

MALVERN THEATRES TRUST LIMITED

England & Wales · Charity number 241433

Details

Other names THE MALVERN FESTIVAL THEATRE TRUST LIMITED

Status Registered

Legal form Charitable company

Company number [00838245](#)

Registered 1965-03-25

Register [View on the Charity Commission register](#)

Contact

Address The Malvern Theatres
Grange Road
Malvern
WR14 3HB

Phone 01684580942

Email post@malvern-theatres.co.uk

Website www.malvern-theatres.co.uk

Activities

Objects: TO PROMOTE MAINTAIN, IMPROVE AND ADVANCE EDUCATION, PARTICULARLY BY PRODUCTION OF EDUCATION PLAYS AND THE ENCOURAGEMENT OF THE ARTS, INCLUDING THE ARTS OF DRAMA, MIME, DANCING, SINGING AND MUSIC AND TO FORMULATE, PREPARE AND ESTABLISH SCHEMES THEREFOR, PROVIDED THAT ALL OBJECTS OF THE TRUST SHALL BE OF A CHARITABLE NATURE.

Activities: Provide premises and resources for the performance of Theatre & Dance

Classification

- **How:** Provides Human Resources, Provides Buildings/facilities/open Space
- **What:** Education/training, Arts/culture/heritage/science
- **Who:** The General Public/mankind

Geography

- **Area of benefit:** MALVERN
- Worcestershire

Finances

| Period end | Income | Expenditure | Assets | Employees |
|------------|------------|-------------|------------|-----------|
| 2025-03-31 | £7,068,066 | £6,824,634 | £4,934,490 | 61 |
| 2024-03-31 | £5,452,069 | £5,574,900 | £4,658,531 | 55 |
| 2023-03-31 | £5,292,454 | £5,274,790 | £4,741,777 | 59 |
| 2022-03-31 | £4,253,191 | £4,279,172 | £4,779,656 | 52 |
| 2021-03-31 | £2,132,450 | £1,711,743 | £4,811,898 | 73 |

Trustees

| Name | Role | Appointed |
|-------------------------------|-------|------------|
| TAMAR THOMPSON | Chair | 2013-04-04 |
| Christopher James Pinder | | 2025-04-29 |
| David Kennedy Shaw | | 2026-04-21 |
| Emma Jane Maggs | | 2026-05-18 |
| John Gerard Gallagher | | 2025-01-28 |
| LESLIE DOUGLAS KINMOND | | 2015-03-10 |
| Maher Kazi | | 2020-03-03 |
| Richard Smith | | 2018-02-20 |
| Simon Richard Marks | | 2015-03-10 |

MALVERN THEATRES TRUST LIMITED

England & Wales - Charity number 241433

Accounts

Registered number: 00838245
Charity number: 241433

MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

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**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITABLE COMPANY, ITS TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 MARCH 2025**

| | |
|----------------------------------|--|
| Trustees | Professor J C Elkin (resigned 23 October 2024) R Hastilow-Smith M A Kazi L D Kinmond S R Marks Professor T J Thompson OBE, Chair T Wells (resigned 9 December 2024) J G Gallagher (appointed 28 January 2025) C J Pinder (appointed 29 April 2025) |
| Company registered number | 00838245 |
| Charity registered number | 241433 |
| Registered office | Malvern Theatres Grange Road Malvern Worcestershire WR14 3HB |
| Company secretary | Leslie Kinmond |
| Chief executive officer | Fred Moroni |
| Independent auditors | Bishop Fleming Audit Limited Chartered Accountants Statutory Auditors 1-3 College Yard Worcester WR1 2LB |
| Solicitors | Harrison Clark Rickerbys LLP 5 Deansway Worcester Worcestershire WR1 2JG |
| Bankers | Lloyds Bank PLC 48 Belle Vue Terrace Malvern Worcestershire WR14 4QG |

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2025**

The Trustees present their annual report together with the audited financial statements of the Malvern Theatres Trust Limited for the year 1 April 2024 to 31 March 2025. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the 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 (FRS102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective January 2015).

Our vision:

- To be a leading provider of the arts
- To be recognized locally and nationally for our work
- To make the arts accessible to all
- To celebrate the life-changing power of the arts
- To nurture talent and to encourage the development of careers in the industry.

Our commitment:

- We will offer the broadest possible programme of cultural entertainment throughout the year
- We will operate within a sustainable financial framework
- We will encourage and collaborate with those who strive for the highest artistic standards across all genres
- We will break down barriers that prevent participation
- We will provide development opportunities to enable lifelong learning for people of all ages and abilities
- We will nurture a network of inspiring, ambitious and supportive individuals

Malvern Theatres is one of the leading providers of the arts in the UK. The theatres' setting amongst the Malvern Hills and its commitment to providing a rich, diverse and high-quality product for the community of Malvern and indeed further afield, has given it a unique profile both within the West Midlands and nationally.

PURPOSES AND ACTIVITIES

The purposes of the Trust are:

- To provide and enhance an artistic experience to the public in all aspects of dramatic art, including drama, mime, opera, ballet, music, singing and dance.
- To provide education in the arts, particularly focused on young persons.
- To further build on the experience of the public by the provision of two theatres and a cinema.
- Generally to further the social and cultural welfare of Great Malvern and its surrounding areas.

Our objectives are set and our activities planned having regard to the Charity Commission guidance on public benefit, including the guidance on admission charges to programmes and events. The Theatres are however obliged to cover costs in setting overall admission charges with shortfalls in revenues being made up from grants, particularly those from Malvern Hills District Council. Admission charges are kept as low as possible in order to preserve the availability of the Theatres and the cinema to lower income groups and younger theatre-goers.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public Benefit; running a charity (PB2)'.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025**

STRATEGIES

The strategies which are used to achieve the Trust's aims and objectives are:

- To present a balanced programme of theatre productions, music and dance productions to give a real breadth of artistic opportunity to residents of Malvern and the surrounding areas.
- To work with local artistic organisations sponsoring local artistic events.
- To focus particularly upon education in the arts, particularly performance based.
- To encourage programming involving artists of different cultural backgrounds.
- Generally to offer opportunities to a broad range of people to participate in arts activity thereby exploring their own creative powers.

Strategies condense into three major areas of activity:

- Concerts and stage performances
- Educational programmes
- High Profile Cinema Productions

Thus we focus on bringing the arts to as wide a range of participants as possible, affecting all members of our community.

In 2024-25, Malvern theatres welcomed more than 250,000 people for ticketed events across its programme. Thousands more visited the venue to use its facilities. This represents an increase of more than 10% in ticketed entries compared with 2023-24. The year also saw a continued increase in the range of participatory events, workshops and community events. The number of individual classes increased to more than 20 per week during term time, with some 7000 people taking a class over the course of the year. The new Studio One also continued to deliver gains in terms of our ability to host community events and as a venue for live performances and film. Our Young Company rehearsed and performed in the venue in August and, at Christmas, our professional production of A Christmas Carol rehearsed there for two weeks before moving to the Forum Theatre. Ticket sales remain vitally important to keeping theatre sustainable, as do our membership schemes and fundraising activity, in particular our income from trusts and foundations which have been particularly important to supporting our participatory and community programme. We continue to explore additional funding options and have in recent months installed a contactless donation point which is in-keeping with new payment methods and technological advances.

2024-25 saw considerable progress in the plans for our £20 million redevelopment on the theatres. Between April and July we engaged the public in a consultation, an essential part of the planning process. This was an important discussion and led to a number of changes and improvements to our proposals. The modified plans comprise a 240-seat studio theatre, an enhanced Forum Theatre with a new dressing room block, two new workshop spaces modelled on the existing Studio One and an outdoor amphitheatre overlooking Priory Park. Planning permission was granted in November 2024 and the remainder of the year saw a tender process to appoint a construction company to complete the work. When finished, the new building promises to increase community engagement with theatre and the arts, to enhance opportunities, especially for young people growing up in a rural area and to foster health and well-being throughout the area.

VOLUNTEERS AND COMMUNITY RELATIONS

The Trust's involvement with the community is clearly demonstrated by the ever-growing opportunities for volunteering, participation, and theatregoing. The theatre is a safe, supportive and friendly environment for the community to connect and participate in the arts. Volunteering provides individuals with a regular routine to socialise and interact with others helping reduce isolation and improve self-esteem, confidence and wellbeing while offering indispensable support to the theatre and significant savings with staffing costs. In addition, we encourage audience input and take careful note of any compliments and complaints received, in order to grow and learn as a business.

Children and Young People

Malvern Theatres believes that the arts are transformative for children and young people. We believe that engagement with the arts can enrich their wider learning, develop essential communication and teamworking skills, nurture confidence and empathy and unlock hidden creative potential. As well as providing more opportunities for participation than ever-before, 2024-25 saw us continue consistently to offer discounted tickets to school groups and young people. The year also saw us contribute for the first time to the cost of transport to the theatre through our cashback scheme for school groups of 40 plus. We also supported the essential work of those fundraising on behalf of schools through the donation of tickets and prizes. We believe, in this age of digital streaming that children should experience big screen cinema in a collective environment. The year saw some 1500 children of primary school age attend a free cinema screening at the venue.

Disabled People

As part of our charitable commitment we pledge to make Malvern Theatres and the arts accessible for all. We understand the social model of disability and by extension, our responsibility as a large cultural venue to make our building user-friendly. With all auditoria and foyer areas step-free with accessible seating, we have greatly increased the provision of access cinema and theatre performances available: BSL interpreted theatre performances and touch tours prior to audio-described performances, weekly descriptive subtitled cinema screenings, monthly relaxed cinema screenings and audio described cinema screenings available across the majority of film titles offering a friendly and welcoming environment. *Make Your Mark Xtra* and *Gentle Dance* classes are specifically tailored to those with both learning disabilities, difficulties and physical disabilities while we have introduced *Jigsaw*, a new accessible dance class and *Touch Screen Cinema* within the Take Part programme.

The Changing Places Facility is a vital addition to the town and surrounding areas making the region more accessible to all, significantly enhancing our offering to not only patrons of the theatre but those who visit the local community. The facility gives individuals with profound and multiple learning disabilities or physical disabilities the opportunity to regain independence and confidence in visiting the area with access to specialist equipment in a safe and comfortable space, with or without assistance.

Older People

We are committed to playing a meaningful and significant role in society's changing demographic. Whether engaged, fit and well, living with dementia or facing isolation, the arts can provide a safe and inspiring place for older people. In partnership with Everybody Dance, we hosted a *Dementia Friendly Tea Party*, welcoming elders living with dementia, their friends, family and carers to enjoy refreshments, music and dance.

Environmental Responsibility

We aspire to be a leader within our community, promoting an environmentally responsible approach to our business and our building. We continually strive to ensure our work has a minimal impact on the environment; inspiring others to make impactful changes to benefit the planet. Eco-friendly initiatives are implemented across the venue to optimise energy efficiency, minimise water and energy wastage, promote recycling and reduce printing. We continue to work towards a sustainable catering operation with Vegware compostable cups and recyclable plastic glasses available.

Investment Powers and Policy

Apart from the need to retain restricted reserves, the trustees have unrestricted investment powers. Having regard to the liquidity requirements of the theatres, to the need to mitigate investment risk and to the reserves policy the trustees have operated a policy of keeping funds surplus to immediate requirements in interest bearing deposit accounts and fixed asset investments.

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025**

GOING CONCERN

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

Financial Review

The year under review produced a surplus in unrestricted funds of £9,617 compared with £78,504 last year. There was a surplus in restricted funds of £266,342 compared with a deficit of £161,750 last year.

Across all funds the surplus for the year was £275,959 (deficit of £83,246 last year).

The results of the subsidiaries, Malvern Theatres Trading Limited and Malvern Theatres Productions Limited, are included in the group's figures. Profits from the subsidiaries is paid to the charity by way of Gift Aid as in previous years.

There was an increase in cash of £676,616 (2024: -£22,100). Cash at the end of the year was £3,759,789 (2024: £3,083,173).

At the year end net current assets were £1,019,629 (2024: £584,736).

RESERVES POLICY

Maintaining a sustainable level of reserves remains a prime consideration for the organisation going forward. We are reliant on continued financial support, including funding from Malvern Hills District Council. The level of grants remains under pressure, leading to more of our creative output being generated by trading income.

Looking forward, we need to continue to balance the quality of our product with the funds available whilst also seeking to secure other sustainable funding sources.

Having regard to the economic situation, the Trustees believe that an appropriate level of reserves would be approximately three months overhead expenditure which is currently circa £625,000. At 31 March 2025, unrestricted reserves amounted to £1,287,868 after making a surplus for the financial year 2024/2025 of £9,617.

PLANS FOR THE FUTURE

We will continue to strive to provide a balanced and diverse programme of the highest quality of product in our Festival and Forum theatres.

Other initiatives are as follows:

- We will pursue new fund-raising activities by seeking regular contributions from our loyal patrons, local businesses, trusts and foundations
- We will continue to build marketing capabilities so as to maximise the number of bookings taken via the internet and look at implementing a step-change for Malvern Theatres' social media and digital presence
- We will review our pricing structure with a view to fine tuning these but only to the extent of not taking on risk that may reduce audiences

**MALVERN THEATRES TRUST LIMITED
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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025**

Levelling Up project plans

Planning permission has been granted for significant improvements at Malvern Theatres as part of a £20m redevelopment project, from Levelling Up Funding awarded to Malvern Hills District Council (MHDC).

We will build a world-class facility that attracts increased visitor numbers, boosting the local economy by £11m annually.

The new development, which will be park-side, includes: a modern 240-seat studio theatre to host more community work, a workshop space, and improvements to the Forum Theatre, making it more accessible and more comfortable.

As well as the modernisations to improve park access (easier stairs and new lift), there will also be a small amphitheatre for community use.

The auditorium plans will allow the theatre to do new and different types of work, including more community theatre, as well as additional classes and workshops.

Thanks to the improved park-side entrance, which will feature better spaced stairs, additional handrails, upgraded lighting, and an elevator, also, access to the theatre from the park will be greatly improved.

The Forum Theatre will also have improvements to make it more user-friendly, particularly for people with movement issues, including better wheelchair positions.

Two public consultation events were held to gather responses, and the plans were approved at a South Worcestershire Planning Meeting on 20 November 2024.

There is £20m of capital development funding ringfenced to pay for this work, money that was allocated following a rigorous nationwide bidding process.

TRUSTEES

The Trustees who served during the year were:

Professor Judith Elkin
John Gallagher
Maher Kazi
Leslie Kinmond
Simon Marks
Richard Smith
Professor Tamar Thompson OBE, Chair
Thomas Wells

GOVERNING DOCUMENT

The Charity is registered as a charitable company limited by guarantee set up by a Memorandum of Association on 19 February 1965. It is registered as a charity with the Charity Commission No. 241433

APPOINTMENT OF TRUSTEES

The management of the Charity and the Group is the responsibility of the Trustees who are elected and co-opted under the terms of the Memorandum and Articles of Association. Particular effort is made to recruit Trustees who will benefit the Charity by bringing a balanced set of skills. Efforts are also made to manage future retirements of Trustees, so as to enable the appointment of successors without undue haste.

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025**

TRUSTEE INDUCTION AND TRAINING

Every Trustee on appointment is provided with a pack of documents setting out key information on the Trust and the Charity. New Trustees are required to confirm that they have studied these documents and raised any queries or obtained any further information which they may need.

Developments in Charity Law and practice are monitored and important developments are brought to the notice of Trustees.

TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of Malvern Theatres Trust Limited for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group 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 judgments and accounting estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ORGANISATION

The Board of Trustees, which currently has 7 members, administers the Charity. The Board meets bi-monthly and there are sub-committees covering fundraising, audit and governance and remuneration. These sub-committees meet on an ad-hoc basis whenever necessary. The Chief Executive is appointed by the Trustees to manage the day-to-day operations of the Charity. To facilitate effective operation, the Chief Executive has delegated authority within terms of reference approved by the Trustees for some operational matters, including finance.

