

Charity Registration No. 1134863

Company Registration No. 06940032 (England and Wales)

THE LOFT THEATRE COMPANY
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2023

THE LOFT THEATRE COMPANY

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr D Fletcher	
	Mrs S Moore	
	Mr R Moore	
	Mr J Synge	
	Mr C O'Brien	
	Ms V Betts	
	Ms V Holding	
	Ms L Frazier	(Appointed 30 May 2023)
	Mr P Harrison	(Appointed 30 May 2023)
	Ms M McDonough	(Appointed 30 May 2023)
	Mr D Barclay	(Appointed 30 May 2023)
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 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 PERIOD ENDED 31 DECEMBER 2023

The trustees present their report and accounts for the sixteen month period ended 31st December 2023.

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, special resolution dated 8th April 2018 and special resolution dated 9th May 2022.

The 2022 AGM agreed to amend the Articles to remove the existing membership system and empower the Volunteers at the Loft to attend and vote at all General and Extraordinary Meetings of the company.

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

Member of audit committee

Mr D Fletcher	Yes	
Mr R Moore		
Ms S Moore	Yes	
Mr C O'Brien		
Mr J Synge	Yes	
Mr W Wilkinson	Yes	(Resigned 30th May 2023)
Mr P Daly-Dickson		(Resigned 30th May 2023)
Ms T Lacey		(Resigned 30th May 2023)
Ms V Betts		
Ms V Holding		
Ms L Middleton		(Resigned 30th May 2023)
Mr D Barclay		(Appointed 30th May 2023)
Ms L Frazier		(Appointed 30th May 2023)
Mr P Harrison		(Appointed 30th May 2023)
Ms M McDonough		(Appointed 30th May 2023)

THE LOFT THEATRE COMPANY

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

FOR THE PERIOD ENDED 31 DECEMBER 2023

The board have appointed an artistic director, Sue Moore, and a general manager, Robin Boyd, 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.

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, special resolution dated 8th April 2018 and special resolution dated 9th May 2022.

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

This artistic report covers an extended period of 16 months, ending December 2023, reflecting the decision to run our financial affairs over a calendar year in future.

Our Centenary year of 2022 included plays by Chekhov, Pinter and Shakespeare – all significant playwrights in the Loft's history and Shakespeare being a fitting year end choice to a triumphant year of celebration.

2023 was a mix of classic plays, contemporary works, a cult comedy, a Shakespeare and a musical. Details are tabulated below. We had to abandon the planned production of the musical 'Anyone Can Whistle' due to casting difficulties over the year end and in its place staged a joyous production of 'The World Goes Round'. An evening of sonnets was presented as a reading in the Studio in May.

We also hosted a visiting company for a one night performance in January 2023 and August saw the second youth theatre production by our associates Arts Insight.

THE LOFT THEATRE COMPANY

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

FOR THE PERIOD ENDED 31 DECEMBER 2023

Across the period under review in this report we received consistent artistic praise for our work from critics and audience alike and much endorsement surrounding our reputation for staging work of a professional standard.

In March 2023 our Production Manager, Kim Green, left us after 11 years service. We were pleased to have a positive recruitment process and to engage an experienced professional Production Manager, Amy Carroll to replace her.

Since the reopening of the theatre post pandemic, growing audience numbers back to pre pandemic levels has been a slow process. We needed to take some action to address this and to build a younger audience.

Our decision to create trailers for our productions and to introduce sponsored Facebook ads to communicate them in targeted campaigns has achieved impressive results. We now have data which confirms that we are gaining ticket sales through this approach and it has also resulted in a pleasing constant reduction in lowering the age profile.

We continue to invest in the theatre infrastructure including technical stage equipment and a continuing maintenance programme. Some of the rules we were obliged to introduce during the pandemic have been retained and are now part of our routine systems and procedures.

We were relieved to see the reopening of the approach to the front of the theatre following the completion of the restoration to the listed Victoria Colonnade. We then faced similar challenges to the rear of the theatre with the redevelopment of buildings surrounding us into a creative quarter. This programme was completed in the autumn of 2023 and we are starting to build mutually beneficial relationships with the new businesses occupying the redeveloped space.

The Loft continues to attain a consistently high standard right across all departments of the theatre. It is the consistency that is the key to the continuing high reputation it enjoys. We have a high degree of interest from auditionees, enabling us to cast larger cast plays and welcome many new actors to our company. Over 100 new and existing actors have been cast in the last 16 months. We believe this to be a combination of our positive reputation and the quality of the writing in our play choice. We are a strong company.

