REPORT (CONTINUED) (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 AUGUST 2020

Trustees are generally appointed at the AGM. The process of appointing and retiring trustees, is set out in our Articles 31 to 45, as amended by special resolution dated 11th January 2010 and special resolution dated 8th April 2018.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

Objectives and activities

1. To advance education in the arts, primarily the performing arts, for the public benefit, in particular by:

- a) the production and promotion of theatre plays;
- b) encouraging and promoting the study and appreciation of theatre and participating in making theatre; and
- c) encouraging and promoting appreciation and interest in performing arts, including music, film and dance.

2. To provide, or assist in the provision of, facilities in the interests of social welfare, for recreation or other leisure time occupation of the public with the object of improving their quality and conditions of life.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

September 2019 – July 2020 was a shortened season, halted in March 2020 by the outbreak of the worldwide pandemic, which closed our theatre. It felt very personal when one of our leading actors lost his life to the virus.

Before closing we performed half of our season in the Main House and Studio and hosted three visiting company one night events, one back by popular demand and the other a sell out.

At the time of closing we had 10 productions scheduled, most of which we plan to reschedule. We took the opportunity of closure to undertake major projects within the theatre and backstage was transformed, including a significant construction project of a mezzanine floor over the theatre workshop requiring building regulation approval. These projects were driven by being served notice to vacate the Council property we rent, due to redevelopment plans for Spencer Yard.

THE LOFT THEATRE COMPANY

TRUSTEES' REPORT (CONTINUED) (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 AUGUST 2020

Following closure, we were in receipt of valuable Government funding of £20,000 and generous donations from patrons from both waiving prepurchased ticket monies and general donations to support us.

In order to continue to connect with our audience we posted studio quality recordings of several past productions free of charge online and made a new recording of a previously performed play, with the original cast.

Technically we invested in upgrading our lighting in terms of infrastructure and product.

Further financial investment was made in preparing the theatre for reopening in 2021 to ensure a Covid safe environment. The securing of accreditation by The Society of London Theatres and UK Theatres for the See it Safely kitemark has been an important step.

The theatre engaged in detailed discussions with Warwick District Council regarding the consequences on the Loft of their redevelopment plans for Spencer Yard. The most significant of these is the desire to use the external courtyard for eventing. This would prevent the theatre from rehearsing and performing due to sound disruption. Currently the developers have decided not to pursue these events plans and have passed them to WDC for consideration.

We also took the opportunity during closure to respond to the international movement on diversity and racism. The theatre's policy has been publicly posted outlining the theatre's approach to integrating this into our artistic and operational practice.

PRODUCTIONS STAGED

The Theatre of Music Hall devised by Sean Glock
Songs of Noel Coward (Visiting Company) Andrew Waxkirsh
Into The Breach (Visiting Company) Mark Carey
Hangmen by Martin McDonagh
Down For The Count (Visiting Company) Mike Paul-Smith jazz band
Merrily We Roll Along by Sondheim/Furth
Les Liaisons Dangereuses by Christopher Hampton
The Caretaker by Harold Pinter
Round The Horne (Visiting Company) Tim Astley
The Children by Lucy Kirkwood (one performance only prior to closure)
Rest of the season cancelled or postponed.

THE LOFT THEATRE COMPANY

TRUSTEES' REPORT (CONTINUED) (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 AUGUST 2020

Summary of financial performance

The operating results for the year show a deficit of £19,091. There is also an unrealised loss in investments of £9,301. The net result is a decrease in the funds of the charity of £28,392 to £758,599. The impact of the C-19 has been a significant downward pressure on our results, resulting in lower overall activity and financial performance.

INCOME: Sales of tickets were down 32% with the overall contribution from shows down 49%. The lower margin resulted from increased costs, in particular the bought-in musical elements for "Merrily we Roll Along".

Bar and programmes contribution were also down (50%), reflecting the reduced audience attendance figures.

Other income: This was up significantly: a number of generous donations were received along with a government support grant (Covid) of £20,000 and a full-year's investment income of £11,300.

