

Charity Registration No. 1161046

Company Registration No. 08898891 (England and Wales)

SHELLEY THEATRE TRUST
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2020



4 Brackley Close
Bournemouth International Airport
Christchurch
Dorset
BH23 6SE

SHELLEY THEATRE TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr J Dunne Mrs N S Dunne Mr G P Jefferson Mr A P Proctor Mr E A Lee
Charity number	1161046
Company number	08898891
Registered office	4 Brackley Close Bournemouth International Airport Christchurch Dorset BH23 6SE
Independent examiner	Harrisons Chartered Accountants 4 Brackley Close Bournemouth International Airport Christchurch Dorset BH23 6SE

SHELLEY THEATRE TRUST

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SHELLEY THEATRE TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees present their report and financial statements for the year ended 31 December 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements 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) (effective 1 January 2019)".

Chairman's statement

At the time of preparing this report Shelley Theatre is in its second year of enforced closure due to the COVID pandemic. The Theatre closed on 17th March 2020 and is yet to be in a position to safely re-open and comply with current regulations.

After a highly successful 2019, a very promising and exciting start to 2020 with a full program under way, also being fully booked for the remainder of a year, it was a massive shock and a great disappointment to have no option but to close the doors at short notice.

However, the Shelley Theatre Trust is in a very fortunate position to have the support of sponsors who are underwriting the finances of the Shelley Theatre space to the extent of 'survival' of the project until it can emerge from this pandemic.

The Trustees would very much like to reopen but they must be mindful of the costs incurred and the risks in asking volunteers to step up to assist in the managing of the patrons. The Theatre has now retained one full time employee to manage staffing issues, prepare for opening when it is possible, and to manage the costs and refunds to patrons.

The Trust will ensure that when it does get the team together to plan a programme to open it will not be thwarted by the impact of the pandemic as we do not want to have an incident to cause the space to have to close.

In summary the Trustees are fluidly considering all options to re-open Shelley Theatre as soon as possible and ensure that the substantial time, cost, and effort injected into the Theatre over last six years will not have been in vain.

Objectives and activities

The ongoing Objects and Activities of the charity will remain unchanged as we emerge from the pandemic.

The Objects of the charity as set out in its Articles of Association are, the advancement of the education of the public in visual, performing, cinematic and literary arts including, without limitation, drama, ballet, music, singing, literature, sculpture and painting; and any other charitable purpose that may at the discretion of the Trustees be considered ancillary to the Articles above or which can conveniently be carried on in conjunction with the Articles.

Ongoing activities include a developing selection of arts related programmes including live performances involving community presentations and high quality touring events. Also, a wide range of films are shown at competitive prices. The Theatre will continue to bring high quality arts events from a variety of sources which will seek to enhance the social community experience of those attending and improve the quality of life of residents local to Boscombe and the Bournemouth area.

The Trustees continue to work to make the Shelley Theatre the hub of local community activity across the whole spectrum of residents in the area.

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

SHELLEY THEATRE TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Achievements and performance

As referred to in the Chairman's statement, the Theatre closed on 17th March 2020 due to the COVID pandemic and is yet to re-open therefore the level of activity in 2020 is significantly lower than in 2019.

Financial review

During the year The Charity generated a total income of £147,557 (2019: £380,774).

Total expenditure amounted to £214,513 (2019: £379,114).

Therefore there is a deficit for the year of £66,956 (2019: surplus of £1,660) resulting in a deficit on the balance sheet of £2,839 (2019: surplus of £64,117) at 31 December 2020.

During the year all expenditure was closely monitored by way of regular detailed management reports extracted from the Sage Accounting system. As the longer-term effects of the pandemic became evident during the year immediate and substantial cost cuts were made. The deficit was allowed only in the full knowledge of the ongoing support available from the Trusts' sponsors.

The Trustees are confident that with no external debt and with the support of the sponsors, the Trust will continue to operate.

Risk assessment

The Trustees continually review risk throughout the year and consider those to which the charity would normally be exposed, particularly business, operational and financial. The Trustees consider the principal risks to the charity against which it cannot be insured remain as:

- Extraordinary cost of repair of equipment or property failure which would result in part or full closure
- Funding short-term adverse economic conditions affecting the local area
- Inadequate growth in usage of the property and related income to support objectives

During the pandemic the Trust has the full support of its sponsors and when times return to a new normal the above operational risks will continue to be covered by a system of internal control and monthly reporting to manage, reduce and address the identified risks immediately. In developing Shelley Theatre, a firm policy has been agreed that the Trust, other than by short term "trading" liabilities, will not take on any external debt or liability.

A formal policy on cash reserves has been agreed to formalise a protected balance of £25,000 as a reserve when appropriate. As the Theatre will continue to grow over the next few years and the Trustees wish to ensure that when the proposed protected reserve is set there will be adequate available funds, the position will be reviewed again annually.