RELATED PARTIES

None of the Trustees receive remuneration or any other benefit for their work with the Charity. Any connection between any Trustee and any production company, contracted actor or performer of any sort, must be disclosed to the full Board of Trustees in the same way as any contractual relationship with a related party.

The Charity has a close relationship with Malvern Hills District Council, who provide grant aid. Receipt of these grant monies is crucial for the ongoing operations of the Theatres.

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025**

The Charity's wholly owned subsidiary, Malvern Theatres Trading Limited, was established to operate hire, conferences, etc. and all other activities ancillary to the main activity of the group. The profits of the subsidiary are Gift Aided to the Charity (see Note 13 to the financial statements).

The Charity's wholly owned subsidiary, Malvern Theatres Productions Ltd, was established to produce theatre productions. The profits of the subsidiary are Gift Aided to the Charity (see Note 13 to the financial statements).

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the charitable group's auditors in connection with preparing their report and to establish that the charitable group's auditors are aware of that information.

Approved by order of the members of the board of Trustees and signed on their behalf by:



Professor Tamar Thompson OBE

Chair

Date: 14/10/25

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MALVERN THEATRES TRUST LIMITED

OPINION

We have audited the financial statements of Malvern Theatres Trust Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2025 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charitable Company Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 March 2025 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MALVERN THEATRES TRUST LIMITED
(CONTINUED)**

OTHER INFORMATION

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MALVERN THEATRES TRUST LIMITED
(CONTINUED)**

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We have considered the nature of the industry and sector, control environment and the Charity's performance;
- We have considered the results of our enquiries of management and the Trustees in relation to their own identification and assessment of the risk of irregularities;
- For any matters identified we have obtained and reviewed the Charitable Group and Companies documentation of their policies and procedures relating to;
 - Identifying, evaluating and complying with laws and regulations whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risk of fraud and whether they have knowledge of actual, suspected or alleged fraud; and
 - The internal controls established to mitigate the risks of fraud or non-compliance with laws and regulations.
- We have considered the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud, which included incorrect recognition of revenue and management override of controls using manual journal entries. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We have obtained an understanding of the legal and regulatory frameworks that the Charitable Group and Company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Charities Act 2011, Charity SORP 2019, FRS102 and the terms and conditions attaching to material grants received by the Charity. In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Charitable Group and Company's ability to operate or to avoid a material penalty. These included the Health & Social Care Act, data protection regulations, health and safety regulations, employment legislation, the Code of Fundraising Practice and gambling legislation.

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MALVERN THEATRES TRUST LIMITED
(CONTINUED)**

Our procedures to respond to the risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reviewing minutes of Trustee meetings;
- Enquiring of Trustees and management concerning actual and potential litigation and claims;
- Performing detailed transactional testing in relation to the recognition of income, specifically grants and legacies, with a particular focus around year-end cut off;

In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

As a result of the inherent limitations of an audit, there is a risk that not all irregularities, including a material misstatement in financial statements or non-compliance with regulation, will be detected by us. The risk increases the further removed compliance with a law and regulation is from the events and transactions reflected in the financial statements, given we will be less likely to be aware of it, or should the irregularity occur as a result of fraud rather than a one-off error, as this may involve intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

We have been appointed auditor under the Companies Act 2006 and report in accordance with this Act.

USE OF OUR REPORT

This report is made solely to the Charitable Company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charitable Company's trustees those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



Andrew Wood FCCA (Senior Statutory Auditor)

for and on behalf of

Bishop Fleming Audit Limited

Chartered Accountants

Statutory Auditors

1-3 College Yard

Worcester

WR1 2LB

Date:

28th October 2025

MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2025

| | Note | Unrestricted funds 2025 £ | Restricted funds 2025 £ | Total funds 2025 £ | Total funds 2024 £ |
|---|------|---------------------------------|-------------------------------|--------------------------|--------------------------|
| INCOME FROM: | | | | | |
| Donations and legacies | 3 | 194,915 | 511,636 | 706,551 | 646,531 |
| Charitable activities | 4 | 5,954,370 | - | 5,954,370 | 4,540,598 |
| Other trading activities | 5 | 328,687 | - | 328,687 | 196,320 |
| Investments | 6 | 78,458 | - | 78,458 | 68,620 |
| TOTAL INCOME | | 6,556,430 | 511,636 | 7,068,066 | 5,452,069 |
| EXPENDITURE ON: | | | | | |
| Raising funds | | 26,817 | - | 26,817 | 167,307 |
| Charitable activities | 7 | 6,552,523 | 245,294 | 6,797,817 | 5,407,593 |
| TOTAL EXPENDITURE | | 6,579,340 | 245,294 | 6,824,634 | 5,574,900 |
| NET (EXPENDITURE)/INCOME BEFORE NET GAINS ON INVESTMENTS | | | | | |
| | | (22,910) | 266,342 | 243,432 | (122,831) |
| Net gains on investments | | 32,527 | - | 32,527 | 39,585 |
| NET MOVEMENT IN FUNDS | | 9,617 | 266,342 | 275,959 | (83,246) |
| RECONCILIATION OF FUNDS: | | | | | |
| Total funds brought forward | | 1,278,251 | 3,380,280 | 4,658,531 | 4,741,777 |
| Net movement in funds | | 9,617 | 266,342 | 275,959 | (83,246) |
| TOTAL FUNDS CARRIED FORWARD | | 1,287,868 | 3,646,622 | 4,934,490 | 4,658,531 |

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 17-34 form part of these financial statements.

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:00838245**

**CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2025**

| | Note | 2025 £ | 2024 £ |
|--|------|-------------------------|-------------------------|
| FIXED ASSETS | | | |
| Tangible assets | 12 | 3,180,684 | 3,376,101 |
| Investments | 13 | 734,177 | 697,694 |
| | | <u>3,914,861</u> | <u>4,073,795</u> |
| CURRENT ASSETS | | | |
| Debtors | 14 | 218,905 | 190,775 |
| Investments | 15 | 334,000 | - |
| Cash at bank and in hand | | 3,759,789 | 3,083,173 |
| | | <u>4,312,694</u> | <u>3,273,948</u> |
| Creditors: amounts falling due within one year | 16 | (3,293,065) | (2,689,212) |
| NET CURRENT ASSETS | | <u>1,019,629</u> | <u>584,736</u> |
| TOTAL NET ASSETS | | <u><u>4,934,490</u></u> | <u><u>4,658,531</u></u> |
| CHARITY FUNDS | | | |
| Restricted funds | 18 | 3,646,622 | 3,380,280 |
| Unrestricted funds | 18 | 1,287,868 | 1,278,251 |
| TOTAL FUNDS | | <u><u>4,934,490</u></u> | <u><u>4,658,531</u></u> |

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Professor Tamar Thompson, OBE

Chair

Date:

14/10/25



The notes on pages 17 to 34 form part of these financial statements.

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:00838245**

**CHARITABLE COMPANY STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 MARCH 2025**

| | Note | 2025 £ | 2024 £ |
|--|------|------------------|------------------|
| FIXED ASSETS | | | |
| Tangible assets | 12 | 3,180,684 | 3,376,101 |
| Investments | 13 | 802,331 | 797,696 |
| | | <u>3,983,015</u> | <u>4,173,797</u> |
| CURRENT ASSETS | | | |
| Debtors | 14 | 323,700 | 222,658 |
| Investments | 15 | 334,000 | - |
| Cash at bank and in hand | | 3,579,593 | 2,976,527 |
| | | <u>4,237,293</u> | <u>3,199,185</u> |
| Creditors: amounts falling due within one year | 16 | (3,283,886) | (2,680,671) |
| | | <u>953,407</u> | <u>518,514</u> |
| NET CURRENT ASSETS | | <u>953,407</u> | <u>518,514</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>4,936,422</u> | <u>4,692,311</u> |
| TOTAL NET ASSETS | | <u>4,936,422</u> | <u>4,692,311</u> |
| CHARITY FUNDS | | | |
| Restricted funds | 18 | 3,646,622 | 3,380,280 |
| Unrestricted funds | 18 | 1,289,800 | 1,312,031 |
| TOTAL FUNDS | | <u>4,936,422</u> | <u>4,692,311</u> |

The Charitable Company's net movement in funds for the year was £244,111 (2024 - £(80,211)).

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Professor Tamar Thompson OBE

Chair

Date:

14/10/25

The notes on pages 17 to 34 form part of these financial statements.

MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2025

| | Note | 2025 £ | 2024 £ |
|---|-------------|-------------------------|-------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Net cash used in operating activities | 21 | 1,047,033 | 1,187,663 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Investment income | | 78,458 | 68,620 |
| Proceeds from the sale of tangible fixed assets | | 688 | - |
| Purchase of tangible fixed assets | | (46,553) | (1,213,179) |
| Proceeds from sale of investments | | 126,148 | 237,891 |
| Purchase of investments | | (195,158) | (303,095) |
| Purchase of short-term unlisted investments | | (334,000) | - |
| NET CASH USED IN INVESTING ACTIVITIES | | (370,417) | (1,209,763) |
| CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR | | 676,616 | (22,100) |
| Cash and cash equivalents at the beginning of the year | | 3,083,173 | 3,105,273 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | 22 | 3,759,789 | 3,083,173 |

The notes on pages 17 to 34 form part of these financial statements

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

1. GENERAL INFORMATION

Malvern Theatres Trust Limited is a private charitable company limited by guarantee incorporated in England and Wales. The registered office is Grange Road, Malvern, Worcestershire, WR14 3HB.

In the event of the charity being wound up, each member has undertaken to contribute towards its liabilities a sum of not exceeding one pound.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Malvern Theatres Trust Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

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 Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Group and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis.

The Group has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

2.2 GOING CONCERN

After making appropriate enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

The financial statements do not reflect the adjustments that would be necessary should entity cease to remain as a going concern.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

2. ACCOUNTING POLICIES (continued)

2.3 INCOME

All income is recognised once the Charitable Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donations

Income from the heritage fee included in the price of tickets is included in incoming resources in the period in which the relevant show takes place.

Income from other donations is included in the year in which they are received.

Charitable activities

Income from Theatre admission fees is included in incoming resources in the period in which the relevant show takes place.

Activities for generating funds includes income from commercial activities and represents income from cinema admissions and sponsorship activities and is included in the period in which the group is entitled to receipt.

Grants receivable

Revenue based grants are credited to the Statement of financial activities in the year in which they are received.

Grants relating to the redevelopment of the Theatre complex have been credited to restricted funds in the Statement of financial activities in accordance with the conditions imposed by donors.

2.4 EXPENDITURE

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 allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

2.5 INTEREST RECEIVABLE

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

2. ACCOUNTING POLICIES (continued)

2.6 TAXATION

The Charitable Company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charitable Company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2.7 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

| | |
|------------------------------|--|
| Long-term leasehold property | - Over the remaining life of the lease |
| Fixtures and fittings | - 10%-50% straight line |

2.8 INVESTMENTS

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated Statement of Financial Activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.9 SHORT TERM INVESTMENTS

Short term investments includes cash on deposit with a notice period of more than three months but less than one year.

2.10 DEBTORS

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.11 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2. ACCOUNTING POLICIES (continued)

2.12 LIABILITIES AND PROVISIONS

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charitable Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated Statement of Financial Activities as a finance cost.

2.13 FINANCIAL INSTRUMENTS

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.14 OPERATING LEASES

Rentals paid under operating leases are charged to the Consolidated Statement of Financial Activities on a straight line basis over the lease term.

2.15 PENSIONS

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

2.16 FUND ACCOUNTING

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

3. INCOME FROM DONATIONS AND LEGACIES

| | Unrestricted funds 2025 £ | Restricted funds 2025 £ | Total funds 2025 £ | Total funds 2024 £ |
|-------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| DONATIONS | | | | |
| Tomorrow Fund donations | - | 2,074 | 2,074 | 42,932 |
| Heritage Fund donations | - | 509,562 | 509,562 | 409,896 |
| Other donations | 102,802 | - | 102,802 | 85,884 |
| GRANTS | | | | |
| The Elmley Foundation | 12,500 | - | 12,500 | 9,369 |
| Support grant from MHDC | 41,600 | - | 41,600 | 80,000 |
| Other grants | 38,013 | - | 38,013 | 18,450 |
| TOTAL 2025 | <u>194,915</u> | <u>511,636</u> | <u>706,551</u> | <u>646,531</u> |
| TOTAL 2024 | <u>193,703</u> | <u>452,828</u> | <u>646,531</u> | |

4. INCOME FROM CHARITABLE ACTIVITIES

| | Unrestricted funds 2025 £ | Total funds 2025 £ | Total funds 2024 £ |
|---|------------------------------------|-----------------------------|-----------------------------|
| Festival Theatre income | 3,253,993 | 3,253,993 | 2,396,637 |
| Forum Theatre income | 1,433,958 | 1,433,958 | 1,114,650 |
| Engagement and Creative Learning income | 43,923 | 43,923 | 32,681 |
| Cinema income | 329,259 | 329,259 | 303,878 |
| Theatre membership fees and income | 308,929 | 308,929 | 259,681 |
| Other income | 556,582 | 556,582 | 425,039 |
| Studio One income | 27,726 | 27,726 | 8,032 |
| TOTAL 2025 | <u>5,954,370</u> | <u>5,954,370</u> | <u>4,540,598</u> |
| TOTAL 2024 | <u>4,540,598</u> | <u>4,540,598</u> | |

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

5. INCOME FROM OTHER TRADING ACTIVITIES

Income from non charitable trading activities

| | Unrestricted funds 2025 £ | Total funds 2025 £ | Total funds 2024 £ |
|-------------------------------|--|---------------------------------------|---------------------------------------|
| Income from catering contract | 133,690 | 133,690 | 80,165 |
| Trading company income | 194,997 | 194,997 | 116,155 |
| TOTAL 2025 | <u>328,687</u> | <u>328,687</u> | <u>196,320</u> |
| TOTAL 2024 | <u>196,320</u> | <u>196,320</u> | |

6. INVESTMENT INCOME

| | Unrestricted funds 2025 £ | Total funds 2025 £ | Total funds 2024 £ |
|-------------------|--|---------------------------------------|---------------------------------------|
| Investment income | 78,458 | 78,458 | 68,620 |
| TOTAL 2025 | <u>78,458</u> | <u>78,458</u> | <u>68,620</u> |
| TOTAL 2024 | <u>68,620</u> | <u>68,620</u> | |

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

7. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Summary by fund type

| | Unrestricted funds 2025 £ | Restricted funds 2025 £ | Total 2025 £ | Total 2024 £ |
|----------------------------------|------------------------------------|----------------------------------|--------------------|--------------------|
| Shows | 6,355,033 | 245,294 | 6,600,327 | 5,304,295 |
| Engagement and Creative Learning | 169,907 | - | 169,907 | 97,019 |
| Catering expenditure | 27,583 | - | 27,583 | 6,279 |
| | <u>6,552,523</u> | <u>245,294</u> | <u>6,797,817</u> | <u>5,407,593</u> |
| TOTAL 2024 | <u>4,793,015</u> | <u>614,578</u> | <u>5,407,593</u> | |

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES

| | Activities undertaken directly 2025 £ | Support costs 2025 £ | Total funds 2025 £ | Total funds 2024 £ |
|----------------------------------|---|-------------------------------|-----------------------------|-----------------------------|
| Shows | 6,169,522 | 430,805 | 6,600,327 | 5,304,295 |
| Engagement and Creative Learning | 169,907 | - | 169,907 | 97,019 |
| Catering expenditure | 27,583 | - | 27,583 | 6,279 |
| | <u>6,367,012</u> | <u>430,805</u> | <u>6,797,817</u> | <u>5,407,593</u> |
| TOTAL 2024 | <u>5,059,194</u> | <u>348,399</u> | <u>5,407,593</u> | |

MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF DIRECT COSTS

| | Shows 2025 £ | Engagement and Creative Learning 2025 £ | Catering 2025 £ | Total funds 2025 £ | Total funds 2024 £ |
|--------------------------------|--------------------|---|-----------------------|-----------------------------|-----------------------------|
| Staff costs | 965,837 | 110,164 | - | 1,076,001 | 925,615 |
| Depreciation | 241,282 | - | - | 241,282 | 204,795 |
| Show production costs | 3,891,162 | 45,995 | - | 3,937,157 | 2,820,860 |
| Cinema production costs | 131,542 | - | - | 131,542 | 116,842 |
| Irrecoverable VAT | 90,084 | - | - | 90,084 | 94,973 |
| Advertising and marketing | 296,210 | 13,748 | - | 309,958 | 279,373 |
| Equipment and small tool costs | 6,694 | - | - | 6,694 | 5,704 |
| Property costs | 281,225 | - | - | 281,225 | 409,896 |
| General property costs | 78,785 | - | - | 78,785 | 29,875 |
| Other staff costs | 17,917 | - | - | 17,917 | 28,423 |
| General expenses | 156,506 | - | - | 156,506 | 124,889 |
| Catering Costs | - | - | 27,583 | 27,583 | 6,279 |
| Operating leases | 12,278 | - | - | 12,278 | 11,670 |
| | <u>6,169,522</u> | <u>169,907</u> | <u>27,583</u> | <u>6,367,012</u> | <u>5,059,194</u> |
| TOTAL 2024 | <u>4,955,896</u> | <u>97,019</u> | <u>6,279</u> | <u>5,059,194</u> | |

ANALYSIS OF SUPPORT COSTS

| | Theatres income 2025 £ | Total funds 2025 £ | Total funds 2024 £ |
|------------------------------|---------------------------------|-----------------------------|-----------------------------|
| Staff costs | 330,374 | 330,374 | 284,764 |
| Bank and credit card charges | 41,140 | 41,140 | 27,415 |
| Consultancy costs | 35,795 | 35,795 | 15,965 |
| Audit fees | 16,890 | 16,890 | 18,750 |
| Legal and professional fees | 6,606 | 6,606 | 1,505 |
| | <u>430,805</u> | <u>430,805</u> | <u>348,399</u> |

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

9. AUDITORS' REMUNERATION

| | 2025 £ | 2024 £ |
|--|--------------|--------------|
| Fees payable to the Charitable Company's auditor for the audit of the Charitable Company's annual accounts | 16,890 | 15,750 |
| Fees payable to the Charitable Company's auditor in respect of: All non-audit services not included above | <u>2,610</u> | <u>1,750</u> |

10. STAFF COSTS

| | Group 2025 £ | Group 2024 £ | Charitable Company 2025 £ | Charitable Company 2024 £ |
|--|--------------------|--------------------|------------------------------------|------------------------------------|
| Wages and salaries | 1,287,608 | 1,131,237 | 1,287,608 | 1,131,237 |
| Social security costs | 98,871 | 89,980 | 98,871 | 89,980 |
| Contribution to defined contribution pension schemes | 41,218 | 42,435 | 41,218 | 42,435 |
| | <u>1,427,697</u> | <u>1,263,652</u> | <u>1,427,697</u> | <u>1,263,652</u> |

The average number of persons employed by the Charitable Company during the year was as follows:

| | Group 2025 No. | Group 2024 No. | Charitable Company 2025 No. | Charitable Company 2024 No. |
|-----------|----------------------|----------------------|--------------------------------------|--------------------------------------|
| Employees | <u>61</u> | <u>55</u> | <u>61</u> | <u>55</u> |

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

| | Group 2025 No. | Group 2024 No. |
|---------------------------------|----------------------|----------------------|
| In the band £60,001 - £70,000 | 1 | - |
| In the band £130,001 - £140,000 | - | 1 |

The key management personnel of the Charity, and the Group, comprise the Trustees, Chief Executive Officer, Finance Director, Marketing Director, Technical Director and Head of Communications. The total employee benefits of the key management personnel of the Charity and Group, including employer's National Insurance contributions, were £311,282 (2024: £321,363).

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

11. TRUSTEES' REMUNERATION AND EXPENSES

During the year, no Trustees received any remuneration or other benefits (2024: £NIL).

During the year ended 31 March 2025, no Trustee expenses have been incurred (2024: £NIL).

12. TANGIBLE FIXED ASSETS

GROUP AND CHARITABLE COMPANY

| | Long-term leasehold property £ | Fixtures and fittings £ | Total £ |
|-----------------------|---|-------------------------------|-------------------------|
| COST | | | |
| At 1 April 2024 | 8,303,205 | 1,139,734 | 9,442,939 |
| Additions | - | 46,553 | 46,553 |
| Disposals | - | (7,128) | (7,128) |
| At 31 March 2025 | <u>8,303,205</u> | <u>1,179,159</u> | <u>9,482,364</u> |
| DEPRECIATION | | | |
| At 1 April 2024 | 5,240,751 | 826,087 | 6,066,838 |
| Charge for the year | 147,200 | 94,770 | 241,970 |
| On disposals | - | (7,128) | (7,128) |
| At 31 March 2025 | <u>5,387,951</u> | <u>913,729</u> | <u>6,301,680</u> |
| NET BOOK VALUE | | | |
| At 31 March 2025 | <u><u>2,915,254</u></u> | <u><u>265,430</u></u> | <u><u>3,180,684</u></u> |
| At 31 March 2024 | <u><u>3,062,454</u></u> | <u><u>313,647</u></u> | <u><u>3,376,101</u></u> |

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

13. FIXED ASSET INVESTMENTS

| GROUP | | | | Listed investments £ |
|---------------------------|--|-------------------------------------|--------------------|-------------------------------------|
| COST OR VALUATION | | | | |
| At 1 April 2024 | | | | 697,694 |
| Additions | | | | 195,158 |
| Disposals | | | | (126,148) |
| Revaluations | | | | (32,527) |
| AT 31 MARCH 2025 | | | | 734,177 |
| NET BOOK VALUE | | | | |
| AT 31 MARCH 2025 | | | | 734,177 |
| AT 31 MARCH 2024 | | | | 697,694 |
| | | | | |
| | Investments in subsidiary companies £ | Listed investments £ | Total £ | |
| CHARITABLE COMPANY | | | | |
| COST OR VALUATION | | | | |
| At 1 April 2024 | 100,002 | 697,694 | 797,696 | |
| Additions | - | 195,158 | 195,158 | |
| Disposals | - | (126,148) | (126,148) | |
| Revaluations | - | (32,527) | (32,527) | |
| AT 31 MARCH 2025 | 100,002 | 734,177 | 834,179 | |
| IMPAIRMENT | | | | |
| Charge for the year | 31,848 | - | 31,848 | |
| AT 31 MARCH 2025 | 31,848 | - | 31,848 | |
| NET BOOK VALUE | | | | |
| AT 31 MARCH 2025 | 68,154 | 734,177 | 802,331 | |
| AT 31 MARCH 2024 | 100,002 | 697,694 | 797,696 | |

MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

PRINCIPAL SUBSIDIARIES

The following were subsidiary undertakings of the Charitable Company:

| Names | Company number | Registered office or principal place of business | Principal activity | Class of shares | Holding |
|--------------------------------------|-----------------------|--|--|------------------------|----------------|
| Malvern Theatres Trading Limited | 02870411 | The Malvern Theatres, Grange Road, Malvern, Worcestershire, WR14 3BH | Hire of facilities and sale of ancillary products related to shows | Ordinary | 100% |
| Malvern Theatres Productions Limited | 06421354 | The Malvern Theatres, Grange Road, Malvern, Worcestershire, WR14 3BH | Touring theatrical production company | Ordinary | 100% |

The financial results of the subsidiaries for the year were:

| Names | Income £ | Expenditure £ | Net assets £ |
|--------------------------------------|---------------------|--------------------------|-------------------------|
| Malvern Theatres Trading Limited | 160,994 | (160,994) | 2 |
| Malvern Theatres Productions Limited | 30,000 | (30,000) | 66,220 |

14. DEBTORS

| | Group 2025 £ | Group 2024 £ | Charitable Company 2025 £ | Charitable Company 2024 £ |
|------------------------------------|-----------------------------|-----------------------------|--|--|
| DUE WITHIN ONE YEAR | | | | |
| Trade debtors | 95,925 | 35,750 | 60,996 | 29,164 |
| Amounts owed by group undertakings | - | - | 139,724 | 75,469 |
| Other debtors | 1,200 | 38,200 | 1,200 | 1,200 |
| Prepayments and accrued income | 121,780 | 116,825 | 121,780 | 116,825 |
| | 218,905 | 190,775 | 323,700 | 222,658 |

15. CURRENT ASSET INVESTMENTS

| | Group 2025 £ | Group 2024 £ | Charitable Company 2025 £ | Charitable Company 2024 £ |
|----------------------------|-----------------------------|-----------------------------|--|--|
| Short term deposit account | 334,000 | - | 334,000 | - |

MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | Group 2025 £ | Group 2024 £ | Charitable Company 2025 £ | Charitable Company 2024 £ |
|------------------------------------|-----------------------------|--------------------|--|------------------------------------|
| Trade creditors | 375,577 | 268,324 | 373,138 | 264,957 |
| Other taxation and social security | 64,796 | 45,874 | 64,796 | 45,874 |
| Accruals and deferred income | 2,852,692 | 2,375,014 | 2,845,952 | 2,369,840 |
| | <u>3,293,065</u> | <u>2,689,212</u> | <u>3,283,886</u> | <u>2,680,671</u> |

Accruals includes £1,050,000 due to MHDC towards the build costs for Studio One.

| | Group 2025 £ | Group 2024 £ | Charitable Company 2025 £ | Charitable Company 2024 £ |
|--|-----------------------------|--------------------|--|------------------------------------|
| Deferred income at 1 April 2024 | 1,159,791 | 1,066,346 | 1,157,658 | 1,063,429 |
| Resources deferred during the year | 1,519,947 | 1,159,791 | 1,518,368 | 1,157,658 |
| Amounts released from previous periods | (1,159,791) | (1,066,346) | (1,157,658) | (1,063,429) |
| | <u>1,519,947</u> | <u>1,159,791</u> | <u>1,518,368</u> | <u>1,157,658</u> |

Deferred income represents amounts received in respect of shows and performances that do not take place until after the year end, as well as theatre packages and gift cards not yet reclaimed.

17. FINANCIAL INSTRUMENTS

| | Group 2025 £ | Group 2024 £ | Charitable Company 2025 £ | Charitable Company 2024 £ |
|--|-----------------------------|--------------------|--|------------------------------------|
| FINANCIAL ASSETS | | | | |
| Financial assets measured at fair value through income and expenditure | 4,093,789 | 3,083,173 | 3,913,593 | 2,976,527 |

Financial assets measured at fair value through income and expenditure comprise of short term investments and cash at bank and in hand.

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

18. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

| | Balance at 1 April 2024 £ | Income £ | Expenditure £ | Gains/ (Losses) £ | Balance at 31 March 2025 £ |
|--|---------------------------------|-------------------------|---------------------------|-------------------------|-------------------------------------|
| UNRESTRICTED FUNDS | | | | | |
| General Funds - all funds | 1,278,251 | 6,556,430 | (6,579,340) | 32,527 | 1,287,868 |
| RESTRICTED FUNDS | | | | | |
| Restricted Theatre Refurbishment Fund | 2,041,609 | - | (97,220) | - | 1,944,389 |
| Restricted Tomorrow Fund | 1,338,671 | 2,074 | (148,074) | - | 1,192,671 |
| Restricted Heritage Fund | - | 509,562 | - | - | 509,562 |
| | <u>3,380,280</u> | <u>511,636</u> | <u>(245,294)</u> | <u>-</u> | <u>3,646,622</u> |
| TOTAL OF FUNDS | <u><u>4,658,531</u></u> | <u><u>7,068,066</u></u> | <u><u>(6,824,634)</u></u> | <u><u>32,527</u></u> | <u><u>4,934,490</u></u> |

RESTRICTED FUND DESCRIPTIONS:

Restricted Theatre Refurbishment Funds

This fund is the result of Lottery Funding Grant matched by contribution from MHDC and other supporters to provide refurbishment of the Theatres. The refurbishment costs have been capitalised and will be depreciated over the life of the lease, or life of item whichever is applicable. The balance on this fund as at the year end was £1,944,389 (2024: £2,041,609).

Restricted Tomorrow Fund

The fund is the result of contributions from the Theatres' supporters to fund the redevelopment of the Theatres, including reseating of the cinema, Festival and Forum, and for funding projects including festivals. The cinema and festival seating has been replaced and these costs have been capitalised and will be depreciated over the life of the assets. The balance on this fund as at the year end was £1,192,671 (2024: £1,338,671).

Restricted Heritage Fund

This fund is the results of contributions from the Theatres' supporters to fund heritage projects, and towards the maintenance and running costs of the building. The balance on this fund as at the year end was £509,562 (2024: £NIL). This fund has been used towards reseating the festival theatre, and going forward will help to fund replacement of the forum theatre seating and an extension to provide education space. This fund has been used towards reseating the festival theatre, and towards Studio One. Going forward this will be used towards future projects including the new development.

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

18. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR

| | Balance at 1 April 2023 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 March 2024 £ |
|---------------------------------------|---------------------------------|------------------|--------------------|--------------------------|-------------------------|-------------------------------------|
| UNRESTRICTED FUNDS | | | | | | |
| General Funds | 1,199,747 | 5,111,105 | (4,960,322) | - | (72,279) | 1,278,251 |
| RESTRICTED FUNDS | | | | | | |
| Restricted Theatre Refurbishment Fund | 2,138,829 | - | (97,220) | - | - | 2,041,609 |
| Restricted Tomorrow Fund | 658,113 | 42,932 | (107,462) | 745,088 | - | 1,338,671 |
| Restricted Heritage Fund | 745,088 | 409,896 | (409,896) | (745,088) | - | - |
| | <u>3,542,030</u> | <u>452,828</u> | <u>(614,578)</u> | <u>-</u> | <u>-</u> | <u>3,380,280</u> |
| TOTAL OF FUNDS | <u>4,741,777</u> | <u>5,563,933</u> | <u>(5,574,900)</u> | <u>-</u> | <u>(72,279)</u> | <u>4,658,531</u> |

MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

19. SUMMARY OF FUNDS

SUMMARY OF FUNDS - CURRENT YEAR

| | Balance at 1 April 2024 £ | Income £ | Expenditure £ | Gains/ (Losses) £ | Balance at 31 March 2025 £ |
|------------------|---------------------------------|------------------|--------------------|-------------------------|-------------------------------------|
| General funds | 1,278,251 | 6,556,430 | (6,579,340) | 32,527 | 1,287,868 |
| Restricted funds | 3,380,280 | 511,636 | (245,294) | - | 3,646,622 |
| | <u>4,658,531</u> | <u>7,068,066</u> | <u>(6,824,634)</u> | <u>32,527</u> | <u>4,934,490</u> |

SUMMARY OF FUNDS - PRIOR YEAR

| | Balance at 1 April 2023 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 March 2024 £ |
|------------------|---------------------------------|------------------|--------------------|--------------------------|-------------------------|-------------------------------------|
| General funds | 1,199,747 | 5,111,105 | (4,960,322) | - | (72,279) | 1,278,251 |
| Restricted funds | 3,542,030 | 452,828 | (614,578) | - | - | 3,380,280 |
| | <u>4,741,777</u> | <u>5,563,933</u> | <u>(5,574,900)</u> | <u>-</u> | <u>(72,279)</u> | <u>4,658,531</u> |

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

| | Unrestricted funds 2025 £ | Restricted funds 2025 £ | Total funds 2025 £ |
|-------------------------------|------------------------------------|----------------------------------|-----------------------------|
| Tangible fixed assets | - | 3,180,684 | 3,180,684 |
| Fixed asset investments | 734,177 | - | 734,177 |
| Current assets | 2,796,756 | 1,515,938 | 4,312,694 |
| Creditors due within one year | (2,243,065) | (1,050,000) | (3,293,065) |
| TOTAL | <u>1,287,868</u> | <u>3,646,622</u> | <u>4,934,490</u> |

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

| | Unrestricted funds 2024 £ | Restricted funds 2024 £ | Total funds 2024 £ |
|-------------------------------|------------------------------------|----------------------------------|-----------------------------|
| Tangible fixed assets | - | 3,376,101 | 3,376,101 |
| Fixed asset investments | 697,694 | - | 697,694 |
| Current assets | 2,219,769 | 1,054,179 | 3,273,948 |
| Creditors due within one year | (1,639,212) | (1,050,000) | (2,689,212) |
| TOTAL | 1,278,251 | 3,380,280 | 4,658,531 |

21. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

| | Group 2025 £ | Group 2024 £ |
|--|--------------------|--------------------|
| Net income/expenditure for the year (as per Statement of Financial Activities) | 275,959 | (83,246) |
| ADJUSTMENTS FOR: | | |
| Depreciation charges | 241,970 | 204,940 |
| Dividends, interests and rents from investments | (78,458) | (68,620) |
| Profit on the sale of fixed assets | (688) | - |
| Decrease/(increase) in debtors | (28,130) | 18,166 |
| Increase in creditors | 603,853 | 1,156,008 |
| Net (profit) / loss on sale and revaluation of investments | 32,527 | (39,585) |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | 1,047,033 | 1,187,663 |

22. ANALYSIS OF CASH AND CASH EQUIVALENTS

| | Group 2025 £ | Group 2024 £ |
|--------------|--------------------|--------------------|
| Cash in hand | 3,759,789 | 3,083,173 |

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

23. ANALYSIS OF CHANGES IN NET DEBT

| | At 1 April 2024 | Cash flows | At 31 March 2025 |
|-----------------------------|--------------------|------------------|---------------------|
| | £ | £ | £ |
| Cash at bank and in hand | 3,083,173 | 676,616 | 3,759,789 |
| Short term deposit accounts | - | 334,000 | 334,000 |
| | <u>3,083,173</u> | <u>1,010,616</u> | <u>4,093,789</u> |

24. PENSION COMMITMENTS

The Charitable Company makes contributions, as part of an employee's contract of employment, which are payable to defined contribution schemes chosen by the employer. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £41,218 (2024: £42,435). Contributions totalling £6,053 (2024: £5,375) were payable to the fund at the Balance sheet date and are included in creditors.

