

Charity Registration No. 1161046

Company Registration No. 08898891 (England and Wales)

SHELLEY THEATRE TRUST

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
31 DECEMBER 2022**

harrisons

chartered accountants

4 Brackley Close
Bournemouth International Airport
Christchurch
Dorset
BH23 6SE

SHELLEY THEATRE TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr S 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 2022

The trustees present their report and financial statements for the year ended 31 December 2022.

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 writing this report Shelley Theatre unfortunately remains closed. Initially this was due to the COVID pandemic but as a 150-seat small theatre it remains closed due to the variable economic situation in the wider economy linked with the challenges encountered in the hospitality industry.

The Theatre closed on 17th March 2020 and the Trustees remain firmly intent on re-opening as soon as it is practically possible. Regular reviews of the environment within which the Venue operates take place but at the present time it is not prudent based on financial constraints of both patrons and the theatre, also with work force shortages.

Shelley Theatre Trust is still in a very fortunate position to have the support of Trustees who are the main sponsors and prepared to continue underwriting the finances of the Shelley Theatre space to ensure that the venue is safeguarded. They also, maintain considerable investment in Infrastructure upgrades ensuring the venue is ready with improved facilities for the day when it can reopen.

The accounts to December 2022 show the financial support that the Theatre has received, and will continue from the Dunne and Proctor families. As in previous years what is not shown is the outstanding continued support of works manager, Roger Eede, who has been outstanding in continued concreting, painting, installing, cleaning and supporting the employed trades securing the building's future.

In preparation for re-opening in due course, the Trustees are mindful of the costs in doing so and to ensure that there is adequate opportunity to deliver an income producing package for entertainment in both performance and food and beverage, it is essential to have supporting economic conditions for the venue to maintain a long-lasting cash flow upon re-opening and for longer term the future.

As well as venue improvements, the focus in the past 12 months has been in applying for funding grants to meet the first six months opening costs – this has only been partially successful and continues through 2023. The main emphasis being to ensure that key roles are filled in the Theatre with suitably skilled staff. The Theatre has no employees at this time.

The Trustees are also reviewing options to invite outside investment into the Charity to secure the necessary funding.

Objectives and activities

The ultimate Objects and Activities of the charity have not changed, although cannot be fully implemented until the Theatre re-opens.

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.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake. The Trustees consider that activities in 2022 and objectives remain fully appropriate for the Theatre to retain its current charitable status.

As such the Trustees believe that the charity meets the public benefit requirements and have complied with the duty in section 4 of the 2011 Act.

SHELLEY THEATRE TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Achievements and performance

Whilst yet to re-open, great progress has been seen in remedying the badly rundown and decaying areas of this historic Theatre, with many derelict areas of the venue rebuilt and fully fitted.

Financial review

During the year The Charity has received a total income of £77,798 (2021: £107,370).

Total expenditure amounted to £59,031 (2021: £117,895).

Therefore there is a surplus for the year of £18,767 (2021: deficit of £10,525) resulting in a surplus on the balance sheet of £5,403 (2021: deficit of £13,364) at 31 December 2022.

During the year all expenditure was closely monitored by way of regular detailed management reports.

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.

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 will be agreed in due course. As the Theatre continues to grow over the next few years the Trustees wish to ensure there will be adequate available funds for all contingencies.

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

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.

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 S J Dunne

Mrs N S Dunne

Mr G P Jefferson

Mr A P Proctor

Mr E A Lee

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.

SHELLEY THEATRE TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) ***FOR THE YEAR ENDED 31 DECEMBER 2022***

The board of the Trust meets as required 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.

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

Mr E A Lee

Trustee

Dated: 21 September 2023

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 2022.

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: 21 September 2023

SHELLEY THEATRE TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Income from:							
Donations and legacies	3	46,421	9,975	56,396	64,449	-	64,449
Charitable activities	4	21,401	-	21,401	42,921	-	42,921
Investments	5	1	-	1	-	-	-
Total income		67,823	9,975	77,798	107,370	-	107,370
Expenditure on:							
Charitable activities	6	58,755	276	59,031	117,527	368	117,895
Net income/(expenditure) for the year/							
Net movement in funds		9,068	9,699	18,767	(10,157)	(368)	(10,525)
Fund balances at 1 January 2022		(14,813)	1,449	(13,364)	(4,656)	1,817	(2,839)
Fund balances at 31 December 2022		(5,745)	11,148	5,403	(14,813)	1,449	(13,364)

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 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	10		8,016		10,688
Current assets					
Debtors	11	13,666		9,884	
Cash at bank and in hand		18,680		18,887	
		<u>32,346</u>		<u>28,771</u>	
Creditors: amounts falling due within one year	12	<u>(34,959)</u>		<u>(52,823)</u>	
Net current liabilities			(2,613)		(24,052)
Total assets less current liabilities			<u>5,403</u>		<u>(13,364)</u>
Income funds					
Restricted funds	13		11,148		1,449
Unrestricted funds			(5,745)		(14,813)
			<u>5,403</u>		<u>(13,364)</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 2022.

