

Company registration number: CE015497

Charity registration number: 1180504

# **The Folkestone-Hythe Operatic & Dramatic Society**

(A Charitable Incorporated Organisation)

Annual Report and Financial Statements

for the year ended December 31, 2022

## **Contents**

Trustees Report	2
Independent Examiners Report	7
Statement of financial activities – Income and Expenditure Account	8
Statement of financial activities – Balance Sheet	9
Notes on the Financial Statements	10
Detailed Income and Expenditure Account	13

## **The Folkestone-Hythe Operatic & Dramatic Society**

### **Trustees' Report for 2022**

The trustees present their report with the financial statements of the charity for the year ended December 31, 2022. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) FRS 102

#### **REFERENCE AND ADMINISTRATIVE DETAILS**

##### **Registered Charity number**

1180504

##### **Principal address**

The Tower Theatre  
North Road  
Folkestone  
Kent  
CT20 3HL

#### **TRUSTEES**

The Executive Committee of the charity are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees. The trustees serving during the year were as follows with their date of appointment:

Chair	Michael Chisnall (June 2018 – re-elected November 2020)
Vice-chair	Merewyn Forrest (January 2022)
Secretary	Natalie Holness (November 2020 – re-elected November 2022)
Treasurer	Michael Manton (June 2018 – re-elected January 2020)
Other Members	Myra Collingridge (November 2022)
	Alice Hawkins (January 2022)
	Samantha Burgess (November 2022)
	Paul Milton (November 2022)
	David Lewis (until November 2022)

The following assisted in running the Society but are not trustee positions:

Theatre Manager	John Pritchard
Events and Marketing Manager	Reana Herchenhan
Technical Manager	Ben Laverty
Duty Manager	Gary Ingoldby Spate
P&P sub-committee Chair	Steve Hawkins (until November 2022); Michelle Hartley (from November 2022)
Administrator	Michelle Hartley
Youth Section Chair	Chiara Russell-Pieri

#### **Independent examiner**

Mr Neil Hope  
10 James Close  
Lyminge  
CT18 8NL

#### **Solicitors**

Messrs Girlings  
16 Rose Lane  
Canterbury, CT1 2UR

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Governance**

On October 31<sup>st</sup> 2018, following agreement at the June 2018 AGM, a new FHODS was set up as a Charitable Incorporated Organisation (CIO). On December 3, 2018, all assets and liabilities were transferred from the old Society to the new CIO. Its charitable status remains unaltered although the Charity Number has changed from 1001311 to 1180504.

### **Appointment of Trustees**

Any member of the society aged 18 or over is eligible to serve on the Executive Committee provided they are nominated and seconded by other members of the society, and properly elected. Members of the Executive Committee are Trustees. The Vice-President and all members of the Executive Committee are elected at the Annual General Meeting held as near to the end of June as is practicable.

The overall responsibility for the Society lies with the Executive Committee. The Hon.Treasurer is responsible for overseeing the finances of the Society. All members are circulated with invitations to nominate trustees prior to the AGM advising them of the retiring trustees and requesting nominations for the AGM.

### **Organisation**

The trustees administer the charity. The Executive Committee meets monthly and there is a Performance and Planning Sub-Committee covering the planning and staging of plays, musical and pantomimes.

## **OBJECTIVES AND ACTIVITIES**

The charitable objectives of FHODS are to educate the public in the dramatic and operatic arts and to further the development of public appreciation and taste in the said arts. The Society also aims to contribute to the quality of life of the local community and wider area by expanding their horizons through the provision of exciting, challenging and accessible productions of plays, musicals and youth performances.

The Society is very involved in the community and is dependent on voluntary help. Over the past few years, the Society has had around 100 Acting Members and 80 Friends, with a further 90 members of the Youth Section.

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commissioners guidance on public benefit, including the guidance on public benefit and fee charging. The charity relies on grants and the income from charges to cover its operating costs. In setting the level of charges and concessions, the trustees give careful consideration to the accessibility of the theatre for those on low income.

FHODS was formed in 1902; we leased the Little Theatre in Sandgate in 1965, purchasing its freehold in in 1973; bought the Shorncliffe Garrison Church (as it then was) in 2001; and moved into it as our permanent home in 2006 after it had been converted into the present Tower Theatre.

## **PRODUCTIONS IN 2022**

The FHODS production calendar was restored to its full program of shows in 2022 after the truncated calendars in 2020 and 2021 due to the coronavirus pandemic. All performances in 2022 had standard seating audiences (i.e. not socially distanced).