25. OPERATING LEASE COMMITMENTS

At 31 March 2025 the Group and the Charitable Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

| | Group 2025 | Group 2024 | Charitable Company 2025 | Charitable Company 2024 |
|--|---------------|---------------|-------------------------------|-------------------------------|
| | £ | £ | £ | £ |
| Not later than 1 year | 12,965 | 12,860 | 12,965 | 12,860 |
| Later than 1 year and not later than 5 years | 13,350 | 26,315 | 13,350 | 26,315 |
| | <u>26,315</u> | <u>39,175</u> | <u>26,315</u> | <u>39,175</u> |

26. RELATED PARTY TRANSACTIONS

The group has taken advantage of the exemption in Section 33 of FRS 102 from the requirement to disclose transactions with other wholly owned group companies.

During the year the Charity made sales of £1,200 (2024: £1,200) to Sweet Paan Limited, incurred expenditure of £1,295 (2024: £1,604). Maher Kazi is a Trustee of the Charity and a shareholder of Sweet Paan Limited.

During the year the company made purchases of £25,032 (2024: £26,256) from Webdesign Associates Ltd. T Thompson is a director of the company.

During the year donations of £6 were made to the Charity by a Trustee (2024: £3).

MALVERN THEATRES TRUST LIMITED

England & Wales - Charity number 241433

Accounts

Registered number: 00838245
Charity number: 241433

MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

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**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITABLE COMPANY, ITS TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 MARCH 2024**

| | |
|----------------------------------|--|
| Trustees | Professor Judith Elkin Richard Hastilow-Smith Maher Kazi Leslie Kinmond Simon Marks Professor Tamar Thompson OBE, Chair Thomas Wells |
| Company registered number | 00838245 |
| Charity registered number | 241433 |
| Registered office | Malvern Theatres Grange Road Malvern Worcestershire WR14 3HB |
| Company secretary | Leslie Kinmond |
| Chief executive officer | Fred Moroni |
| Independent auditors | Bishop Fleming LLP Chartered Accountants Statutory Auditors 1-3 College Yard Worcester WR1 2LB |
| Solicitors | Harrison Clark Rickerbys LLP 5 Deansway Worcester Worcestershire WR1 2JG |
| Bankers | Lloyds Bank PLC 48 Belle Vue Terrace Malvern Worcestershire WR14 4QG |

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**CHAIR'S STATEMENT
FOR THE YEAR ENDED 31 MARCH 2024**

The chair presents her statement for the year.

Our vision:

- To be a leading provider of the arts in the UK;
- To be nationally recognized for artistic excellence;
- To make the arts accessible to all;
- To celebrate the life-changing power of theatre;
- To be a respected training ground for the industry, helping to launch the careers of industry professionals

Our commitment:

- We will commit to breaking down barriers that prevent participation;
- We will offer a diverse programme of high-quality cultural entertainment;
- We will provide development opportunities to enable lifelong learning for people of all ages and abilities;
- We will nurture a network of inspiring, ambitious and supportive individuals;
- We will collaborate to ensure that good quality touring theatre is always being produced;
- We will increase the percentage of earned income.

Malvern Theatres is one of the leading providers of the arts in the UK. The theatres' setting amongst the Malvern Hills and its commitment to providing a rich, diverse and high quality product for the community of Malvern and indeed further afield, has given it a unique profile both within the West Midlands and nationally.

During 23/24 Malvern Theatres received revenue funding of £40,000 from Malvern Hills District Council.

Malvern Theatres has maintained its level of arts provision for the community welcoming more than 219,500 audience members into our four auditoria while delivering classes and workshops in all aspects of the arts. As ever, ticket sales are vitally important with regard to income and to the theatres' ongoing survival along with the continued support from the box office membership and regular donations.



Professor Tamar Thompson, OBE

Chair

Date: 22/10/24

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2024**

The Trustees present their annual report together with the audited financial statements of the Malvern Theatres Trust Limited for the year 1 April 2023 to 31 March 2024. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the 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 (FRS102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective January 2015).

PURPOSES AND ACTIVITIES

The purposes of the Trust are:

- To provide and enhance an artistic experience to the public in all aspects of dramatic art, including drama, mime, opera, ballet, music, singing and dance.
- To provide education in the arts, particularly focused on young persons.
- To further build on the experience of the public by the provision of two theatres and a cinema.
- Generally to further the social and cultural welfare of Great Malvern and its surrounding areas.

Our objectives are set and our activities planned having regard to the Charity Commission guidance on public benefit, including the guidance on admission charges to programmes and events. The Theatres are however obliged to cover costs in setting overall admission charges with shortfalls in revenues being made up from grants, particularly those from Malvern Hills District Council. Admission charges are kept as low as possible in order to preserve the availability of the Theatres and the cinema to lower income groups and younger theatre-goers.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public Benefit; running a charity (PB2)'.

STRATEGIES

The strategies which are used to achieve the Trust's aims and objectives are:

- To present a balanced programme of theatre productions, music and dance productions to give a real breadth of artistic opportunity to residents of Malvern and the surrounding areas.
- To work with local artistic organisations sponsoring local artistic events.
- To focus particularly upon education in the arts, particularly performance based.
- To encourage programming involving artists of different cultural backgrounds.
- Generally to offer opportunities to a broad range of people to participate in arts activity thereby exploring their own creative powers.

Strategies condense into three major areas of activity:

- Concerts and stage performances
- Educational programmes
- High Profile Cinema Productions

Thus we focus on bringing the arts to as wide a range of participants as possible, affecting all members of our community.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

The Festival Theatre

The Festival Theatre houses 850 seats and continues to maintain its reputation for delivering an eclectic programme of events including musicals and plays, all of the highest calibre. Across the year there has been a vast selection of comedy dramas including Mike Leigh's **Abigails's Party**; **The Circle** by Somerset Maugham, and direct from the West End and winner of the Laurence Olivier Award for Best Comedy, **Pride and Prejudice* (*Sort of)**. In this auditorium, audiences have also had the opportunity to see both Tennessee William's semi-autobiographical play **Glass Menagerie** starring Geraldine Somerville and John Mortimer's autobiographical play, **A Voyage Round My Father** directed by Richard Eyre, starring Rupert Everett and Julian Wadham.

In Spring, we received Theatre Royal Bath's production of **Mrs Warren's Profession** by George Bernard Shaw starring real-life mother and daughter Caroline Quentin and Rose Quentin and the Birmingham Rep's production of Steinbeck's **Of Mice and Men** directed by Iqbal Khan. Audiences enjoyed the world premiere stage adaptation of **Wish You Were Dead**, the next installment from the modern crime series *Grace* by Peter James. Similarly, audiences appreciated the return of Agatha Christie's murder mystery **And Then There Were None** and courtroom thrillers **The Verdict**, presented by Middleground Theatre Company, and **Twelve Angry Men** following its West End run and starring Jason Merrells, Tristan Gemmill and Gray O'Brien. Over the course of the year, several ghost stories have been performed in the Festival Theatre including: the return of the **Woman in Black**, direct from the West End; London Classic Theatre's performance of the haunting play **Faith Healer**, consisting of a series of four monologues; and Tilted Wig's presentation of **Frankenstein**, inspired by Mary Shelley's classic horror novel.

The Festival Theatre welcomed back Original Theatre Company for two productions this year **The Time Machine – A Comedy**, based upon HG Wells' novel, and Torben Bett's new ghost story **Murder in the Dark** starring Tom Chambers and Susie Blake. Likewise, The Children's Theatre Partnership (CTP) toured two productions. **The Boy at the Back of the Class** was told from a child's perspective and based on Onjali Q Raúf's novel highlighting the importance of kindness whilst **Unexpected Twist** was a fusion of two stories, one being Dickens' *Oliver Twist*. During this period, Flabbergast Theatre also toured two Shakespeare productions to the Festival Theatre, a tragedy and a comedy. **Macbeth** featured physical theatre, puppetry, masks and live music whereas **A Midsummer Night's Dream** embodied physical comedy, folk song and dance. Direct from the Royal Shakespeare Company (RSC) we received the production of **A Merchant of Venice 1936** starring Tracy Ann-Oberman and **Red Sky at Sunrise**, which presented Laurie Lee's story in the form of music and spoken word starring Anton Lesser, Charlier Hamblett with accompaniment from the Orchestra of the Swan.

Complementing and providing contrast to the touring drama productions were several musical theatre productions. Based on the 1988 film and following two successful West End seasons, the black comedy rock musical **Heathers the Musical** embarked on a national tour and was well-received by audiences in July. In contrast, **Tony! [The Tony Blair Rock Opera]** a new musical written by Harry Hill and Steve Brown delighted audiences with a rock'n'roll soundtrack and comedic script. Alongside these were the return of audiences' favourites **Blood Brothers** and **Noises Off**. During the Summer, the Festival Theatre accommodated a selection of one night performances including: *Someone Like You*, *The Glenn Miller & Big Band Spectacular*, *The Greatest Hits of UB40 – The Legacy*, *The Big Country Music Show*, and *A Tribute to the Carpenters*.

Opera was well-represented with: National Gilbert and Sullivan Opera Company's consecutive performances of the Gilbert and Sullivan comic operas **The Mikado**, **The Pirates of Penzance** and **The Yeoman of the Guard**; Ellen Kent Productions' **La Bohème** featuring the Ukrainian Opera and Ballet Theatre Kyiv; Wild Art's **The Opera Show**; and the Ukrainian National Opera's presentation of **Madama Butterfly** performed by Dnipro Opera.

The leading actors who performed in the Festival Theatre during this period included: Jason Merrells, Clive Mantle, George Rainsford, Katie McGlynn, Matthew Cottle, Tracy Ann-Oberman, Bob Barrett, Andrew Lancel, David Yelland, Rupert Everett, Julian Wadham, Liza Goddard, Paul Bradley, Simon Shepherd, Jane Asher, Clive Francis, Nicholas Le Prevost, Tom Chambers, Susie Blake, Anton Lesser, Charlier Hamblett, Tristan Gemmill, Gray O'Brien and Geraldine Somerville.

Overall, more than 100,000 patrons took their seats for 32 weeks of professional theatre performed in the Festival Theatre.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

Pantomime

Malvern Theatres' annual traditional Christmas pantomime was **Cinderella** which played 42 performances and saw over 27,000 audience members attend across a selection of morning, matinee and evening performances. Again, we offered a relaxed performance specifically designed for those who find regular performance settings both overwhelming and challenging and who benefit from a more relaxed and supportive environment. This production welcomed back Mark James in the role of Buttons alongside actors Katie McGlynn, Jamie Morris, Tarot Joseph, Mark Faith, Ben Brooker, and Jordan Lee Davies.

The Forum Theatre

With a capacity of up to 827 seats, the Forum Theatre is a versatile space which presents a broad programme of live art and cinema events to suit all ages and tastes. Throughout the year, a wide range of repertoire has been performed in this space including children's theatre, comedy, contemporary dance, live music, orchestral concerts and recitals, as well as talks and discussions. The Forum Theatre has continued to host both live and recorded broadcasts from The Metropolitan Opera, National Theatre and Royal Opera House with the new addition of exhibition screenings from Seventh Art Productions. Total audience numbers for live performances in the Forum Theatre were 42,022.

Once more, the Forum Theatre hosted a diverse programme of events presented by both nationally and internationally recognised artists and companies which included Ballet Cymru, BANFF film festival, Clare Teal, Johannes Radebe, Jools Holland, Kate Rusby and Ockham's Razor. The Forum Theatre attracted audiences with its extensive offering of one night performances varying in genre. These included Coldplace, Magic of Motown, Lost in Music, The Sound of Springsteen, Rumours of Fleetwood Mac, Sensational 60s Experience, The Illegal Eagles, Sun Records 70th Concert, The ELO Experience, Roy Orbison and The Travelling Wilburys, The Signatures- Northern Soul Live, The Rocket Man, Fast Love, Big Girl's Don't Cry, 80's Live, The Simon and Garfunkel Story, Sweet Caroline, Buddy Holly and The Cricketers, That'll Be The Day, Rhythm of the Dance, The ELO Show, Ronnie Scott's Jazz Club, The Elvis Years at Christmas, Swinging at the Cotton Club, Talon – Hotel California Tour, Beyond the Barricade, One Night in Dublin, Johnny Cash Roadshow: Sin & Redemption, The Classic Rock Show, UK Pink Floyd Experience, Absolute Reggae, P!nk Beautiful Trauma, Rob Lamberti presents perfectly George, Totally Tina, Hello Again... The Neil Diamond Songbook and Shape of You.

During the past year, the Forum Theatre welcomed talks from Ben Fogle, Simon Reeve and Australian actor Alan Fletcher as well as hosting comedians Stewart Lee, Sarah Millican, Adam Rowe, Jimeoin, Frankie Boyle, Count Arthur Strong and Tom Davis. Comedic musical performances were also given by **Fascinating Aida**, and the casts of **Mum's the Word** and **Menopause the Musical 2**. In contrast, we programmed several children's theatre productions which included **Shark in the Park**, **Santa's Christmas Wish**, **Trouble on Volcano Island** and two productions which saw classic children's characters Mog the Cat and Spot the Dog appear on stage. In December, we hosted **There's a Monster in Your Show**, the debut children's musical production adapted from the series 'Who's in Your Book?' written by Tom Fletcher. This year also saw the return of Frozen Light theatre company with their latest interactive multi-sensory theatre production, **The Bar at the Edge of Time**, for audiences with profound and multiple learning disabilities (PMLD).