Productions in the season

The Seagull	Anton Chekhov in a version by James Suckling
The Birthday Party	Harold Pinter
A Midsummer Night's Dream	William Shakespeare
Art	Yasmina Reza translated by Christopher Hampton
The Winterling	Jez Butterworth
Wyrd Sisters	Terry Pratchett adapted by Stephen Briggs
Consent	Nina Raine
Boudica	Tristan Bernays
The Rise and Fall of Little Voice	Jim Cartwright
Sublime Sondheim	Concert
A Delicate Balance	Edward Albee
Macbeth	William Shakespeare
The World Goes 'Round	John Kander and Fred Ebb

THE LOFT THEATRE COMPANY

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

FOR THE PERIOD ENDED 31 DECEMBER 2023

Financial review

As stated in the Artistic report, in 2022 it was decided to align the financial year with the theatrical season, i.e. on December 31st. So both periods end on 31st December.

This 16-month period contained 12 full-house, full-run plays compared with 9 in the previous 12 month year.

As the financial dynamics pivot around the number of shows, this one-third additional activity should be borne in mind when looking at comparative figures.

Summary of financial performance

The operating results for the year to 31st December 2023 show a surplus of £12,137 compared with a deficit of £4,053 in 21/22. There was also an unrealised gain of £22,966 on our investment portfolio, bringing the increase in funds for the period to £35,103.

INCOME: Ticket sales for main house shows rose by 50% to £155,729 for the 16 months resulting from the additional three shows, a modest ticket price increase and increased attendances per show. Bar sales and profits rose in turn by a similar percentage, also benefitting from an overall increase in margin following a mid-period price increase.

Other income: Investment income (due to resilience of dividend receipts and interest) increased to £20,458. Income from lettings to the youth theatre contributed £8,437 during the period.

OVERHEADS: Total overheads were £182,060 (2021-22 £136,903). Pro-rata, approximately what would be expected for the 16 (vs 12 month) period. The primary cause of the utility costs increase, was in energy. Although contracted at fixed rates in July 2022 for 3 years, it was at a significantly higher level than in 2021-22 (due to the world oil and gas increases earlier in 2022). We trust these costs will be stable at the next fixed renewal, but it cannot be guaranteed. A partial offset was the non-recurrence of significant repair works carried out in the prior year. Marketing outlay was also generally lower.

CAPITAL SPENDING: Improved external lighting was ordered to enhance the riverside approach, at a cost of £5,111.

CASHFLOW : Cash balances at 31st December stood at £72,529 (2022 £34,254). This largely reflects the surplus and advance net receipts for next year's shows.

INVESTMENTS: As indicated above, investments showed an increased valuation as at the period end of £22,966 compared with August 2022. Since inception in June 2019 the investments, in spite of market volatility, have made an overall return (including income) of 23.5%.

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 16 months ending 31st December 2023. For the full accounting under present Company and Charity requirements, refer to pages 8-26.

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.

THE LOFT THEATRE COMPANY

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

FOR THE PERIOD ENDED 31 DECEMBER 2023

Reserves Policy

The charities total reserves at the year-end were £769,543 (31 August 2022: £734,440). This includes investment reserves of £557,894 and capital funds of £142,859 (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 maintaining a capital base that can be used for the future enhancement and preservation 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.

	31 December 2023 £		31 August 2022 £	
Income from Loft Productions	155,729		103,323	
Costs of Loft Productions	28,137		24,388	
Net Contribution of Loft Productions	—	127,592	—	78,935
Income from Visitor Productions	12,843		10,965	
Costs of Visitor Productions	8,298		9,063	
Net Contribution of Visitor Productions	—	4,545	—	1,902
Income from bar trading	54,337		34,138	
Costs of good sold	21,760		12,545	
Gross profit	32,577		21,593	
Expenses	975		2,436	
Net contribution of bar trading	—	31,602	—	19,157
Income from other trading	8,437		6,883	
Net Contribution of other Trading	—	8,437	—	6,883
Sale of Programmes (Net of costs)		-		(552)
Subscriptions		-		50
Government Grants		-		12,500
Donations and sundry Income		1,562		1,618
Investment Income		19,745		12,357
Bank Interest		713		
Net Incoming resources		194,197		132,850