These measures and policies will ensure that Shelley Theatre Trust's core activity would continue during a period of unforeseen difficulty, and further income support from the use of other rooms will add strength to the Theatre's growth.

As already indicated, it is a firm policy of the Trustees that no funding will be taken in any form which may create an ongoing financial liability on the Trust.

Structure, governance and management

Governing document

Shelley Theatre Trust is a company limited by guarantee governed by its Articles of Association dated 17 February 2014. The Trust is registered as a charity with the Charity Commission. The Trustees have been appointed as Directors and Trustees in accordance with the Articles and within the meaning of the Companies Act and charity law. Their purpose is to establish strategies and lead the Theatre and its development within the terms of the Articles.

SHELLEY THEATRE TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2020**

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:

Mr J Dunne

Mrs N S Dunne

Mr G P Jefferson

Mr A P Proctor

Mr E A Lee

The Trustees continue to look for further suitable Directors/Trustees who could provide a wider and longer-term expertise for the Trust.

The Board of Trustees consisting of not less than four members with no upper limit administers the charity and monitors, although does not directly control - Shelley Theatre Company Limited. Shelley Theatre Company Ltd is a wholly independent trading entity which works with the Trust managing food, beverage, and other activities to assist in the raising of funds for the ongoing work of the Theatre.

The board of the Trust meets every other month to discuss, activity, development, finance and all aspects of the charity's work. It is intended that in line with the rate that the Theatre grows the responsibilities of the Trustees will in due course be boosted by new appointments of suitable persons who can provide the necessary expertise and support required.

All Board Directors are company directors and charity Trustees.

The Theatre is run under the guidance of the Trustees by full and part time employees plus a strong team of volunteers. Our grateful thanks to the support provided by them all up until closure, and for their patience during these difficult times

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

Mr E A Lee

Trustee

Dated: 10 September 2021

SHELLEY THEATRE TRUST

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF SHELLEY THEATRE TRUST

I report to the trustees on my examination of the financial statements of Shelley Theatre Trust (the charity) for the year ended 31 December 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.

Harrisons Chartered Accountants

4 Brackley Close
Bournemouth International Airport
Christchurch
Dorset
BH23 6SE

Dated: 10 September 2021

SHELLEY THEATRE TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

		Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
	Notes						
<u>Income from:</u>							
Donations and legacies	3	44,294	-	44,294	64,558	-	64,558
Charitable activities	4	103,256	-	103,256	316,204	-	316,204
Investments	5	7	-	7	12	-	12
Total income		147,557	-	147,557	380,774	-	380,774
<u>Expenditure on:</u>							
Charitable activities	6	214,022	491	214,513	376,959	2,155	379,114
Net (expenditure)/income for the year/ Net movement in funds		(66,465)	(491)	(66,956)	3,815	(2,155)	1,660
Fund balances at 1 January 2020		61,809	2,308	64,117	57,994	4,463	62,457
Fund balances at 31 December 2020		(4,656)	1,817	(2,839)	61,809	2,308	64,117

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.

SHELLEY THEATRE TRUST

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	10		14,249		18,999
Current assets					
Debtors	11	17,224		23,498	
Cash at bank and in hand		20,011		89,385	
		<u>37,235</u>		<u>112,883</u>	
Creditors: amounts falling due within one year	12	<u>(54,323)</u>		<u>(67,765)</u>	
Net current (liabilities)/assets			(17,088)		45,118
Total assets less current liabilities			<u>(2,839)</u>		<u>64,117</u>
Income funds					
Restricted funds	13		1,817		2,308
Unrestricted funds			(4,656)		61,809
			<u>(2,839)</u>		<u>64,117</u>

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 December 2020.

The directors 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 10 September 2021

Mr E A Lee
Trustee

Company Registration No. 08898891

SHELLEY THEATRE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Charity information

Shelley Theatre Trust is a private company limited by guarantee incorporated in England and Wales. The registered office is 4 Brackley Close, Bournemouth International Airport, Christchurch, Dorset, BH23 6SE.

1.1 Accounting convention

The financial statements have been prepared in accordance 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) (effective 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 the revaluation of freehold properties and to include investment properties and 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. Thus the trustees 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.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

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 or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

SHELLEY THEATRE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.5 Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

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:

Fixtures and fittings	25% reducing balance
Equipment	25% reducing balance

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 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).

1.8 Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

1.9 Retirement benefits

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

SHELLEY THEATRE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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.

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2020 £	2019 £
Donations and gifts	1,765	64,558
Government grant income	42,529	-
	<u>44,294</u>	<u>64,558</u>

Government grant income is in respect of COVID-19 support.

Donated goods and services

The trust benefits greatly from the involvement of its many volunteers. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in the accounts.