OVERHEADS: At close-down it was decided to retain the services of the production manager on full pay, to take the opportunity to carry out various improvement and maintenance works of the theatre stage and building. As a result overheads were not significantly down on the previous year. The main item was marketing which incurred some £6,000 less. Also there was a one-off £5,000 investment advisors fee in the prior year.

CASHFLOW: Unsurprisingly cash flow was significantly affected by the above, along with high opening creditors. Cash balances by the end of August 2020 were £48,500, down £42,000 on the year.

INVESTMENTS: The unrealised loss on investments was £9,301, or 1.7% year over year.

To enable members to quickly see and appreciate the varying factors and activities that contribute to our annual outturn in financial terms, the following page shows a brief summary statement of income and expenditure for the year ending 31st August 2020. For the full accounting under present Company and Charity requirements, refer to pages 8-23.

Investments Strategy and actions taken in the year

The investment strategy is to continue to seek a regular stream of annual income to support our activities, without materially impairing the long-term value of the investments. The composition of the investment portfolio has not changed in the year and is seen as a satisfactory basis for this strategy.

Reserves Policy

The charities total reserves at the year-end were £758,599 (2019: £786,991). This includes investment reserves of £509,112 and capital funds of £191,197 (being the net book value of the fixed assets).

The investment reserves are held in an investment portfolio designed to provide an income stream for use in the charity's general activities, whilst preserving a capital base that can be used for the future enhancement of the charity's facilities.

In view of the Charity's responsibilities as an employer and the inherent uncertainties over future income sources, the Trustees agree that it is appropriate to maintain unrestricted / free reserves equivalent to not less than half of the past year's expenditure.

THE LOFT THEATRE COMPANY

TRUSTEES' REPORT (CONTINUED) (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 AUGUST 2020

	2020		2019	
	£		£	
Income from Loft Productions	62,998		102,395	
Costs of Loft Productions	19,385		10,989	
Net Contribution of Loft Productions	—————	43,613	—————	91,406
Income from Visitor Productions	8,097		1,622	
Costs of Visitor Productions	5,786		2,918	
Net Contribution of Visitor Productions	—————	2,311	—————	(1,296)
Income from bar trading	15,330		23,717	
Costs of good sold	6,608		9,517	
Gross profit	8,722		14,200	
Expenses	2,037		1,555	
Net contribution of bar trading	—————	6,685	—————	12,645
Income from other trading	2,747		5,636	
Costs of goods sold	1,295		2,451	
Net Contribution of other Trading	—————	1,452	—————	3,185
Sale of Programmes (Net of costs)		(1,314)		(1,876)
Subscriptions		612		360
Donations - Covid related	5,512		-	
Other donations	1,258		3,399	
Government grants - Covid related	20,000		-	
Investment Income	11,323		2,473	
Other income	3,990		4,724	
Donations, sundry Income		42,083		10,596
Net Incoming resources		—————		—————
		95,442		115,020
		—————		—————

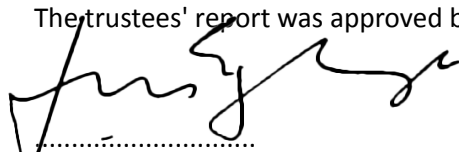
THE LOFT THEATRE COMPANY

TRUSTEES' REPORT (CONTINUED) (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 AUGUST 2020

	2020	2019
	£	£
House Costs		
Staff costs	28,071	26,359
Utilities	15,228	15,023
Maintenance	17,716	18,327
Insurance	6,290	6,444
	<hr/>	<hr/>
Total house costs	67,305	66,153
	<hr/>	<hr/>
Depreciation	18,046	15,196
Marketing & Box office costs	18,081	24,590
	<hr/>	<hr/>
Administration:		
Accounting Assistance	600	305
Telephone	3,663	3,666
Software and IT	1,737	3,765
Other	2,875	2,244
Audit & Accountancy fees	2,226	2,200
Investment advisor fees	-	5,188
	<hr/>	<hr/>
Total admin costs	11,101	17,368
	<hr/>	<hr/>
Outgoing resources	114,533	123,307
	<hr/>	<hr/>
Surplus/(Deficit) on ongoing activities	(19,091)	(8,287)
	<hr/>	<hr/>
Unrealised gain on investments	(9,301)	18,373
Realised gain on investments	-	-
	<hr/>	<hr/>
Net movement in funds	(28,392)	10,086
	<hr/>	<hr/>

The trustees' report was approved by the Board of Trustees.