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 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 21 September 2023

Mr E A Lee
Trustee

Company Registration No. 08898891

SHELLEY THEATRE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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. 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 2022

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 the statement of financial activities.

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 2022

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	Restricted funds	Total	Unrestricted funds
	2022 £	2022 £	2022 £	2021 £
Donations and gifts	11,421	-	11,421	31,039
Grant income	35,000	9,975	44,975	33,410
	<u>46,421</u>	<u>9,975</u>	<u>56,396</u>	<u>64,449</u>

Grant income includes government grant income 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

	Flat rental 2022 £	Flat rental 2021 £
Charitable rental income	<u>21,401</u>	<u>42,921</u>

5 Investments

	Unrestricted funds	Total
	2022 £	2021 £
Interest receivable	<u>1</u>	<u>-</u>

SHELLEY THEATRE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

6 Charitable activities

	Theatre 2022 £	Flat rental 2022 £	Total 2022 £	Theatre 2021 £	Flat rental 2021 £	Total 2021 £
Charitable activities	33,105	19,918	53,023	88,950	24,934	113,884
Share of governance costs (see note 7)	6,008	-	6,008	4,011	-	4,011
Analysis by fund						
Unrestricted funds	38,837	19,918	58,755	92,593	24,934	117,527
Restricted funds	276	-	276	368	-	368
	39,113	19,918	59,031	92,961	24,934	117,895

7 Support costs

	Governance costs £	2022 £	Governance costs £	2021 £
Legal and professional fees	6,008	6,008	4,011	4,011
	6,008	6,008	4,011	4,011
Analysed between Charitable activities	6,008	6,008	4,011	4,011

Governance costs includes payment of £2,843 (2021- £3,351) for independent examination fees.

8 Trustees

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

9 Employees

The average monthly number of employees during the year was:

2022 Number	2021 Number
-	2

SHELLEY THEATRE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

9 Employees (Continued)

Employment costs	2022 £	2021 £
Wages and salaries	-	23,841
Other pension costs	-	122
	<u>-</u>	<u>23,963</u>

During the previous year redundancy payments totalling £750 were paid to employees. There were no similar costs in the current year.

There were no employees whose annual remuneration was more than £60,000.

10 Tangible fixed assets

	Fixtures and fittings £	Equipment £	Total £
Cost			
At 1 January 2022	3,979	46,516	50,495
At 31 December 2022	<u>3,979</u>	<u>46,516</u>	<u>50,495</u>
Depreciation and impairment			
At 1 January 2022	2,301	37,506	39,807
Depreciation charged in the year	420	2,252	2,672
At 31 December 2022	<u>2,721</u>	<u>39,758</u>	<u>42,479</u>
Carrying amount			
At 31 December 2022	<u>1,258</u>	<u>6,758</u>	<u>8,016</u>
At 31 December 2021	<u>1,678</u>	<u>9,010</u>	<u>10,688</u>

11 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	1,461	645
Other debtors	4,510	4,347
Prepayments and accrued income	7,695	4,892
	<u>13,666</u>	<u>9,884</u>

SHELLEY THEATRE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

12 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	1,301	2,337
Other creditors	7,202	12,663
Accruals and deferred income	26,456	37,823
	<u>34,959</u>	<u>52,823</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 2021 £	Resources expended £	Balance at 1 January 2022 £	Movement in funds		Balance at 31 December 2022 £
				Incoming resources £	Resources expended £	
Refurbishment Fund	<u>1,817</u>	<u>(368)</u>	<u>1,449</u>	<u>9,975</u>	<u>(276)</u>	<u>11,148</u>

14 Analysis of net assets between funds

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Fund balances at 31 December 2022 are represented by:						
Tangible assets	7,188	828	8,016	9,584	1,104	10,688
Current assets/(liabilities)	(12,933)	10,320	(2,613)	(24,397)	345	(24,052)
	<u>(5,745)</u>	<u>11,148</u>	<u>5,403</u>	<u>(14,813)</u>	<u>1,449</u>	<u>(13,364)</u>

SHELLEY THEATRE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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 (2021 - £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 payment for administrative services of £2,382 (2021 - remuneration of £14,250).

Shelley Theatre Company Limited is a company with common directors. During the year £14,152 (2021 - £51,723) was contributed to Shelley Theatre Company Limited to facilitate repair work in the theatre. At the balance sheet date £nil (2021 - £5,461) was owed to Shelley Theatre Company Limited.

Estante 032 Limited is a company with common directors. During the year rent of £1 (2021 - £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.