THE LOFT THEATRE COMPANY

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

FOR THE PERIOD ENDED 31 DECEMBER 2023

House Costs:			
Staff costs	43,191	31,937	
Utilities	40,348	20,673	
Maintenance	17,632	21,038	
Insurance	8,307	6,389	
Total house costs	109,478		80,037
Depreciation	21,793		17,955
Marketing & Box office costs	35,873		28,557
Administration:			
Telephone	2,177	1,135	
Software and IT	5,733	3,637	
Other	2,687	2,290	
Audit & Accountancy fees	2,480	1,800	
Investment management fees	1,839	1,492	
Total admin costs	14,916		10,354
Outgoing resources	182,060		136,903
Surplus/(Deficit) on ongoing activities	12,137		(4,053)
Unrealised gain on investments	22,966		(27,751)
Realised gain on investments	-		-
Net movement in funds	35,103		(31,804)

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



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Mr J Synge

02 Aug 2024

Date:

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 Period ended 31 December 2023.

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

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of ACCA, which is one of the listed bodies.

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.

W A Hubbard

Wende Hubbard FCCA
Burgis & Bullock
23-25 Waterloo Place
Leamington Spa
Warwickshire
CV32 5LA

05 Aug 2024

Dated:

THE LOFT THEATRE COMPANY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE PERIOD ENDED 31 DECEMBER 2023

	Notes	General funds 2023 £	Investment funds 2023 £	Capital funds 2023 £	Total 2023 £	General funds 2022 £	Investment funds 2022 £	Capital funds 2022 £	Total 2022 £
<u>Income from:</u>									
Donations, Legacies and Grants	2	1,562	-	-	1,562	13,457	-	-	13,457
Charitable activities	3	168,643	-	-	168,643	115,116	-	-	115,116
Outside Lettings	4	8,437	-	-	8,437	6,882	-	-	6,882
Investments	5	19,259	1,200	-	20,459	12,339	22	-	12,361
Other income	6	54,337	-	-	54,337	35,142	-	-	35,142
Total income		252,238	1,200	-	253,438	182,936	22	-	182,958
<u>Expenditure on:</u>									
Raising funds	7	39,402	1,839	-	41,241	29,922	1,492	-	31,414
Charitable activities	8	200,060	-	-	200,060	155,597	-	-	155,597
Total resources expended		239,462	1,839	-	241,301	185,519	1,492	-	187,011
Net gains/(losses) on investments	12	-	22,966	-	22,966	-	(27,751)	-	(27,751)

THE LOFT THEATRE COMPANY

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

FOR THE PERIOD ENDED 31 DECEMBER 2023

	Notes	General funds 2023 £	Investment funds 2023 £	Capital funds 2023 £	Total 2023 £	General funds 2022 £	Investment funds 2022 £	Capital funds 2022 £	Total 2022 £
Net incoming/(outgoing) resources before transfers		12,776	22,327	-	35,103	(2,583)	(29,221)	-	(31,804)
Gross transfers between funds	22	16,681	-	(16,681)	-	17,955	-	(17,955)	-
Net movement in funds		29,457	22,327	(16,681)	35,103	15,372	(29,221)	(17,955)	(31,804)
Fund balances at 1 September 2022		39,333	535,567	159,540	734,440	23,961	564,788	177,495	766,244
Fund balances at 31 December 2023		68,790	557,894	142,859	769,543	39,333	535,567	159,540	734,440

The statement of financial activities includes all gains and losses recognised in the Period. 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 DECEMBER 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	14		142,859		159,540
Investments	15		557,894		535,567
			<u>700,753</u>		<u>695,107</u>
Current assets					
Stocks	16	2,345		1,587	
Debtors	17	17,842		19,634	
Cash at bank and in hand		72,529		34,254	
		<u>92,716</u>		<u>55,475</u>	
Creditors: amounts falling due within one year	18	23,926		16,142	
		<u>23,926</u>		<u>16,142</u>	
Net current assets			68,790		39,333
Total assets less current liabilities			<u>769,543</u>		<u>734,440</u>
The funds of the charity					
Unrestricted funds - general			68,790		39,333
Unrestricted funds - Investment	20		557,894		535,567
Unrestricted - Capital			142,859		159,540
			<u>769,543</u>		<u>734,440</u>

THE LOFT THEATRE COMPANY

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2023

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the Period ended 31 December 2023.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the Period 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.

02 Aug 2024

The financial statements were approved by the trustees on



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Mr J Synge

Trustee

Company registration number 06940032 (England and Wales)

THE LOFT THEATRE COMPANY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2023

1 Accounting policies

Charity information

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

1.1 Reporting period

The prior and first reporting period of the company was extended to a 16 month period ended 31 December 2023. The company changed its year end in order to align their financial year with the standard calendar year. The amounts in the financial statements (including the related notes) are not entirely comparable.