The table shows FHODS productions during 2022 at the Tower Theatre with their audiences and ticket revenue.

SHOW	PERFORMANCES	AUDIENCE	TICKET REVENUE
And Then There Were None	4	873	£11,438
Parasomnia	1	168	£1,089
The Importance of Being Ernest	5	541	£7,159
The Wizard of Oz	8	1,341	£19,272
Sunset Boulevard	5	695	£10,647
Someone Waiting	4	572	£7,451
Cinderella	20	4,738	£72,199
<b>TOTAL</b>	<b>47</b>	<b>8,928</b>	<b>£129,255</b>

In addition to these FHODS productions, the theatre was used for an additional 59 performances from outside hires, for theatre, musicals, dance and youth productions. These outside hires had a total audience of 7,838.

Therefore, in summary, there were 106 performances in the main auditorium, playing to a total audience of 16,766. This compares to a total audience of 7,192 for 2021 and 15,915 for 2019, the last year that we were fully open.

## **FINANCIAL REVIEW**

### **2019 & 2021 comparatives**

The closure of the theatre for 18 months from March 2020 means that comparing 2022 performance with 2021 is of limited value, so we will also compare with 2019, our previous year with a full calendar of events.

### **Income**

Ticket sales for shows picked up significantly in 2022 after a sluggish performance in the previous six months after reopening. Total audience ticket sales in 2022 was 8,928, which was just 5 ticket sales less than 2019's 8,933 (our best year of ticket sales to date) and 3,353 (+60%) more than 2021.

Bar profits increased to £31,169 from £6,400 in 2021, but were still below £34,000 in 2019. Margin on bar sales was 51% last year, which was an increase from 39% in 2021 but below 2019's 57%, and below our target of 65%.

We have been fortunate enough to receive grants of £27,000 in 2022, the majority of which was a remaining payment of £16,000 from the Culture Recovery Grant. Amongst other grants, we also received a grant of £2,500 from Sylvia Waddilove and £2,000 from the Sandgate councillors.

The rental income from the Jumping Jacks Nursery contributed £4,320.

In all, our income for the year was £260,482, which was £79,000 more than 2021 and £75,000 more than 2019.

### **Expenditure**

Expenditure returned to normal in 2022 after the previous two pandemic-impacted years.



Wages in 2022 increased to £81,654, a +35% increase on 2021 – new roles included a Duty Manager. We also spent £1,666 on casual bar staff wages to support the Duty Manager during busy events.

In October 2022, we also started paying for electricity for the first time since the Tower Theatre opened – our electricity had been previously covered by the Ministry of Defence and then by an on-site generator provided by Taylor Wimpey.

Total expenditure for the year was £254,254, which was £74,709 (+42%) more than 2021 and £80,749 (+47%) more than 2019

### **Financial Overview**

The profit and loss account shows a small profit of £6,228. This compares to £1,819 in 2021 and £12,000 in 2019. We have done well to survive the pandemic financially and the Culture Recovery Grant we received has allowed us invest in the theatre. However, in comparison to 2019, our expenditure has increased more than our income (+£81,000 expenditure increase vs £75,000 income increase). This imbalance needs to be rectified.

We remain, as ever, balanced on a financial knife edge and cash flow remains a concern. We must continue to publicise and support all of the shows that are staged at the Tower Theatre, improving our yield management and filling the theatre as much as possible.

### **Reserves Policy**

The trustees are attempting to establish the level of reserves (that is those funds that are freely available) the Society ought to have. Reserves provide the financial safety net which we need but have never achieved.

### **PLANS FOR FUTURE PERIODS**

The Trustees consider the charity to be a viable going concern.

A full schedule of FHODS productions for 2023 has been approved by the Executive and Performance & Planning committees. Ticket sales for 2023 have so far been encouraging, with ticket revenue for FHODS performing ahead of budgeted targets and non-FHODS outside shows slightly behind.

Despite promising ticket sales, we are anticipating to make a loss of over £30k in 2023. This is due to a number of reasons, primary of which are our significantly increased energy bills and some essential electrical work that needs to be completed in the theatre.

We will be conducting a thorough review of our overheads throughout 2023 to ensure we are in a strong position to return to profit next year and we remain cautiously optimistic for the future.