4 Charitable activities

	Theatre	Flat rental	Total	Theatre	Flat rental	Total
	2020	2020	2020	2019	2019	2019
	£	£	£	£	£	£
Ticket and program sales	74,133	-	74,133	259,033	-	259,033
Venue hire	7,130	-	7,130	39,065	-	39,065
Charitable rental income	-	21,993	21,993	-	16,825	16,825
Other income	-	-	-	1,281	-	1,281
	<u>81,263</u>	<u>21,993</u>	<u>103,256</u>	<u>299,379</u>	<u>16,825</u>	<u>316,204</u>

SHELLEY THEATRE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

5 Investments

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Interest receivable	7	12

6 Charitable activities

	Theatre	Flat rental	Total	Theatre	Flat rental	Total
	2020	2020	2020	2019	2019	2019
	£	£	£	£	£	£
Charitable activities	191,276	17,513	208,789	342,598	19,214	361,812
Share of governance costs (see note 7)	5,724	-	5,724	17,302	-	17,302
Analysis by fund						
Unrestricted funds	196,509	17,513	214,022	357,745	19,214	376,959
Restricted funds	491	-	491	2,155	-	2,155
	197,000	17,513	214,513	359,900	19,214	379,114

7 Support costs

	Governance costs	2020	Governance costs	2019
	£	£	£	£
Governance costs	5,724	5,724	17,302	17,302
	5,724	5,724	17,302	17,302
Analysed between Charitable activities	5,724	5,724	17,302	17,302

Governance costs includes payment of £3,003 (2019- £2,778) for independent examination fees.

8 Trustees

None of the trustees received any remuneration or benefits from the charity during the year.

SHELLEY THEATRE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

9 Employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
	5	6
	<u>5</u>	<u>6</u>
Employment costs	2020 £	2019 £
Wages and salaries	63,805	60,445
Other pension costs	204	159
	<u>64,009</u>	<u>60,604</u>

No employee received employee benefits of over £60,000 during the current or previous year.

During the year redundancy payments totalling £5,451 were paid to employees.

10 Tangible fixed assets

	Fixtures and fittings £	Equipment £	Total £
Cost			
At 1 January 2020	3,979	46,516	50,495
	<u>3,979</u>	<u>46,516</u>	<u>50,495</u>
At 31 December 2020	3,979	46,516	50,495
	<u>3,979</u>	<u>46,516</u>	<u>50,495</u>
Depreciation and impairment			
At 1 January 2020	997	30,499	31,496
Depreciation charged in the year	746	4,004	4,750
	<u>1,743</u>	<u>34,503</u>	<u>36,246</u>
At 31 December 2020	1,743	34,503	36,246
	<u>1,743</u>	<u>34,503</u>	<u>36,246</u>
Carrying amount			
At 31 December 2020	2,236	12,013	14,249
	<u>2,236</u>	<u>12,013</u>	<u>14,249</u>
At 31 December 2019	2,982	16,017	18,999
	<u>2,982</u>	<u>16,017</u>	<u>18,999</u>

SHELLEY THEATRE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

11 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	(275)	5,281
Other debtors	13,857	12,711
Prepayments and accrued income	3,642	5,506
	<u>17,224</u>	<u>23,498</u>

12 Creditors: amounts falling due within one year

	2020 £	2019 £
Other taxation and social security	371	816
Trade creditors	79	2,832
Other creditors	7,202	7,202
Accruals and deferred income	46,671	56,915
	<u>54,323</u>	<u>67,765</u>

13 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 January 2019 £	Resources expended £	Balance at 1 January 2020 £	Resources expended £	Balance at 31 December 2020 £
Refurbishment Fund	4,463	(2,155)	2,308	(491)	1,817

14 Analysis of net assets between funds

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
Fund balances at 31 December 2020 are represented by:						
Tangible assets	12,777	1,472	14,249	17,036	1,963	18,999
Current assets/ (liabilities)	(17,433)	345	(17,088)	44,773	345	45,118
	<u>(4,656)</u>	<u>1,817</u>	<u>(2,839)</u>	<u>61,809</u>	<u>2,308</u>	<u>64,117</u>

SHELLEY THEATRE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

15 Related party transactions

Transactions with related parties

During the year the charity entered into the following transactions with related parties:

At the balance sheet date £7,202 (2019 - £7,202) was owed to two trustees, Mr S J Dunne and Mr A P Proctor.

Miss Z Dunne, daughter of two of the trustees, received remuneration of £19,000 (2019 - £19,000).

Shelley Theatre Company Limited is a company with common directors. During the year £39,699 (2019 - £39,906) was paid to Shelley Theatre Company Limited to facilitate repair work in the theatre. At the balance sheet date £12,510 (2019 - £11,597) was owed from Shelley Theatre Company Limited. This balance was repaid on 26 March 2021.

Estante 032 Limited is a company with common directors. During the year rent of £1 (2019 - £1) was paid. An informal lease is in place with Estante 032 Limited which allows Shelley Theatre Trust to benefit from the rental income received in respect of flats owned by the company.

Aggregate donations received from trustees during the year totalled £nil (2019 - £32,334).