1.2 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 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.

1.3 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 the foreseeable future. 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.

1.4 Charitable funds

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

1.5 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 PERIOD ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

Grant 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.

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.

1.6 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

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

1.7 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 the statement of financial activities.

1.8 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.

THE LOFT THEATRE COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

1.9 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).

1.10 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.

1.11 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.

1.12 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.

THE LOFT THEATRE COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

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.

1.13 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.

1.14 Retirement benefits

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

THE LOFT THEATRE COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2023

2 Donations, Legacies and Grants

	General funds 2023 £	Total 2022 £
Donations and gifts	1,562	957
Government grant	-	12,500
	<u>1,562</u>	<u>13,457</u>

Government grant income received was the 'Business Grant Fund Schemes' in relation to Coronavirus Grant Funding provided by the Government.

3 Charitable activities

	2023 £	2022 £
Theatre Activities	168,643	114,288
Subscriptions	-	50
Programme sales	-	778
	<u>168,643</u>	<u>115,116</u>

4 Income from other trading activities

	General funds 2023 £	General funds 2022 £
Letting and licensing arrangements	<u>8,437</u>	<u>6,882</u>

THE LOFT THEATRE COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2023

5 Investments

	General funds 2023 £	Investment funds 2023 £	Total 2023 £	General funds 2022 £	Investment funds 2022 £	Total 2022 £
Income from listed investments	18,546	933	19,479	12,335	-	12,335
Interest receivable	713	267	980	4	22	26
	<u>19,259</u>	<u>1,200</u>	<u>20,459</u>	<u>12,339</u>	<u>22</u>	<u>12,361</u>

6 Other income

	General funds 2023 £	General funds 2022 £
Bar Income	54,337	34,452
Catering Income	-	32
Other	-	658
	<u>54,337</u>	<u>35,142</u>

THE LOFT THEATRE COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2023

7 Raising funds

	General funds	Investment funds	Total	General funds	Investment funds	Total
	2023 £	2023 £	2023 £	2022 £	2022 £	2022 £
Advertising	17,642	-	17,642	17,032	-	17,032
Bar and catering costs	21,760	-	21,760	12,890	-	12,890
Investment management fees	-	1,839	1,839	-	1,492	1,492
	<u>39,402</u>	<u>1,839</u>	<u>41,241</u>	<u>29,922</u>	<u>1,492</u>	<u>31,414</u>

8 Charitable activities

	General 2023 £	General 2022 £
Charitable activities (including production costs)	130,920	102,728
Share of support costs (see note 9)	64,984	49,892
Share of governance costs (see note 9)	4,156	2,977
	<u>200,060</u>	<u>155,597</u>

Stage includes programme costs of nil for the year (2022: £1,330).

THE LOFT THEATRE COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2023

9 Support costs

	Support costs	Governance costs	2023	Support costs	Governance costs	2022
	£	£	£	£	£	£
Staff costs	43,191	-	43,191	31,937	-	31,937
Depreciation	21,793	-	21,793	17,955	-	17,955
Independent exam fees	-	2,480	2,480	-	1,800	1,800
Legal and professional	-	68	68	-	48	48
Other	-	1,608	1,608	-	1,129	1,129
	<u>64,984</u>	<u>4,156</u>	<u>69,140</u>	<u>49,892</u>	<u>2,977</u>	<u>52,869</u>
Analysed between						
Charitable activities	<u>64,984</u>	<u>4,156</u>	<u>69,140</u>	<u>49,892</u>	<u>2,977</u>	<u>52,869</u>

10 Trustees

None of the trustees (or any persons connected with them) received any remuneration in the year. Trustees were due to be reimbursed a total of £4,518 (2022: £295) with respect to reimbursement of production fees and administrative expenses incurred in the year.

THE LOFT THEATRE COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2023

11 Employees

Number of employees

The average monthly number of employees during the Period was:

	2023 Number	2022 Number
	2	2
	<u>2</u>	<u>2</u>
Employment costs	2023	2022
	£	£
Wages and salaries	42,141	31,132
Pension costs	1,050	805
	<u>43,191</u>	<u>31,937</u>
	<u>43,191</u>	<u>31,937</u>

12 Net gains/(losses) on investments

	2023 £	2022 £
Revaluation of investments	22,966	(27,751)
	<u>22,966</u>	<u>(27,751)</u>