## The Folkestone-Hythe Operatic & Dramatic Society

### Statement of Trustees' Responsibilities

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

The law applicable to charities requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the constitution. The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the board of trustees on ..... 28 / 08 / 2023 ..... and signed on its behalf by:



Merewyn Forrest, Chair

## The Folkestone-Hythe Operatic & Dramatic Society

### Independent examiner's report to the trustees

I report to the trustees on my examination of the accounts of The Folkestone-Hythe Operatic & Dramatic Society (the Society) for the year ended 31 December 2022.

#### Responsibilities and basis of report

As the charity trustees of the Society you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

Having satisfied myself that the accounts are not required to be audited, I report in respect of my examination of the Society's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

#### Independent examiner's statement

Since the Company'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 the Chartered Institute of Public Finance and Accountancy (CIPFA), which is one of the listed bodies.

I have completed my examination. I confirm that no material 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 Society as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 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.

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 accounts to be reached.

Signed: .....

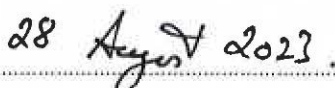


Name: Neil Hope

(Chartered Institute of Public Finance and Accountancy)

Address: 10 James Close, Lyminge, Folkestone, Kent. CT18 8NL

Date: .....



**The Folkestone-Hythe Operatic & Dramatic Society**

**Statement of Financial Activities for the year to December 31st 2022**

	Note	Year to 31/12/2022 £	Year to 31/12/2021 £
<b>Income and Endowments from:</b>			
Donations and legacies	2	30222	89,138
Charitable and trading activities	3	230260	92,186
<b>Total income</b>		<b>260482</b>	<b>181,324</b>
<b>Expenditure on:</b>			
Raising funds	4	113774	72,251
Charitable activities	5	77441	48,289
Other expenditure	6	63039	58,965
<b>Total expenditure</b>		<b>254254</b>	<b>179,505</b>
<b>Net movement in funds</b>		<b>6228</b>	<b>1,819</b>



The Folkestone-Hythe Operatic & Dramatic Society

Balance Sheet as at December 31st 2022

	Note	31/12/2022 £	31/12/2021 £
<b>Fixed assets</b>			
Tangible assets	9	<u>607348</u>	<u>609,075</u>
<b>Current assets</b>			
Stocks	10	3946	2,911
Debtors	11	1390	6,940
Cash at bank and in hand	12	<u>102193</u>	<u>121,923</u>
		<b>107529</b>	<b>131,774</b>
<b>Creditors: Amounts falling due within one year</b>	13	<u>59698</u>	<u>82,310</u>
<b>Net current assets</b>		47831	49,464
<b>Total net assets</b>		<u>655179</u>	<u>658,539</u>
<b>Creditors: Amounts falling due after more than one year</b>	14	<u>168550</u>	<u>178,138</u>
<b>Net assets</b>		<u>486629</u>	<u>480,401</u>
<b>Funds of the charity:</b>			
Unrestricted funds brought forward		480401	478,582
Profit for the year		6229	1,819
<b>Total unrestricted funds at year end</b>	15	<u>486629</u>	<u>480,401</u>

Approved by the trustees on 28/08/2023 and signed on its behalf by:

  
Michael Manton, Treasurer

## The Folkestone-Hythe Operatic & Dramatic Society

### Notes to the Financial Statements for the year to December 31<sup>st</sup> 2022

#### 1. Charity Status

The charity is a Charitable Incorporated Organisation, incorporated in England and Wales, and consequently does not have share capital.

	year to 31/12/2022	year to 31/12/2021
<b>2. Income from Donations and legacies</b>		
Donations	3148	3,432
Legacies	0	-
Grants from other agencies	27074	68,072
Grants - CJRS furlough scheme	0	17,634
	<u>30222</u>	<u>89,138</u>

#### 3. Income from trading and charitable activities

##### Trading income

Sales of goods	61623	16,270
Property rental	4320	4,320
Other trading income	204	811

##### Charitable income

Theatrical events income	161098	67,875
Membership subscriptions	3015	2,910
	<u>230260</u>	<u>92,186</u>

#### 4. Expenditure on raising funds

Cost of goods sold	30454	9,878
Staff salaries	83320	62,373
	<u>113774</u>	<u>72,251</u>

No employee received more than £60,000 in the year.

#### 5. Expenditure on charitable activities

Production costs	58755	35,792
Independent examiner's fees	0	-
Other costs	6902	1,468
Bank interest	5850	6,083
Bank charges	568	-
Insurance	5366	4,946
	<u>77441</u>	<u>48,289</u>

<b>6. Other expenditure</b>	<b>year to 31/12/2022</b>	<b>year to 31/12/2021</b>
Staff training	190	570
Marketing and publicity	846	4,107
Depreciation	7104	5,760
Heat & Light	7403	4,078
Building repairs and maintenance	24171	33,044
Other resources expended	23325	11,406
	<u>63039</u>	<u>58,965</u>

## **7. Trustees remuneration and expenses**

The husband of one trustee, Alice Hawkins, received £2,337 during the year for Musical Director services.