Classical music has again been well-represented with a series of ensembles and soloists of international repute visiting the Forum Theatre. Artists included English Symphony Orchestra (ESO), Chandos Symphony Orchestra, Miloš Karadaglić, BBC Philharmonic Orchestra, Rachel Podger, Nigel Kennedy, Armonico Consort, Emma Johnson, Quator Van Kwijk with Sean Shibe, Siqian Li, Chiaroscuro Quartet with Cedric Tiberghien, Far Flung Trio, Amatis Piano Trio, Tom Poster & Elena Urioste, Dudok Quartet Amsterdam and the City of Birmingham Symphony Orchestra (CBSO).

With the development of Studio One, the Forum Theatre was vital in fulfilling our cinema programming schedule by operating as an additional screen up until Summer 2023. This enabled us to continue offering cinema-goers the flexibility of screening times while ensuring accessible screenings were available. During peak times, the Forum Theatre hosted additional film screenings enabling us to programme several titles, including new releases, as well as offering family-friendly titles across the Summer holidays and Christmas. In March, the Forum Theatre screened a selection of films as part of the annual **Borderlines Film Festival**.

Cinema

Over the course of the year, we have once again attracted a sizeable audience to our diverse film programme consisting of films on national general release, anniversary screenings, one-off screenings of classic films and an array of foreign-language films in several languages with subtitles. With over 54,000 people attending film screenings this year, we operated across 365 days, screened 772 showings and 181 film titles, all of which have been enjoyed by our audiences. Some of these titles included **Allelujah**, **The Unlikely Pilgrimage of Harold Fry**, **Barbie**, **Oppenheimer**, **Mission Impossible: Dead Reckoning Part One**, **The Great Escaper** and **Wonka**.

With the ongoing building works and development of Studio One, we were unable to operate the cinema during the daytime (morning and matinees) until mid-July. Fortunately, we were able to continue offering late afternoon and evening weekday film screenings along with morning, matinee and evening screenings across weekends. We reinstated our well-established cinema timetable consisting of morning, matinee and evening screenings at the end of July. Throughout the year, we have been able to offer a selection of titles on release date and prior to these becoming available on streaming platforms. We have continued to offer descriptive subtitled screenings and relaxed viewings enabling our cinema programme to be accessible to all.

This year saw us celebrate 100 years of Malvern Cinema, where we took the opportunity to screen a selection of films that have been shown while we have been in operation. Some titles included: **In Bruges**, **Singing in the Rain**, **Parasite**, **King Kong** and **Marie Antoinette**. In addition, we launched a new cinema membership. This has proven popular with over 350 members subscribing within the first year. Once again, we hosted the **Borderlines Film Festival** from 1st to 17th March across three screens: Cinema, Forum Theatre and Studio One. We presented 93 screenings of 40 different films including 22 previews prior to general release. The programme also featured two films with Q&A sessions and a screening of the silent film, **Piccadilly**. During the Borderlines Film Festival we saw over 8,500 people attend.

Capital Development Project & Studio One

In June 2023, the capital development project was completed with alterations made to the Grange Road entrance of the building including improved step-free access and the installation of the Changing Places facility, a vital addition to the town and surrounding areas making the region more accessible to all. On July 19th, National Changing Places Awareness Day, we welcomed the community into the venue to view and learn about the Changing Places facility onsite whilst offering a series of engaging activities throughout the day in the main foyer as well as a free relaxed screening of a family friendly film in the Forum Theatre.

The development of the new rehearsal and workshop space, Studio One, has enabled us to expand our programme of events, specifically those within our education and creative learning programme which provide life-changing opportunities for people of all ages and abilities in our community. On Saturday 15th July we held an open day whereby the community were given the opportunity to visit the new space, meet workshop practitioners and engage in some arts and crafts activities in the main foyer thus promoting the new enhanced Take Part programme.

From September, Studio One became the hub for the Take Part educational programme with all regular weekly classes being conducted in the studio with the exception of creative arts classes. As a versatile space, Studio One, can be programmed for cinema events and small scale performances. Studio One opened with three consecutive performances: Our Star Theatre Company's new production of **The Invisible Man**, stand-up comedy by Rhys Harris-Clarke and Malvern Theatres Young Company's presentation of Noel Coward's **Blithe Spirit** which played for nine performances from 9th to 13th August.

Engagement and Creative Learning

Malvern Theatres has continued to deliver weekly classes throughout the year. At the beginning of April we had scheduled ten regular classes. With the completion of Studio One, we extended our offering to seventeen. Due to the demand and enthusiasm of the community, we further increased the number of weekly classes available in January 2024 which resulted in the educational Take Part programme delivering twenty one regular weekly classes of varying genres and available for all ages.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

Dance

We have welcomed two new providers, Translucent Dance Company and Jack Ludwig, with the completion of Studio One. Translucent Dance Company teach four dance classes; **Junior Dance**, **Youth Dance**, **THRIVE** and **REGENERATE** whilst Dancefest continue to be the providers for our daytime dance classes for participants seeking gentle dance exercise workshops which include **Parents and Wobblers**, **Parents and Toddlers** (reinstated in January), **Chance to Dance** (2 sessions per week from January), **Chance to Dance: Flow** (introduction of a new intermediate level from January) and **Gentle Dance** (seated dance session). Jack Ludwig delivers **The Big Jig** (Irish dance class) and two **musical theatre** classes: **Junior Musical Theatre Academy**, ages seven to eleven; and **Senior Musical Theatre Academy**, participants aged seventeen plus.

Drama

The programmed drama classes, **Little Theatre Makers**, **Junior Theatre** and **Youth Theatre** continue to be popular with participants. New class, **Advanced Acting Course** (formerly Practice Makes Perfect) was rebranded in January and rescheduled to a weekday which saw an increase in attendance figures.

Creative Arts

We have continued our provision of the interdisciplinary **creative art** workshop, **Make Your Mark**, which has proved popular amongst the community and resulted in increasing both the capacity and volume of sessions. **Make Your Mark Xtra** tailored for adults with learning difficulties remains well subscribed and helps individuals to express their individuality through working with a variety of mediums. **Film Making** led by Jonathan Zaurin, professional filmmaker, is another new class featured in our programme which takes place on a Saturday morning. Participants aged seventeen have the opportunity to gain experience, essential skills and a great knowledge of the filmmaking process.

In addition, several workshops and activities have been successfully conducted including: **Musical Mayhem**, 3-day musical theatre workshop; **Bollywood & Bhangra Fusion**, dynamic session developing movement from a large range of dance styles; **Showstoppers!**, a musical theatre training programme concluding in a live performance; **Shooting Stars Circus Skills Workshop**, the development of circus skills; and **The Big Draw Festival**, a free 2-day open event held in the main theatre foyer with this year's theme being Drawing with Senses.

VOLUNTEERS AND COMMUNITY RELATIONS

The Trust's involvement in the community is demonstrated by the large number of volunteers who assist us with stewarding events and performances. This provides indispensable help in maximising the use of the theatres and provides considerable savings in staff costs, without which the theatres could not survive. We celebrate the team of volunteers annually on UK Volunteers' Week and they have the opportunity to attend regular meetings with the Chief Executive in order to put forward their ideas.

We encourage input from our audiences and take careful note of both compliments and complaints, seeking to learn and grow from both.

As part of our charitable commitment to making the arts accessible to all, we hold weekly descriptive subtitled cinema screenings, monthly relaxed cinema screenings and audio described performances.

Children and Young People

We believe that the arts are life-enhancing for children and young people, and that engagement can enrich their wider learning. Participation in the arts can unlock hidden talents and potential, as well as help develop essential skills such as communication, empathy, and teamwork.

**MALVERN THEATRES TRUST LIMITED
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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024**

This year, we have continued to encourage theatregoing amongst children and young people with almost 20,000 people under 26 attended on a discounted ticket. In March, we provided subsidised transport for school groups to attend the production of *The Boy at the Back of the Class*. Furthermore, we have offered workshops for young people, including a number of specialist workshops.

Older People

We are committed to playing a meaningful and significant role in society's changing demographic. Whether engaged, fit and well, living with dementia or facing isolation, the arts can provide a safe and inspiring place for older people. We are also committed to intergenerational work which has been shown to improve the lives of everyone involved, both young and old. Volunteering opportunities within the theatre provide individuals with a regular routine and opportunities to socialise and interact with others within a safe and supportive environment helping reduce isolation and improve self-esteem, confidence and wellbeing.

Throughout the year, workshops have again been facilitated for older people across dance and visual arts. We continue to offer a Senior Bronze membership which is heavily discounted to assure affordable access to live performance and cinema. We host the annual Big Draw festival where you can come and make a drawing on that year's theme, whatever your age!

Disabled People

We pledge to make Malvern Theatres accessible for all. We understand the social model of disability and by extension, our responsibility as a large cultural venue to make our building work for everyone who uses it. The recent development has improved access into the building and the installation of a new changing places facility has significantly enhanced our offering to patrons with severe disabilities.

Within our educational Take Part programme we have continued to run classes specifically tailored to those with learning difficulties including Make Your Mark Xtra and Gentle Dance and continue to programme regular accessible cinematic screenings.

Environmental Responsibility

We aspire to be a leader in our community, promoting an environmentally responsible approach to our business and our building and inspiring others to make impactful changes for the good of our planet. We strive to ensure our work has a minimal impact on the environment and have continued to offer E-Tickets which have become more popular with our audiences and has considerably reduced the volume of paper tickets being printed.

Across the building we have self-closing taps and an optimised water waste disposal in all of our toilets as well as recycling bins located in public and private areas. LED lighting is installed throughout the complex and a thermometer has been installed in the Cinema to monitor the temperature enabling us to be more energy-efficient and cut down on waste. We are currently working towards a sustainable catering operation with Vegware compostable cups already in use in our café.

Pricing

The inflationary pressures and cost pressures seen in 2022-3 continued through 2023-24 and inevitably led to increased average prices at the box office. These increases stabilised towards the end of the financial year and it remains our overall policy to keep ticket prices as low as possible for our customers.

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024**

Marketing

2023-24 saw the consolidation of our ongoing digital strategy and once again the spend on digital advertising increased as a proportion of overall budget. The opening of Studio One brought with it a change of emphasis in terms of strategy. Specifically, resource was allocated to give our new programme of events and particularly our classes and workshops, appropriate prominence. A new bulk email system is now fully operational, as are the digital screens, projected last year to reach 38 in total, with a new total of 41 projected for 2024-25. The year has also seen consolidation of branding across departments. A modified logo design was approved with sub-brands for Cinema, Take Part and Fundraising. Alongside the new frontage for the building, new banner signage has enhanced branding on this side of the building.

Investment Powers and Policy

Apart from the need to retain restricted reserves, the trustees have unrestricted investment powers. Having regard to the liquidity requirements of the theatres, to the need to mitigate investment risk and to the reserves policy the trustees have operated a policy of keeping funds surplus to immediate requirements in interest bearing deposit accounts and fixed asset investments.

GOING CONCERN

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

Financial Review

The year under review produced a surplus in unrestricted funds of £78,504 compared with a surplus of £1,293 last year. There was a deficit in restricted funds of £161,750 compared with £39,172 last year.

Across all funds the deficit for the year was £83,246 (deficit of £37,879 last year).

The results of the subsidiaries, Malvern Theatres Trading Limited and Malvern Theatres Productions Limited, are included in the group's figures. Profits from the subsidiaries is paid to the charity by way of Gift Aid as in previous years.

There was a movement in cash of £(22,100) (2023: £158,796). Cash at the end of the year was £3,083,173 (2022: £3,105,273).

At the year end net current assets were £584,736 (2023: £1,781,010).

Current liabilities include £1,050,000 due to MHDC towards the build costs for Studio One.

RESERVES POLICY

Maintaining a sustainable level of reserves remains a prime consideration for the organisation going forward.

The level of grants receivable remains under pressure, leading to more and more of our creative output being generated from our own trading income.

Looking forward, we need to continue to balance the quality of our product with the funds available whilst also seeking to secure other sustainable funding sources.

Having regard to the economic situation, the Trustees believe that an appropriate level of reserves would be approximately three months overhead expenditure which is currently circa £625,000. At 31 March 2024, free reserves amounted to £1,278,251 after making a surplus for the financial year 2023/2024 of £78,504.

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024**

PLANS FOR THE FUTURE

The organisation is reliant on continued financial support, including funding from Malvern Hills District Council. Furthermore, we will continue to strive to provide a balanced and diverse programme of the highest quality of product in our Festival and Forum theatres.

Other initiatives are as follows:

- We will pursue new fund raising activities by seeking regular contributions from our loyal patrons, local businesses, trusts and foundations
- We will continue to build marketing capabilities so as to maximise the number of bookings taken via the internet and look at implementing a step-change for Malvern Theatres' social media and digital presence
- We will review our pricing structure with a view to fine tuning these but only to the extent of not taking on risk that may reduce audiences

Levelling up Project plans

Following a successful bid for Levelling Up Funding, Malvern Hills District Council (MHDC) has been awarded up to £20 million in Levelling Up Funding for Malvern Theatres. This will enable the theatres to develop a world-class cultural facility and will transform the visitor economy by attracting more attendees and boosting the local economy by up to £11 million annually.

The Levelling Up funding will be used to further invest in broadening access to the creative arts and to expand the theatre with a further extension to accommodate a number of additional flexible workshop spaces and a 200-seat studio theatre which will:

- increase community engagement with the theatre and the arts improving health and wellbeing for the community
- give aspiring creatives a platform to present their art as well as a safe environment to nurture and explore their craft
- enable us to further our educational opportunities
- provide the opportunity to host community projects, digital projects and developmental works

An upgrade to the Forum Theatre will increase capacity and improve the backstage areas thus attracting international artists, acts and companies to Malvern and a calibre of performance and product that presently is unable to be programmed in the Festival or Forum theatres. In addition to this, the development proposes modifying the entrance to the building from Priory Park therefore improving access for all as well as creating a new external amphitheatre promoting outdoor community art, theatre and projects.

TRUSTEES

The Trustees who served during the year were:

Professor Judith Elkin
Richard Hastilow-Smith
Maher Kazi
Leslie Kinmond
Simon Marks
Professor Tamar Thompson OBE, Chair
Thomas Wells

GOVERNING DOCUMENT

The Charity is registered as a charitable company limited by guarantee set up by a Memorandum of Association on 19 February 1965. It is registered as a charity with the Charity Commission No. 241433

**MALVERN THEATRES TRUST LIMITED
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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024**

APPOINTMENT OF TRUSTEES

The management of the Charity and the Group is the responsibility of the Trustees who are elected and co-opted under the terms of the Memorandum and Articles of Association. Particular effort is made to recruit Trustees who will benefit the Charity by bringing a balanced set of skills. Efforts are also made to manage future retirements of Trustees, so as to enable the appointment of successors without undue haste.

TRUSTEE INDUCTION AND TRAINING

Every Trustee on appointment is provided with a pack of documents setting out key information on the Trust and the Charity. New Trustees are required to confirm that they have studied these documents and raised any queries or obtained any further information which they may need.

Developments in Charity Law and practice are monitored and important developments are brought to the notice of Trustees.

TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of Malvern Theatres Trust Limited for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group 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 judgments and accounting estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ORGANISATION

The Board of Trustees, which currently has 7 members, administers the Charity. The Board meets bi-monthly and there are sub-committees covering fundraising, audit and governance and remuneration. These sub-committees meet on an ad-hoc basis whenever necessary. The Chief Executive is appointed by the Trustees to manage the day to day operations of the Charity. To facilitate effective operation, the Chief Executive has delegated authority within terms of reference approved by the Trustees for some operational matters, including finance.

RELATED PARTIES

None of the Trustees receive remuneration or any other benefit for their work with the Charity. Any connection between any Trustee and any production company, contracted actor or performer of any sort, must be disclosed to the full Board of Trustees in the same way as any contractual relationship with a related party.

**MALVERN THEATRES TRUST LIMITED
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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024**

The Charity has a close relationship with Malvern Hills District Council, who provide grant aid. Receipt of these grant monies is crucial for the ongoing operations of the Theatres.