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Mr J Synge

Dated: 9.March.2021...

THE LOFT THEATRE COMPANY

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF THE LOFT THEATRE COMPANY

I report to the trustees on my examination of the financial statements of The Loft Theatre Company (the charity) for the year ended 31 August 2020.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

Wende Hubbard (FCCA)

23-25 Waterloo Place
Warwick Street
Leamington Spa
Warwickshire
CV32 5LA

Dated:

THE LOFT THEATRE COMPANY

STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2020

		Unrestricted funds 2020 £	Investment funds 2020 £	Capital funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Investment funds 2019 £	Capital funds 2019 £	Total 2019 £
	Notes								
<u>Income from:</u>									
Donations and legacies	3	26,770	-	-	26,770	3,399	-	-	3,399
Charitable activities	4	73,871	-	-	73,871	107,979	-	-	107,979
Investments	5	11,398	46	-	11,444	3,614	45	-	3,659
Other income	6	21,325	-	-	21,325	32,154	-	-	32,154
Total income		133,364	46	-	133,410	147,146	45	-	147,191
<u>Expenditure on:</u>									
Raising funds	7	18,456	-	-	18,456	33,584	5	-	33,589
Charitable activities	8	133,999	-	-	133,999	121,889	-	-	121,889
Total resources expended		152,455	-	-	152,455	155,473	5	-	155,478
Net gains/(losses) on investments	12	-	(9,347)	-	(9,347)	-	18,373	-	18,373
Net (outgoing)/incoming resources before transfers		(19,091)	(9,301)	-	(28,392)	(8,287)	18,413	-	10,086

THE LOFT THEATRE COMPANY

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

FOR THE YEAR ENDED 31 AUGUST 2020

		Unrestricted funds 2020 £	Investment funds 2020 £	Capital funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Investment funds 2019 £	Capital funds 2019 £	Total 2019 £
	Notes								
Net (outgoing)/incoming resources before transfers		(19,091)	(9,301)	-	(28,392)	(8,287)	18,373	-	10,086
Gross transfers between funds	20	12,018	-	(12,018)	-	(203,215)	-	203,215	-
Net movement in funds		(7,073)	(9,301)	(12,018)	(28,392)	(211,542)	18,413	203,215	10,086
Fund balances at 1 September 2019		65,363	518,413	203,215	786,991	276,905	500,000	-	776,905
Fund balances at 31 August 2020		58,290	509,112	191,197	758,599	65,363	518,413	203,215	786,991

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE LOFT THEATRE COMPANY

BALANCE SHEET

AS AT 31 AUGUST 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	13	191,197		203,215	
Investments	14	509,112		518,413	
		<u>700,309</u>		<u>721,628</u>	
Current assets					
Stocks	15	990		1,640	
Debtors	16	19,082		18,980	
Cash at bank and in hand		48,555		90,638	
		<u>68,627</u>		<u>111,258</u>	
Creditors: amounts falling due within one year	17	<u>(10,337)</u>		<u>(45,895)</u>	
Net current assets			58,290		65,363
Total assets less current liabilities			<u>758,599</u>		<u>786,991</u>
Income funds					
Capital funds		191,197		203,215	
Investment funds		509,112		518,413	
Unrestricted funds		58,290		65,363	
		<u>758,599</u>		<u>786,991</u>	

THE LOFT THEATRE COMPANY

BALANCE SHEET (CONTINUED)

AS AT 31 AUGUST 2020

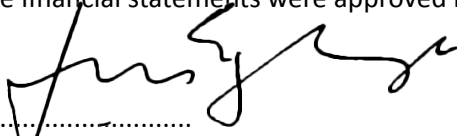
The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 August 2020.