13 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

THE LOFT THEATRE COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2023

14 Tangible fixed assets

	Land and buildings £	Specialist stage equipment £	Fixtures, fittings & equipment £	Freehold improvements £	Total £
Cost					
At 1 September 2022	126,428	12,497	140,106	90,924	369,955
Additions	-	-	-	5,112	5,112
At 31 December 2023	126,428	12,497	140,106	96,036	375,067
Depreciation and impairment					
At 1 September 2022	36,242	11,128	115,631	47,414	210,415
Depreciation charged in the Period	3,363	774	4,883	12,773	21,793
At 31 December 2023	39,605	11,902	120,514	60,187	232,208
Carrying amount					
At 31 December 2023	86,823	595	19,592	35,849	142,859
At 31 August 2022	90,186	1,369	24,475	43,510	159,540

15 Fixed asset investments

	Listed investments £	Cash in portfolio	Total £
Cost or valuation			
At 1 September 2022	530,013	5,554	535,567
Valuation changes	22,966	933	23,899
Investment management fees	-	(1,839)	(1,839)
Interest on cash deposits	-	267	267
At 31 December 2023	552,979	4,915	557,894
Carrying amount			
At 31 December 2023	552,979	4,915	557,894
At 31 August 2022	530,013	5,554	535,567

THE LOFT THEATRE COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2023

15 Fixed asset investments

(Continued)

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.

16 Stocks

2023	2022
£	£

Finished goods and goods for resale	2,345	1,587
	<u> </u>	<u> </u>

17 Debtors

2023	2022
£	£

Amounts falling due within one year:

Trade debtors	366	1,505
Prepayments and accrued income	17,476	18,129
	<u> </u>	<u> </u>
	17,842	19,634
	<u> </u>	<u> </u>

18 Creditors: amounts falling due within one year

Notes	2023	2022
	£	£

Deferred income	19	6,173	4,333
Trade creditors		8,619	7,974
Other creditors		1,784	1,183
Accruals		7,350	2,652
		<u> </u>	<u> </u>
		23,926	16,142
		<u> </u>	<u> </u>

THE LOFT THEATRE COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2023

19 Deferred income

	2023 £	2022 £
Deferred income in relation to forward ticket sales	6,173	4,333

Deferred income relates to ticket income received in advance for periods in the following year. A reconciliation of the deferred income balance as follows: Brought Forward £4,333, Released during the year £162,687, Invoiced £168,860, Balance Carried Forward £6,173.

20 Unrestricted funds - Investment

These are unrestricted funds which are material to the charity's activities.

	At 1 September 2022 £	Incoming resources £	Resources expended £	Transfers £	Gains and losses £	At 31 December 2023 £
Investment fund	535,567	1,200	(1,839)	-	22,966	557,894
Capital fund	159,540	-	-	(16,681)	-	142,859
	<u>695,107</u>	<u>1,200</u>	<u>(1,839)</u>	<u>(16,681)</u>	<u>22,966</u>	<u>700,753</u>
Previous year:	At 1 September 2021 £	Incoming resources £	Resources expended £	Transfers £	Gains and losses £	At 31 August 2022 £
Investment fund	564,788	22	(1,492)	-	(27,751)	535,567
Capital fund	177,495	-	-	(17,955)	-	159,540
	<u>742,283</u>	<u>22</u>	<u>(1,492)</u>	<u>(17,955)</u>	<u>(27,751)</u>	<u>695,107</u>

THE LOFT THEATRE COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2023

21 Analysis of net assets between funds

	General funds	Investment funds	Capital funds	Total	General funds	Investment funds	Capital funds	Total
	2023	2023	2023	2023	2022	2022	2022	2022
	£	£	£	£	£	£	£	£
Fund balances at 31 December 2023 are represented by:								
Tangible assets	-	-	142,859	142,859	-	-	159,540	159,540
Investments	-	557,894	-	557,894	-	535,567	-	535,567
Current assets/(liabilities)	68,790	-	-	68,790	39,333	-	-	39,333
	<u>68,790</u>	<u>557,894</u>	<u>142,859</u>	<u>769,543</u>	<u>39,333</u>	<u>535,567</u>	<u>159,540</u>	<u>734,440</u>

THE LOFT THEATRE COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2023

22 Transfers between funds

During the year, a transfer of £16,681 was made from capital funds to the general funds to represent the movement in the net book value of its current fixed assets.

23 Related party transactions

Expenditure of £3,082 (2022: nil) was paid to Frazier Wine Merchants Ltd in the period, a company with which Ms L Frazier is a related party. At year end, £nil (2022: nil) was outstanding.