The Charity's wholly owned subsidiary, Malvern Theatres Trading Limited, was established to operate hire, conferences, etc. and all other activities ancillary to the main activity of the group. The profits of the subsidiary are Gift Aided to the Charity (see Note 13 to the financial statements).

The Charity's wholly owned subsidiary, Malvern Theatres Productions Ltd, was established to produce theatre productions. The profits of the subsidiary are Gift Aided to the Charity (see Note 13 to the financial statements).

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the charitable group's auditors in connection with preparing their report and to establish that the charitable group's auditors are aware of that information.

Approved by order of the members of the board of Trustees and signed on their behalf by:



Professor Tamar Thompson OBE

Chair

Date: 22nd OCT 2024

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MALVERN THEATRES TRUST LIMITED

OPINION

We have audited the financial statements of Malvern Theatres Trust Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2024 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charitable Company Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 March 2024 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

**MALVERN THEATRES TRUST LIMITED
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MALVERN THEATRES TRUST LIMITED
(CONTINUED)**

OTHER INFORMATION

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MALVERN THEATRES TRUST LIMITED
(CONTINUED)**

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We have considered the nature of the industry and sector, control environment and business performance;
- We have considered the results of our enquiries of management and the Chair of the Board about their own identification and assessment of the risk of irregularities;
- For any matters identified we have obtained and reviewed the Charitable Group and Companies documentation of their policies and procedures relating to;
 - Identifying, evaluating and complying with laws and regulations whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risk of fraud and whether they have knowledge of actual, suspected or alleged fraud; and
 - The internal controls established to mitigate the risks of fraud or non-compliance with laws and regulations.
- We have considered the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas:

- Revenue recognition; and
- Accounting estimates.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Charitable Group and Company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Charities SORP (FRS 102) - Accounting and Reporting by Charities and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

In addition, we have considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Charitable Group and Company's ability to operate or to avoid a material penalty. These include data protection regulations, health and safety regulations and employment legislation.

**MALVERN THEATRES TRUST LIMITED
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MALVERN THEATRES TRUST LIMITED
(CONTINUED)**

Audit response to risks identified:

As a result of performing the above procedures, we have identified revenue recognition and accounting estimates as key audit matters related to the potential risk of fraud. Our procedures to respond to risks identified included the following:

- Documenting and validating the control environment for income and debtors and carrying out walkthrough testing;
- Undertaking substantive sample-based testing or proof in total calculations on all material revenue streams to ensure revenue has been recognised appropriately and accurately;
- Considering manual income journals as part of our work on fraud risks documented above;
- Reviewing the financial statement disclosures and testing to supporting documentation;
- Enquiring of management concerning actual and potential litigation claims;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement;
- Reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from an error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

We have been appointed auditor under the Companies Act 2006 and report in accordance with this Act.

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MALVERN THEATRES TRUST LIMITED
(CONTINUED)**

USE OF OUR REPORT

This report is made solely to the Charitable Company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charitable Company's trustees those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



Andrew Wood FCCA (Senior Statutory Auditor)

for and on behalf of

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

1-3 College Yard

Worcester

WR1 2LB

Date: *31st October 2024*

MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2024

| | Note | Unrestricted funds 2024 £ | Restricted funds 2024 £ | Total funds 2024 £ | Total funds 2023 £ |
|--|------|---------------------------------|-------------------------------|--------------------------|--------------------------|
| INCOME FROM: | | | | | |
| Donations and legacies | 3 | 193,703 | 452,828 | 646,531 | 578,471 |
| Charitable activities | 4 | 4,540,598 | - | 4,540,598 | 4,520,956 |
| Other trading activities | 5 | 196,320 | - | 196,320 | 170,995 |
| Investments | 6 | 68,620 | - | 68,620 | 22,032 |
| TOTAL INCOME | | 4,999,241 | 452,828 | 5,452,069 | 5,292,454 |
| EXPENDITURE ON: | | | | | |
| Raising funds | | 167,307 | - | 167,307 | 175,507 |
| Charitable activities | 7 | 4,793,015 | 614,578 | 5,407,593 | 5,099,283 |
| TOTAL EXPENDITURE | | 4,960,322 | 614,578 | 5,574,900 | 5,274,790 |
| NET INCOME/(EXPENDITURE) BEFORE NET GAINS/(LOSSES) ON INVESTMENTS | | | | | |
| | | 38,919 | (161,750) | (122,831) | 17,664 |
| Net gains/(losses) on investments | | 39,585 | - | 39,585 | (55,543) |
| NET MOVEMENT IN FUNDS | | 78,504 | (161,750) | (83,246) | (37,879) |
| RECONCILIATION OF FUNDS: | | | | | |
| Total funds brought forward | | 1,199,747 | 3,542,030 | 4,741,777 | 4,779,656 |
| Net movement in funds | | 78,504 | (161,750) | (83,246) | (37,879) |
| TOTAL FUNDS CARRIED FORWARD | | 1,278,251 | 3,380,280 | 4,658,531 | 4,741,777 |

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 22-40 form part of these financial statements.

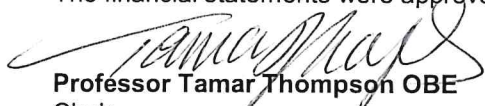
MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:00838245

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2024

| | Note | 2024 £ | 2023 £ |
|--|------|-------------------------|-------------------------|
| FIXED ASSETS | | | |
| Tangible assets | 12 | 3,376,101 | 2,367,862 |
| Investments | 13 | 697,694 | 592,905 |
| | | <u>4,073,795</u> | <u>2,960,767</u> |
| CURRENT ASSETS | | | |
| Debtors | 14 | 190,775 | 208,941 |
| Cash at bank and in hand | | 3,083,173 | 3,105,273 |
| | | <u>3,273,948</u> | <u>3,314,214</u> |
| Creditors: amounts falling due within one year | 15 | (2,689,212) | (1,533,204) |
| NET CURRENT ASSETS | | <u>584,736</u> | <u>1,781,010</u> |
| TOTAL NET ASSETS | | <u><u>4,658,531</u></u> | <u><u>4,741,777</u></u> |
| CHARITY FUNDS | | | |
| Restricted funds | 17 | 3,380,280 | 3,542,030 |
| Unrestricted funds | 17 | 1,278,251 | 1,199,747 |
| TOTAL FUNDS | | <u><u>4,658,531</u></u> | <u><u>4,741,777</u></u> |

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:


Professor Tamar Thompson OBE
 Chair
 Date: 22/10/24

The notes on pages 22 to 40 form part of these financial statements.

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:00838245**

**CHARITABLE COMPANY STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 MARCH 2024**

| | Note | 2024 £ | 2023 £ |
|--|------|-------------------------|-------------------------|
| FIXED ASSETS | | | |
| Tangible assets | 12 | 3,376,101 | 2,367,862 |
| Investments | 13 | 797,696 | 692,907 |
| | | <u>4,173,797</u> | <u>3,060,769</u> |
| CURRENT ASSETS | | | |
| Debtors | 14 | 222,658 | 260,449 |
| Cash at bank and in hand | | 2,976,527 | 2,972,534 |
| | | <u>3,199,185</u> | <u>3,232,983</u> |
| Creditors: amounts falling due within one year | 15 | (2,680,671) | (1,521,230) |
| NET CURRENT ASSETS | | <u>518,514</u> | <u>1,711,753</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>4,692,311</u> | <u>4,772,522</u> |
| TOTAL NET ASSETS | | <u><u>4,692,311</u></u> | <u><u>4,772,522</u></u> |
| CHARITY FUNDS | | | |
| Restricted funds | 17 | 3,380,280 | 3,542,030 |
| Unrestricted funds | 17 | 1,312,031 | 1,230,492 |
| TOTAL FUNDS | | <u><u>4,692,311</u></u> | <u><u>4,772,522</u></u> |

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



Professor Tamar Thompson OBE

Chair

Date: 22/10/24

The notes on pages 22 to 40 form part of these financial statements.

MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024

| | Note | 2024 £ | 2023 £ |
|--|------|--------------------|------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Net cash used in operating activities | 20 | 1,187,663 | 138,251 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Investment income | | 68,620 | 22,032 |
| Movement of tangible fixed assets | | (1,213,179) | (9,989) |
| Proceeds from sale of investments | | 237,891 | 186,005 |
| Purchase of investments | | (303,095) | (177,503) |
| NET CASH (USED IN)/PROVIDED BY INVESTING ACTIVITIES | | (1,209,763) | 20,545 |
| CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR | | | |
| Cash and cash equivalents at the beginning of the year | | 3,105,273 | 2,946,477 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | 21 | 3,083,173 | 3,105,273 |

The notes on pages 22 to 40 form part of these financial statements

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

1. GENERAL INFORMATION

Malvern Theatres Trust Limited is a private charitable company limited by guarantee incorporated in England and Wales. The registered office is Grange Road, Malvern, Worcestershire, WR14 3HB.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Malvern Theatres Trust Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Group and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis.

The Group has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

2.2 GOING CONCERN

After making appropriate enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

The financial statements do not reflect the adjustments that would be necessary should entity cease to remain as a going concern.

2. ACCOUNTING POLICIES (continued)

2.3 INCOME

All income is recognised once the Charitable Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Charitable activities

Income from Theatre admission fees is included in incoming resources in the period in which the relevant show takes place.

Activities for generating funds

Activities for generating funds includes income from commercial activities and represents income from cinema admissions and sponsorship activities and is included in the period in which the group is entitled to receipt.

Grants receivable

Revenue based grants are credited to the Statement of financial activities in the year in which they are received.

Grants relating to the redevelopment of the Theatre complex have been credited to restricted funds in the Statement of financial activities in accordance with the conditions imposed by donors.

2.4 EXPENDITURE

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 allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

2.5 INTEREST RECEIVABLE

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

2. ACCOUNTING POLICIES (continued)

2.6 TAXATION

The Charitable Company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charitable Company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2.7 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

| | |
|------------------------------|--|
| Long-term leasehold property | - Over the remaining life of the lease |
| Fixtures and fittings | - 10%-50% straight line |

2.8 INVESTMENTS

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated Statement of Financial Activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.9 DEBTORS

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.10 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2. ACCOUNTING POLICIES (continued)

2.11 LIABILITIES AND PROVISIONS

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charitable Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated Statement of Financial Activities as a finance cost.

2.12 FINANCIAL INSTRUMENTS

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.13 OPERATING LEASES

Rentals paid under operating leases are charged to the Consolidated Statement of Financial Activities on a straight line basis over the lease term.

2.14 PENSIONS

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

2.15 FUND ACCOUNTING

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

3. INCOME FROM DONATIONS AND LEGACIES

| | Unrestricted funds 2024 £ | Restricted funds 2024 £ | Total funds 2024 £ | Total funds 2023 £ |
|-------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| DONATIONS | | | | |
| Tomorrow Fund donations | - | 42,932 | 42,932 | 98,767 |
| Heritage Fund donations | - | 409,896 | 409,896 | 267,351 |
| Other donations | 85,884 | - | 85,884 | 74,738 |
| GRANTS | | | | |
| The Elmley Foundation | 9,369 | - | 9,369 | - |
| Support grant from MHDC | 80,000 | - | 80,000 | 56,800 |
| Rent grant from MHDC | - | - | - | 61,000 |
| Other grants | 18,450 | - | 18,450 | 19,815 |
| TOTAL 2024 | 193,703 | 452,828 | 646,531 | 578,471 |
| TOTAL 2023 | 212,353 | 366,118 | 578,471 | |

4. INCOME FROM CHARITABLE ACTIVITIES

| | Unrestricted funds 2024 £ | Total funds 2024 £ | Total funds 2023 £ |
|---|------------------------------------|-----------------------------|-----------------------------|
| Festival Theatre income | 2,396,637 | 2,396,637 | 2,619,264 |
| Forum Theatre income | 1,114,650 | 1,114,650 | 985,981 |
| Engagement and Creative Learning income | 32,681 | 32,681 | 13,498 |
| Cinema income | 303,878 | 303,878 | 244,257 |
| Theatre membership fees and income | 259,681 | 259,681 | 237,353 |
| Other income | 425,039 | 425,039 | 420,603 |
| Studio One income | 8,032 | 8,032 | - |
| TOTAL 2024 | 4,540,598 | 4,540,598 | 4,520,956 |
| TOTAL 2023 | 4,520,956 | 4,520,956 | |

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

5. INCOME FROM OTHER TRADING ACTIVITIES

Income from non charitable trading activities

| | Unrestricted funds 2024 £ | Total funds 2024 £ | Total funds 2023 £ |
|-------------------------------|--|---------------------------------------|---------------------------------------|
| Income from catering contract | 80,165 | 80,165 | 51,482 |
| Trading company income | 116,155 | 116,155 | 119,513 |
| TOTAL 2024 | <u>196,320</u> | <u>196,320</u> | <u>170,995</u> |
| TOTAL 2023 | <u>170,995</u> | <u>170,995</u> | |

6. INVESTMENT INCOME

| | Unrestricted funds 2024 £ | Total funds 2024 £ | Total funds 2023 £ |
|-------------------|--|---------------------------------------|---------------------------------------|
| Investment income | 68,620 | 68,620 | 22,032 |
| TOTAL 2024 | <u>68,620</u> | <u>68,620</u> | <u>22,032</u> |
| TOTAL 2023 | <u>22,032</u> | <u>22,032</u> | |

MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

7. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Summary by fund type

| | Unrestricted funds 2024 £ | Restricted funds 2024 £ | Total 2024 £ | Total 2023 £ |
|----------------------------------|--|--|-----------------------------|-----------------------------|
| Shows | 4,689,717 | 614,578 | 5,304,295 | 4,978,447 |
| Engagement and Creative Learning | 97,019 | - | 97,019 | 87,394 |
| Catering expenditure | 6,279 | - | 6,279 | 33,442 |
| | <u>4,793,015</u> | <u>614,578</u> | <u>5,407,593</u> | <u>5,099,283</u> |
| TOTAL 2023 | <u><u>4,693,993</u></u> | <u><u>405,290</u></u> | <u><u>5,099,283</u></u> | |

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES

| | Activities undertaken directly 2024 £ | Support costs 2024 £ | Total funds 2024 £ | Total funds 2023 £ |
|----------------------------------|--|---|---------------------------------------|---------------------------------------|
| Shows | 4,955,896 | 348,399 | 5,304,295 | 4,978,447 |
| Engagement and Creative Learning | 97,019 | - | 97,019 | 87,394 |
| Catering expenditure | 6,279 | - | 6,279 | 33,442 |
| | <u>5,059,194</u> | <u>348,399</u> | <u>5,407,593</u> | <u>5,099,283</u> |
| TOTAL 2023 | <u><u>4,750,374</u></u> | <u><u>348,909</u></u> | <u><u>5,099,283</u></u> | |

MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF DIRECT COSTS

| | Shows 2024 £ | Engagement and Creative Learning 2024 £ | Catering 2024 £ | Total funds 2024 £ | Total funds 2023 £ |
|--------------------------------|--------------------|---|-----------------------|-----------------------------|-----------------------------|
| Staff costs | 873,957 | 51,658 | - | 925,615 | 920,782 |
| Depreciation | 204,795 | - | - | 204,795 | 159,816 |
| Show production costs | 2,795,600 | 25,260 | - | 2,820,860 | 2,630,326 |
| Cinema production costs | 116,842 | - | - | 116,842 | 91,071 |
| Irrecoverable VAT | 94,973 | - | - | 94,973 | 83,260 |
| Advertising and marketing | 259,272 | 20,101 | - | 279,373 | 238,562 |
| Equipment and small tool costs | 5,704 | - | - | 5,704 | 5,602 |
| Property costs | 409,896 | - | - | 409,896 | 249,333 |
| General property costs | 29,875 | - | - | 29,875 | 113,598 |
| Other staff costs | 28,423 | - | - | 28,423 | 18,897 |
| General expenses | 124,889 | - | - | 124,889 | 133,276 |
| Catering Costs | - | - | 6,279 | 6,279 | 33,442 |
| Operating leases | 11,670 | - | - | 11,670 | 72,409 |
| | <u>4,955,896</u> | <u>97,019</u> | <u>6,279</u> | <u>5,059,194</u> | <u>4,750,374</u> |
| TOTAL 2023 | <u>4,629,538</u> | <u>87,394</u> | <u>33,442</u> | <u>4,750,374</u> | |