The trustees acknowledge their responsibilities for ensuring that the charity 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 company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 9 March 2021



.....
Mr J Syngé
Trustee

Company Registration No. 06940032

THE LOFT THEATRE COMPANY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

Charity information

The Loft Theatre Company is a private company limited by guarantee incorporated in England and Wales. The registered office is Victoria Colonnade, Leamington Spa, CV31 3AA.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's memorandum and articles of association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective from 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. However the UK is currently experiencing the effects of the COVID-19 pandemic and the trustees are unable to forecast what the ongoing impact of the pandemic might be on the future activities of the theatre. Based on the current information available to them the trustees' expectations of the foreseeable future remain the same and thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid is recognised at the time of the donation.

Income received in advance of theatrical performances or provision of other specified services is deferred until performances are given to which the income refers.

THE LOFT THEATRE COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

Income of the sales of goods and services is measured at the fair value of the consideration received or receivable in the normal course of business.

1.5 Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category.

1.6 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:

Land and buildings	2% straight line
Specialist stage equipment	25% straight line
Fixtures, fittings & equipment	15% reducing balance
Freehold Improvements	10% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

THE LOFT THEATRE COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors 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 at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

THE LOFT THEATRE COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

In relation to potentially obsolete stocks, the trustees have made key assumptions regarding the provision to be included within the financial statements. 'Stocks' included on the balance sheet are stated net of any provision.

3 Donations and legacies

	Unrestricted funds 2020 £	Total 2019 £
Donations and gifts	6,770	3,399
Government grant	20,000	-
	<u>26,770</u>	<u>3,399</u>

THE LOFT THEATRE COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

4 Charitable activities

	2020 £	2019 £
Theatre Activities	71,762	104,756
Subscriptions	612	360
Programme sales	1,497	2,863
	<u>73,871</u>	<u>107,979</u>

5 Investments

	Unrestricted funds 2020 £	Investment funds 2020 £	Total 2020 £	Unrestricted funds 2019 £
Income from listed investments	11,323	-	11,323	2,473
Interest receivable	75	46	121	1,186
	<u>11,398</u>	<u>46</u>	<u>11,444</u>	<u>3,659</u>

6 Other income

	Unrestricted funds 2020 £	Total 2019 £
Bar Income	15,330	23,717
Catering Income	2,747	5,864
Other	3,248	2,573
	<u>21,325</u>	<u>32,154</u>

THE LOFT THEATRE COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

7 Raising funds

	2020 £	2019 £
Advertising	10,553	16,433
Bar and catering costs	7,903	11,968
Investment advisor fees	-	5,188
	<u>18,456</u>	<u>33,589</u>

8 Charitable activities

	2020 £	2019 £
Direct costs of Productions	19,386	10,989
Costs of Visitors Productions	5,786	2,918
Programme costs	2,811	4,739
Utilities and General Production costs	16,177	15,675
Repairs and Maintenance costs	17,611	17,558
Insurance	6,289	6,444
Bank and Credit card charges	9,933	9,886
Telephone, IT, Misc	5,860	8,624
	<u>83,853</u>	<u>76,833</u>
Share of support costs (see note 9)	46,117	41,555
Share of governance costs (see note 9)	4,029	3,501
	<u>133,999</u>	<u>121,889</u>

THE LOFT THEATRE COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

9 Support costs

	Support costs	Governance costs	2020	2019	Basis of allocation
	£	£	£	£	
Staff costs	28,071	-	28,071	26,359	100% charitable
Depreciation	18,046	-	18,046	15,196	100% charitable
Independent Examiner fees	-	2,226	2,226	2,200	Governance
Legal and professional	-	963	963	353	Governance
Other	-	840	840	948	Governance
	<u>46,117</u>	<u>4,029</u>	<u>50,146</u>	<u>45,056</u>	
Analysed between					
Charitable activities	<u>46,117</u>	<u>4,029</u>	<u>50,146</u>	<u>45,056</u>	

10 Trustees

None of the trustees (or any persons connected with them) received any remuneration in the year. Trustees were reimbursed a total of £189 with respect to expenses incurred in the year.