No trustees have received other benefits from the charity during the year.

## **8. Taxation**

The Society is a registered charity and is therefore exempt from corporate taxation.

## **9. Tangible fixed assets**

	Freehold land and buildings	Fixtures and equipment	Total
Cost at December 31 2021	598,534	23,041	621,575
Additions		5,377	5,377
Cost at December 31 2022	<u>598,534</u>	<u>28,418</u>	<u>626,952</u>
Depreciation at December 31 2021	-	12,500	12,500
Charge for the year	-	7,104	7,104
Depreciation at December 31 2022	<u>-</u>	<u>19,604</u>	<u>19,604</u>
Net book value at December 31 2022	<u>598,534</u>	<u>8,814</u>	<u>607,348</u>

Capitalised items are those over £500 in value. The Trustees policy is that fixtures and equipment are depreciated at 25% on a straight-line basis.

Freehold land and buildings are not depreciated since, in the opinion of the Trustees, their value on the open market exceeds their net book value.

	year to 31/12/2022	year to 31/12/2021
<b>10. Stocks</b>		
Bar stocks	3946	2,911
<b>11. Debtors and prepayments</b>		
Debtors	1390	5,505
Prepayments	0	1,435
	1390	6,940
<b>12. Cash and bank</b>		
Cash on hand	850	600
Cash at bank	101343	121,323
	102193	121,923
<b>13. Creditors - amounts falling due within one year</b>		
Trade creditors	24378	7,748
Other creditors	3124	11,426
Accruals	24835	8,000
Bank loans	7361	55,136
	59698	82,310
<b>14. Creditors: amounts falling due after one year</b>		
Bank loans	168551	178,138
<b>15. Unrestricted funds</b>		
Balance brought forward	480401	478,582
Incoming resources	260482	181,324
Resources expended	254254	179,505
Balance carried forward	486629	480,401
<b>16. Analysis of net assets</b>		
Tangible fixed assets	607348	609,075
Current assets	107530	131,774
Current liabilities	52337	82,310
Liabilities over one year	175912	178,138
	486629	480,401



**The Folkestone-Hythe Operatic & Dramatic Society**

**Detailed Statement of Financial Activities for the year to December 31<sup>st</sup> 2022**

	<b>2022</b>	<b>2021</b>
	£	£
<b>INCOME</b>		
<b>Donations grants and legacies</b>		
Legacies and bequests	0	-
Gifts & donations	3148	3,432
Grants - other agencies	27074	68,072
Grants - CJRS furlough scheme	0	17,634
	<u>30222</u>	<u>89,138</u>
<b>Other trading activities</b>		
Bar and refreshment sales	61623	16,270
Income from productions	131450	58,062
Theatre and foyer letting	29648	9,813
Subscriptions	3015	2,910
Rental income	4320	4,320
Sundry income	204	811
	<u>230260</u>	<u>92,186</u>
<b>Total Income</b>	<b>260482</b>	<b>181,324</b>
 <b>EXPENDITURE</b>		
<b>Raising funds</b>		
Bar Purchases	30454	9,878
Wages and salaries	81654	60,614
Casual bar wages	1666	1,759
	<u>113774</u>	<u>72,251</u>
<b>Charitable activities</b>		
Production costs	58755	35,792
Box office fees	6513	1,335
Insurance	5366	4,946
Accountancy fees	389	133
Legal and professional fees	0	-
Bank charges	568	-
Bank interest payable	5850	6,083
	<u>77441</u>	<u>48,289</u>

	2022	2021
	£	£
<b>Other expenditure</b>		
Staff training	190	570
Light, heat and power	7403	4,078
Repairs and maintenance	24171	33,044
Telephone	742	699
Computer software and maintenance costs	3169	1,908
Printing, postage and stationery	1850	1,334
Sundry expenses	1802	634
Cleaning	10539	4,703
General marketing	846	4,107
Credit card charges	5223	2,128
Depreciation of equipment	7104	5,760
	<u>63039</u>	<u>58,965</u>
<b>Total Expenditure</b>	<b>254254</b>	<b>179,505</b>
<b>Net Income</b>	<b>6228</b>	<b>1,819</b>