ANALYSIS OF SUPPORT COSTS

| | Theatres income 2024 £ | Total funds 2024 £ | Total funds 2023 £ |
|------------------------------|---------------------------------|-----------------------------|-----------------------------|
| Staff costs | 284,764 | 284,764 | 279,903 |
| Bank and credit card charges | 27,415 | 27,415 | 24,137 |
| Consultancy costs | 15,965 | 15,965 | 27,296 |
| Audit fees | 18,750 | 18,750 | 16,275 |
| Legal and professional fees | 1,505 | 1,505 | 1,298 |
| | <u>348,399</u> | <u>348,399</u> | <u>348,909</u> |

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

9. AUDITORS' REMUNERATION

| | 2024 | 2023 |
|--|---------------|-------------|
| | £ | £ |
| Fees payable to the Charitable Company's auditor for the audit of the Charitable Company's annual accounts | 15,750 | 14,275 |
| Fees payable to the Charitable Company's auditor in respect of: All non-audit services not included above | 1,750 | 2,000 |

10. STAFF COSTS

| | Group 2024 | Group 2023 | Charitable Company 2024 | Charitable Company 2023 |
|--|-----------------------|-----------------------|--|--|
| | £ | £ | £ | £ |
| Wages and salaries | 1,131,237 | 1,138,973 | 1,131,237 | 1,138,973 |
| Social security costs | 89,980 | 88,939 | 89,980 | 88,939 |
| Contribution to defined contribution pension schemes | 42,435 | 42,515 | 42,435 | 42,515 |
| | 1,263,652 | 1,270,427 | 1,263,652 | 1,270,427 |

The average number of persons employed by the Charitable Company during the year was as follows:

| | Group 2024 | Group 2023 | Charitable Company 2024 | Charitable Company 2023 |
|-----------|-----------------------|-----------------------|--|--|
| | No. | No. | No. | No. |
| Employees | 55 | 59 | 55 | 59 |

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

| | Group 2024 | Group 2023 |
|---------------------------------|-----------------------|-----------------------|
| | No. | No. |
| In the band £130,001 - £140,000 | 1 | - |
| In the band £140,001 - £150,000 | - | 1 |

The key management personnel of the Charity, and the Group, comprise the Trustees, Chief Executive Officer, Finance Director, Marketing Director, Technical Director and Head of Communications. The total employee benefits of the key management personnel of the Charity and Group, including employer's National Insurance contributions, were £321,363 (2023: £347,557).

MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

11. TRUSTEES' REMUNERATION AND EXPENSES

During the year, no Trustees received any remuneration or other benefits (2023: £NIL).

During the year ended 31 March 2024, no Trustee expenses have been incurred (2023: £NIL).

12. TANGIBLE FIXED ASSETS

GROUP AND CHARITABLE COMPANY

| | Long-term leasehold property £ | Fixtures and fittings £ | Total £ |
|-----------------------|---|-------------------------------|-------------------------|
| COST | | | |
| At 1 April 2023 | 7,253,205 | 983,896 | 8,237,101 |
| Additions | 1,050,000 | 163,178 | 1,213,178 |
| Disposals | - | (7,340) | (7,340) |
| At 31 March 2024 | <u>8,303,205</u> | <u>1,139,734</u> | <u>9,442,939</u> |
| DEPRECIATION | | | |
| At 1 April 2023 | 5,114,376 | 754,863 | 5,869,239 |
| Charge for the year | 126,375 | 78,564 | 204,939 |
| On disposals | - | (7,340) | (7,340) |
| At 31 March 2024 | <u>5,240,751</u> | <u>826,087</u> | <u>6,066,838</u> |
| NET BOOK VALUE | | | |
| At 31 March 2024 | <u><u>3,062,454</u></u> | <u><u>313,647</u></u> | <u><u>3,376,101</u></u> |
| At 31 March 2023 | <u><u>2,138,829</u></u> | <u><u>229,033</u></u> | <u><u>2,367,862</u></u> |

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

13. FIXED ASSET INVESTMENTS

| GROUP | Listed investments £ |
|--------------------------|-------------------------------------|
| COST OR VALUATION | |
| At 1 April 2023 | 592,905 |
| Additions | 303,095 |
| Disposals | (237,891) |
| Revaluations | 39,585 |
| AT 31 MARCH 2024 | 697,694 |
| NET BOOK VALUE | |
| AT 31 MARCH 2024 | 697,694 |
| AT 31 MARCH 2023 | 592,905 |

| CHARITABLE COMPANY | Investments in subsidiary companies £ | Listed investments £ | Total £ |
|---------------------------|--|-------------------------------------|--------------------|
| COST OR VALUATION | | | |
| At 1 April 2023 | 100,002 | 592,905 | 692,907 |
| Additions | - | 303,095 | 303,095 |
| Disposals | - | (237,891) | (237,891) |
| Revaluations | - | 39,585 | 39,585 |
| AT 31 MARCH 2024 | 100,002 | 697,694 | 797,696 |
| NET BOOK VALUE | | | |
| AT 31 MARCH 2024 | 100,002 | 697,694 | 797,696 |
| AT 31 MARCH 2023 | 100,002 | 592,905 | 692,907 |

PRINCIPAL SUBSIDIARIES

The following were subsidiary undertakings of the Charitable Company:

MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

13. FIXED ASSET INVESTMENTS (CONTINUED)

| Names | Company number | Registered office or principal place of business | Principal activity | Class of shares | Holding |
|--------------------------------------|----------------|--|---|-----------------|---------|
| Malvern Theatres Trading Limited | 02870411 | The Malvern Theatres, Grange Road, Malvern, Worcestershire, WR14 3BH | Hire of facilities and sale of ancilliary products related to shows | Ordinary | 100% |
| Malvern Theatres Productions Limited | 06421354 | The Malvern Theatres, Grange Road, Malvern, Worcestershire, WR14 3BH | Touring theatrical production company | Ordinary | 100% |

The financial results of the subsidiaries for the year were:

| Names | Income £ | Expenditure £ | Surplus/ (Deficit) for the period £ | Net assets £ |
|--------------------------------------|-------------|------------------|--|-----------------|
| Malvern Theatres Trading Limited | 116,155 | (116,155) | - | 2 |
| Malvern Theatres Productions Limited | - | (3,035) | (3,035) | 66,220 |

14. DEBTORS

| | Group 2024 £ | Group 2023 £ | Charitable Company 2024 £ | Charitable Company 2023 £ |
|------------------------------------|--------------------|--------------------|------------------------------------|------------------------------------|
| DUE WITHIN ONE YEAR | | | | |
| Trade debtors | 35,750 | 45,293 | 29,164 | 39,610 |
| Amounts owed by group undertakings | - | - | 75,469 | 58,191 |
| Other debtors | 38,200 | 2,200 | 1,200 | 1,200 |
| Prepayments and accrued income | 116,825 | 161,448 | 116,825 | 161,448 |
| | 190,775 | 208,941 | 222,658 | 260,449 |

MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | Group 2024 | Group 2023 | Charitable Company 2024 | Charitable Company 2023 |
|------------------------------------|-----------------------|------------------|--|-------------------------------|
| | £ | £ | £ | £ |
| Trade creditors | 268,324 | 260,011 | 264,957 | 256,180 |
| Other taxation and social security | 45,874 | 26,788 | 45,874 | 26,788 |
| Accruals and deferred income | 2,375,014 | 1,246,405 | 2,369,840 | 1,238,262 |
| | <u>2,689,212</u> | <u>1,533,204</u> | <u>2,680,671</u> | <u>1,521,230</u> |

Accruals includes £1,050,000 due to MHDC towards the build costs for Studio One.

| | Group 2024 | Group 2023 | Charitable Company 2024 | Charitable Company 2023 |
|--|-----------------------|------------------|--|-------------------------------|
| | £ | £ | £ | £ |
| Deferred income at 1 April 2023 | 1,066,346 | 907,500 | 1,063,429 | 906,100 |
| Resources deferred during the year | 1,159,791 | 1,066,346 | 1,157,658 | 1,063,429 |
| Amounts released from previous periods | (1,066,346) | (907,500) | (1,063,429) | (906,100) |
| | <u>1,159,791</u> | <u>1,066,346</u> | <u>1,157,658</u> | <u>1,063,429</u> |

Deferred income represents amounts received in respect of shows and performances that do not take place until after the year end, as well as theatre packages and gift cards not yet reclaimed.

16. FINANCIAL INSTRUMENTS

| | Group 2024 | Group 2023 | Charitable Company 2024 | Charitable Company 2023 |
|--|-----------------------|------------------|--|-------------------------------|
| | £ | £ | £ | £ |
| FINANCIAL ASSETS | | | | |
| Financial assets measured at fair value through income and expenditure | 3,083,173 | 3,105,273 | 2,976,527 | 2,972,534 |
| | <u>3,083,173</u> | <u>3,105,273</u> | <u>2,976,527</u> | <u>2,972,534</u> |

Financial assets measured at fair value through income and expenditure comprise cash at bank and in hand.

MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

17. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

| | Balance at 1 April 2023 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 March 2024 £ |
|---------------------------------------|---------------------------------|------------------|--------------------|--------------------------|-------------------------|-------------------------------------|
| UNRESTRICTED FUNDS | | | | | | |
| General Funds | 1,199,747 | 5,111,105 | (4,960,322) | - | (72,279) | 1,278,251 |
| RESTRICTED FUNDS | | | | | | |
| Restricted Theatre Refurbishment Fund | 2,138,829 | - | (97,220) | - | - | 2,041,609 |
| Restricted Tomorrow Fund | 658,113 | 42,932 | (107,462) | 745,088 | - | 1,338,671 |
| Restricted Heritage Fund | 745,088 | 409,896 | (409,896) | (745,088) | - | - |
| | <u>3,542,030</u> | <u>452,828</u> | <u>(614,578)</u> | <u>-</u> | <u>-</u> | <u>3,380,280</u> |
| TOTAL OF FUNDS | <u>4,741,777</u> | <u>5,563,933</u> | <u>(5,574,900)</u> | <u>-</u> | <u>(72,279)</u> | <u>4,658,531</u> |

RESTRICTED FUND DESCRIPTIONS:

Restricted Theatre Refurbishment Funds

This fund is the result of Lottery Funding Grant matched by contribution from MHDC and other supporters to provide refurbishment of the Theatres. The refurbishment costs have been capitalised and will be depreciated over the life of the lease, or life of item whichever is applicable. The balance on this fund as at the year end was £2,041,609 (2023: £2,138,829).

Restricted Tomorrow Fund

The fund is the result of contributions from the Theatres' supporters to fund the redevelopment of the Theatres, including reseating of the cinema, Festival and Forum, and for funding projects including festivals. The cinema and festival seating has been replaced and these costs have been capitalised and will be depreciated over the life of the assets. The balance on this fund as at the year end was £1,338,671 (2023: £658,113).

Restricted Heritage Fund

This fund is the results of contributions from the Theatres' supporters to fund heritage projects, and towards the maintenance and running costs of the building. The balance on this fund as at the year end was £NIL (2023: £745,088). This fund has been used towards reseating the festival theatre, and going forward will help to fund replacement of the forum theatre seating and an extension to provide education space. The balance has been transferred to the Restricted Tomorrow Fund to cover the Studio One development costs.

MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

17. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR

| | Balance at 1 April 2022 £ | Income £ | Expenditure £ | Gains/ (Losses) £ | Balance at 31 March 2023 £ |
|--|---------------------------------|-------------------------|---------------------------|-------------------------|-------------------------------------|
| UNRESTRICTED FUNDS | | | | | |
| General Funds | 1,198,454 | 4,926,336 | (4,869,500) | (55,543) | 1,199,747 |
| RESTRICTED FUNDS | | | | | |
| Restricted Theatre Refurbishment Fund | 2,236,049 | - | (97,220) | - | 2,138,829 |
| Restricted Tomorrow Fund | 661,900 | 98,767 | (102,554) | - | 658,113 |
| Restricted Heritage Fund | 683,253 | 267,351 | (205,516) | - | 745,088 |
| | <u>3,581,202</u> | <u>366,118</u> | <u>(405,290)</u> | <u>-</u> | <u>3,542,030</u> |
| TOTAL OF FUNDS | <u><u>4,779,656</u></u> | <u><u>5,292,454</u></u> | <u><u>(5,274,790)</u></u> | <u><u>(55,543)</u></u> | <u><u>4,741,777</u></u> |

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

18. SUMMARY OF FUNDS

SUMMARY OF FUNDS - CURRENT YEAR

| | Balance at 1 April 2023 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 March 2024 £ |
|------------------|---------------------------------|------------------|--------------------|--------------------------|-------------------------|-------------------------------------|
| General funds | 1,199,747 | 5,111,105 | (4,960,322) | - | (72,279) | 1,278,251 |
| Restricted funds | 3,542,030 | 452,828 | (614,578) | - | - | 3,380,280 |
| | <u>4,741,777</u> | <u>5,563,933</u> | <u>(5,574,900)</u> | <u>-</u> | <u>(72,279)</u> | <u>4,658,531</u> |

SUMMARY OF FUNDS - PRIOR YEAR

| | Balance at 1 April 2022 £ | Income £ | Expenditure £ | Gains/ (Losses) £ | Balance at 31 March 2023 £ |
|------------------|---------------------------------|------------------|--------------------|-------------------------|-------------------------------------|
| General funds | 1,198,454 | 4,926,336 | (4,869,500) | (55,543) | 1,199,747 |
| Restricted funds | 3,581,202 | 366,118 | (405,290) | - | 3,542,030 |
| | <u>4,779,656</u> | <u>5,292,454</u> | <u>(5,274,790)</u> | <u>(55,543)</u> | <u>4,741,777</u> |

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT PERIOD

| | Unrestricted funds 2024 £ | Restricted funds 2024 £ | Total funds 2024 £ |
|-------------------------------|------------------------------------|----------------------------------|-----------------------------|
| Tangible fixed assets | - | 3,376,101 | 3,376,101 |
| Fixed asset investments | 697,694 | - | 697,694 |
| Current assets | 2,219,769 | 1,054,179 | 3,273,948 |
| Creditors due within one year | (1,639,212) | (1,050,000) | (2,689,212) |
| TOTAL | <u>1,278,251</u> | <u>3,380,280</u> | <u>4,658,531</u> |

MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR PERIOD

| | Unrestricted funds 2023 £ | Restricted funds 2023 £ | Total funds 2023 £ |
|-------------------------------|------------------------------------|----------------------------------|-----------------------------|
| Tangible fixed assets | - | 2,367,862 | 2,367,862 |
| Fixed asset investments | 592,905 | - | 592,905 |
| Current assets | 2,140,046 | 1,174,168 | 3,314,214 |
| Creditors due within one year | (1,533,204) | - | (1,533,204) |
| TOTAL | 1,199,747 | 3,542,030 | 4,741,777 |

20. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

| | Group 2024 £ | Group 2023 £ |
|---|--------------------|--------------------|
| Net expenditure for the period (as per Statement of Financial Activities) | (83,246) | (37,879) |
| ADJUSTMENTS FOR: | | |
| Depreciation charges | 204,940 | 152,304 |
| Dividends, interests and rents from investments | (68,620) | (22,032) |
| Decrease/(increase) in debtors | 18,166 | (33,998) |
| Increase in creditors | 1,156,008 | 24,313 |
| Net (profit) / loss on sale and revaluation of investments | (39,585) | 55,543 |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | 1,187,663 | 138,251 |

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

| | Group 2024 £ | Group 2023 £ |
|--------------|--------------------|--------------------|
| Cash in hand | 3,083,173 | 3,105,273 |

MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

22. ANALYSIS OF CHANGES IN NET DEBT

| | At 1 April 2023 | Cash flows | At 31 March 2024 |
|--------------------------|--------------------|-----------------|---------------------|
| | £ | £ | £ |
| Cash at bank and in hand | 3,105,273 | (22,100) | 3,083,173 |
| | <u>3,105,273</u> | <u>(22,100)</u> | <u>3,083,173</u> |

23. CAPITAL COMMITMENTS

| | Group 2024 | Group 2023 | Charitable Company 2024 | Charitable Company 2023 |
|--|---------------|------------------|-------------------------------|-------------------------------|
| | £ | £ | £ | £ |
| CONTRACTED FOR BUT NOT PROVIDED IN THESE FINANCIAL STATEMENTS | | | | |
| Construction and development of Theatre | - | 1,050,000 | - | 1,050,000 |
| | <u>-</u> | <u>1,050,000</u> | <u>-</u> | <u>1,050,000</u> |

On 2nd August 2022, Malvern Theatres Trust Limited, entered into a contractual agreement with Malvern Hills District Council to contribute £1,050,000 to the development of Studio One - a new workshop and performance space for the Theatre. In the year ended 31st March 2024, this has been recognised as an accrual within the financial statements.