11 Employees

Number of employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
	<u>2</u>	<u>2</u>
Employment costs	2020	2019
	£	£
Wages and salaries	27,345	25,802
Pension costs	726	557
	<u>28,071</u>	<u>26,359</u>

THE LOFT THEATRE COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

12 Net gains/(losses) on investments

	2020 £	2019 £
Revaluation of investments	(9,347)	18,373

13 Tangible fixed assets

	Land and buildings £	Specialist stage equipment £	Fixtures, fittings & equipment £	Freehold Improvements £	Total £
Cost					
At 1 September 2019	126,428	7,708	143,335	86,441	363,912
Additions	-	829	1,771	3,428	6,028
At 31 August 2020	126,428	8,537	145,106	89,869	369,940
Depreciation and impairment					
At 1 September 2019	28,655	6,073	105,383	20,586	160,697
Depreciation charged in the year	2,529	1,025	5,848	8,644	18,046
At 31 August 2020	31,184	7,098	111,231	29,230	178,743
Carrying amount					
At 31 August 2020	95,244	1,439	33,875	60,639	191,197
At 31 August 2019	97,773	1,635	37,952	65,855	203,215

THE LOFT THEATRE COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

14 Fixed asset investments

	Listed investments £	Cash in portfolio	Total £
Cost or valuation			
At 1 September 2019	508,522	9,891	518,413
Valuation changes	(7,894)	(1,453)	(9,347)
Interest on cash deposits	-	46	46
	<u>500,628</u>	<u>8,484</u>	<u>509,112</u>
Carrying amount			
At 31 August 2020	<u>500,628</u>	<u>8,484</u>	<u>509,112</u>
At 31 August 2019	<u>508,522</u>	<u>9,891</u>	<u>518,413</u>

Fixed asset investments revalued

Listed investments have been revalued at their market value at the year end. The historical cost of these investments was £490,149 at 31 August 2020 (£490,149 at 31 August 2019).

15 Stocks

	2020 £	2019 £
Finished goods and goods for resale	<u>990</u>	<u>1,640</u>

16 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	2,176	237
Other debtors	2,300	-
Prepayments and accrued income	14,606	18,743
	<u>19,082</u>	<u>18,980</u>

THE LOFT THEATRE COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

17 Creditors: amounts falling due within one year

	Notes	2020 £	2019 £
Deferred income	18	529	5,947
Trade creditors		6,480	36,148
Other creditors		1,099	-
Accruals and deferred income		2,229	3,800
		<u>10,337</u>	<u>45,895</u>

18 Deferred income

	2020 £	2019 £
Deferred income in relation to forward ticket sales	<u>529</u>	<u>5,947</u>

THE LOFT THEATRE COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

19 Analysis of net assets between funds

	Unrestricted funds	Investment funds	Capital funds	Total	Unrestricted funds	Investment funds	Capital funds	Total
	2020	2020	2020	2020	2019	2019	2019	2019
	£	£	£	£	£	£	£	£
Fund balances at 31 August 2020 are represented by:								
Tangible assets	-	-	191,197	191,197	-	-	203,215	203,215
Investments	-	509,112	-	509,112	-	518,413	-	518,413
Current assets/(liabilities)	58,290	-	-	58,290	65,363	-	-	65,363
	<u>58,290</u>	<u>509,112</u>	<u>191,197</u>	<u>758,599</u>	<u>65,363</u>	<u>518,413</u>	<u>203,215</u>	<u>786,991</u>

THE LOFT THEATRE COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

20 Transfers between funds

During the year, a transfer of £12,018 was made from capital funds to the unrestricted funds to represent the movement in the net book value of its current fixed assets.

21 Related party transactions

Income of £2,300 (2019: £2,389) was received from Act One in the year, a company with which the charity had a common director, for hire of studio facilities. At the year-end, £2,300 (2019: £nil) was outstanding.