24. PENSION COMMITMENTS

The Charitable Company makes contributions, as part of an employee's contract of employment, which are payable to defined contribution schemes chosen by the employer. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £42,435 (2023: £42,515). Contributions totalling £5,375 (2023: £5,540) were payable to the fund at the Balance sheet date and are included in creditors.

25. OPERATING LEASE COMMITMENTS

At 31 March 2024 the Group and the Charitable Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

| | Group 2024 | Group 2023 | Charitable Company 2024 | Charitable Company 2023 |
|--|---------------|------------------|-------------------------------|-------------------------------|
| | £ | £ | £ | £ |
| Not later than 1 year | 12,860 | 73,360 | 12,860 | 73,360 |
| Later than 1 year and not later than 5 years | 26,315 | 257,075 | 26,315 | 257,075 |
| Later than 5 years | - | 1,830,000 | - | 1,830,000 |
| | <u>39,175</u> | <u>2,160,435</u> | <u>39,175</u> | <u>2,160,435</u> |

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

26. RELATED PARTY TRANSACTIONS

The group has taken advantage of the exemption in Section 33 of FRS 102 from the requirement to disclose transactions with other wholly owned group companies.

During the year the Charity made sales of £1,200 (2023: £1,200) to Sweet Paan Limited, incurred expenditure of £1,604 (2023: £1,761), and has an outstanding balance of £480 (2023: £480) in debtors and £NIL (2023: £NIL) in creditors. Maher Kazi is a Trustee of the Charity and a shareholder of Sweet Paan Limited.

During the year the company made a purchase of £26,256 (2023: £25,032) from Webdesign Associates Ltd. T Thompson is a director of the company.

During the year donations of £3 were made to the Charity by a Trustee (2023: £1,015).

MALVERN THEATRES TRUST LIMITED

England & Wales - Charity number 241433

Accounts

Registered number: 00838245
Charity number: 241433

MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

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MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITABLE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2023

| | |
|----------------------------------|--|
| Trustees | Professor Judith Elkin Richard Hastilow-Smith Maher Kazi Leslie Kinmond Simon Marks Professor Tamar Thompson OBE, Chair Thomas Wells (appointed 17 January 2023) |
| Company registered number | 00838245 |
| Charity registered number | 241433 |
| Registered office | Malvern Theatres Grange Road Malvern Worcestershire WR14 3HB |
| Company secretary | Leslie Kinmond |
| Chief executive officer | Nic Lloyd |
| Independent auditors | Bishop Fleming LLP Chartered Accountants Statutory Auditors 1-3 College Yard Worcester WR1 2LB |
| Solicitors | Harrison Clark Rickerbys LLP 5 Deansway Worcester Worcestershire WR1 2JG |
| Bankers | Lloyds Bank PLC 48 Belle Vue Terrace Malvern Worcestershire WR14 4QG |

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**CHAIR'S STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023**

The chair presents her statement for the year.

Our vision:

- To be a leading provider of the arts in the UK;
- To be nationally recognized for artistic excellence;
- To make the arts accessible to all;
- To celebrate the life-changing power of theatre;
- To be a respected training ground for the industry, helping to launch the careers of industry professionals

Our commitment:

- We will commit to breaking down barriers that prevent participation;
- We will offer a diverse programme of high-quality cultural entertainment;
- We will provide development opportunities to enable lifelong learning for people of all ages and abilities;
- We will nurture a network of inspiring, ambitious and supportive individuals;
- We will collaborate to ensure that good quality touring theatre is always being produced;
- We will increase the percentage of earned income.

Malvern Theatres is one of the leading providers of the arts in the UK. The theatres' setting amongst the Malvern Hills and its commitment to providing a rich, diverse and high quality product for the community of Malvern and indeed further afield, has given it a unique profile both within the West Midlands and nationally.

During 22/23 Malvern Theatres received revenue funding of £56,800 from Malvern Hills District Council.

Ticket sales are as ever, vitally important with regard to income and to the theatres' survival. Malvern Theatres has maintained its level of arts provision for the community welcoming more than 190,000 audience members into our three auditoria and delivering classes and workshops in all aspects of the arts.



Professor Tamar Thompson OBE
Chair

Date: 17.10.23

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2023**

YEAR ENDED 31 MARCH 2023

The Trustees present their annual report together with the audited financial statements of the Malvern Theatres Trust Limited for the year 1 April 2022 to 31 March 2023. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the 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 (FRS102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective January 2015).

PURPOSES AND ACTIVITIES

The purposes of the Trust are:

- To provide and enhance an artistic experience to the public in all aspects of dramatic art, including drama, mime, opera, ballet, music, singing and dance.
- To provide education in the arts, particularly focused on young persons.
- To further build on the experience of the public by the provision of two theatres and a cinema.
- Generally to further the social and cultural welfare of Great Malvern and its surrounding areas.

Our objectives are set and our activities planned having regard to the Charity Commission guidance on public benefit, including the guidance on admission charges to programmes and events. The Theatres are however obliged to cover costs in setting overall admission charges with shortfalls in revenues being made up from grants, particularly those from Malvern Hills District Council. Admission charges are kept as low as possible in order to preserve the availability of the Theatres and the cinema to lower income groups and younger theatre-goers.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public Benefit; running a charity (PB2)'.

STRATEGIES

The strategies which are used to achieve the Trust's aims and objectives are:

- To present a balanced programme of theatre productions, music and dance productions to give a real breadth of artistic opportunity to residents of Malvern and the surrounding areas.
- To work with local artistic organisations sponsoring local artistic events.
- To focus particularly upon education in the arts, particularly performance based.
- To encourage programming involving artists of different cultural backgrounds.
- Generally to offer opportunities to a broad range of people to participate in arts activity thereby exploring their own creative powers.

Strategies condense into three major areas of activity:

- Concerts and stage performances
- Educational programmes
- High Profile Cinema Productions

Thus we focus on bringing the arts to as wide a range of participants as possible, affecting all members of our community.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

The Festival Theatre

The Festival Theatre houses 850 seats and has maintained its reputation for delivering an eclectic programme of shows, all of the highest calibre. This year there has been a vast selection of comedy dramas including: Noel Coward's *Private Lives* starring Patricia Hodge and Nigel Havers; Harold Pinter's *The Homecoming* starring Keith Allen and Mathew Horne; and *Relatively Speaking* starring Liza Goddard. The comedy *Ladies of Letters* enabled Tess Peake-Jones and Gwyneth Strong to perform together again for the first time since appearing in TV's *Only Fools and Horses* in 1991. Audiences enjoyed the latest new comedy *Spike* by Ian Hislop and Nick Newman, and following its West End run, *Home, I'm Darling*, winner of the 2019 Olivier Award for Best New Comedy, which played to audiences in early 2023.

The Festival Theatre opened the UK premiere of *Wodehouse in Wonderland*, a one-man show starring Robert Daws as PG Wodehouse, also known as Plum, the creator of *Jeeves and Wooster*. In this auditorium, audiences saw a new ensemble production of Michael Morpurgo's *Private Peaceful* and a new stage adaptation of *Around the World in 80 Days*.

During the summer season, we saw the UK premiere of new stage play *Cluedo* based on the classic detective board game starring Michelle Collins followed by new stage adaptations of the classic films *Shawshank Redemption* and *The Lavender Hill Mob*. Similarly, audiences were able to appreciate a series of thrillers and murder mysteries throughout the year which included: Agatha Christie's *The Mirror Crack'd* and *The Mousetrap* which celebrated its 70th anniversary; *A Murder is Announced* and *Darker Shores* starring Maxwell Caulfield and Juliet Mills.

Overall, over 100,000 patrons took their seats for 32 weeks of professional theatre performed in the Festival Theatre. Complementing and providing contrast to the touring drama productions were several musical theatre productions. In the Spring/Summer season we saw *The Rise & Fall of Little Voice*, *Footloose the Musical* and *Dreamboats & Petticoats* as well as the two brand new touring musical productions of; *Beautiful-The Carole King Musical* and *Fisherman's Friends the Musical*. Alongside these we saw the return of audiences' favourites; *SIX* and *The Rocky Horror Picture Show*. Once again, opera was well-represented with: English Touring Opera's three consecutive productions of *Ottone*, *Agrippina* and *Tamerlano*; Ellen Kent's *Aida* presented by *Senbla*; as well as the National Gilbert and Sullivan Opera Company's repertoire of Gilbert and Sullivan comic operas.

To celebrate the tenth anniversary of Malvern Theatres Young Company, *Back to the Musicals* saw participants undergo a one week fast-paced musical theatre workshop concluding in two concert styled performances showcasing the past six musical productions performed.

The leading actors who performed in the Festival Theatre during this period included: Nigel Havers, Patricia Hodge, Keith Allen, Mathew Horne, Jake Quickenden, Darren Day, Tess Peake-Jones, Gwyneth Strong, Michelle Collins, Sarah Thomas, Mark Wynter, Joe Absolom, Miles Jupp, Justin Edwards, Joe McFadden, Sophie Ward, Susie Blake, Michael Praed, Juliet Mills, Maxwell Caulfield, Robert Daws, James Gaddas, Robert Duncan, Susan Penhaligon, Anton Stephans, Paris Shahmir, Todd Carty, Neil McDermott, Jessica Ransom, and Diane Keen.

Pantomime

Malvern Theatres' annual traditional Christmas pantomime this year was *Beauty and the Beast*. The production played 42 performances and saw over 27,000 audience members in attendance. Audiences were able to experience the pantomime across a selection of morning, matinee and evening performances as well as a relaxed performance specifically designed for those who find regular performance settings challenging. *Beauty and the Beast* brought to the Festival Theatre stage *Melanie Walters*, *Mark James*, *Olivia Birchenough* and *Leon Craig*.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

The Forum Theatre

This interesting and adaptable second space with its capacity of up to 827 seats, presented a broad programme of live art and cinema to suit all tastes and ages. The wide range of repertoire performed in this space included orchestral concerts and recitals, children's theatre, contemporary dance and art, comedy, live music, talks and discussions as well as a continuing season of both live and recorded broadcasts from The Metropolitan Opera, The National Theatre, The Royal Opera House and Glyndebourne. Total audience numbers for the year were 43,000.

A diverse programme of events was again presented by a wide range of national and international artists and theatre companies including Ballet Cymru, BANFF Film Festival, Soweto Gospel Choir and ACE Dance. Furthermore, the Forum Theatre hosted a comprehensive range of one-night performances which proved successful and attracted audiences to the venue. Some of these companies included the Rod Stewart Story, Magic of Motown, Bootleg Beatles, Seven Drunken Nights, The Story of Soul, One Night in Texas, And Finally Phil Collins, The Sound of Springsteen, The Illegal Eagles, Rumours of Fleetwood Mac, Frankie, Legend -The Music of Bob Marley, The Carpenters Story, Monkees Tale, Adele -The Songbook, The Simon and Garfunkel Story, Suggs: What A King Cnut, Absolute Reggae, Back into Hell, The Elvis Years at Christmas, Beyond the Barricade, Spirit of the Dance, Johnny Cash Roadshow, Tap Factory, Beautiful Trauma, Chicago Blues Brothers, and Rob Lamberti – Celebrating the songs and music of George Michael.

Over the past year, the Forum Theatre has hosted several comedians including Sandi Toksvig, Barry Humphries, and Count Arthur Strong. The Jongleurs Legends saw four comedians; Mike Gunn, Ninia Benjamin, Paul Tonkinson and Jarred Christmas perform in one evening. In addition, the venue hosted several speakers including Gordon Buchanan, Steve Backshall, Charles Morgan, Adam Frost, Jason Fox, and Sir Tim Rice. Classical music, once again, was well-represented with a series of soloists and ensembles of international repute visiting the Forum Theatre including Miloš Karadaglić, Chandos Symphony Orchestra, The Brodsky Quartet, Roderick Williams & Susie Allen, The City of Birmingham Symphony Orchestra, Trio Wanderer, The Piatti Quartet, English Symphony Orchestra, New London Chamber Ensemble & Michael Dussek, Armonico Consort, Elisabeth Brauss, Voces8 and The Calidore Quartet.

Malvern Theatres Young Company produced and performed *Oscar Wilde's The Importance of Being Earnest* 'in the round' playing five performances to Malvern audiences before transferring to the Edinburgh Fringe Festival for a further six performances at the Space.

This year saw the launch of Malvern Theatres Stage Company and the inaugural production of Charles Dickens' *A Christmas Carol*. This production played 13 performances across the Christmas period delighting families with an adaptation of the classic festive tale. Over 4,000 people attended this production.

With the development of the new space, Studio One, the Forum Theatre was vital in fulfilling our cinema programming schedule by operating as an additional screening venue. This allowed us to continue offering cinemagoers the flexibility of screening times and ensured screenings were accessible, especially for those with restricted mobility and access requirements, throughout the duration of the building works. In addition to this, the programme has continued to develop, offering a selection of titles on release date and prior to them becoming available across streaming platforms.

The Cinema

Over the course of the year, we have once again attracted a sizeable audience to the national general release programme, with over 51,000 people attending film showings in the cinema. Operating over 363 days this year, we screened 674 showings and 179 film titles which included *Matilda the Musical*, *Fantastic Beasts: The Secrets of Dumbledore*, *Top Gun: Maverick*, and *Fisherman's Friends: One and All*. We have continued to offer a diverse programme of films including those on national general release, one-off screenings of classic films and several foreign -language films, all of which have been enjoyed by our audiences.

This year the building works have been ongoing for the development of Studio One. Due to this project, we have been unable to use the cinema during the day for morning and early matinee screenings, young people's workshops and as a breakout space for national conferences as we have done in previous years. Fortunately, we were able to continue screening films across late afternoons and evenings on weekdays and offer morning, matinee and evening screening times on weekends.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

In addition, we have continued to offer subtitled screenings and relaxed cinema viewings where possible to make cinema accessible to all.

Once again, we hosted the **Borderlines Film Festival** for 17 days across our two venues: Cinema and Forum Theatre. As the only venue situated in Worcestershire hosting the Borderlines Film Festival we offered over 76 screenings of 30 different films including 13 previews prior to general release, as well as the silent film, ***Au Bonheur des Dames (1930)*** which had a live musical accompaniment by Meg Morley, pianist and composer.

The Borderlines Film Festival saw over 5,800 people attend.

Engagement and Creative Learning

Malvern Theatres has continued to deliver weekly classes throughout the year including Little Theatre Makers, Youth Theatre, Parents & Wobblers, Make Your Mark, and Gentle Dance. During the building works some of these have had to be held offsite. In addition, a number of workshops and activities have been successfully run including: A Jubilee celebration: *The Jubilant Queen's Beasts*, *The Fabularium*, *Breaking Free*; *High School Musical*, *Theatrical Fun* and *The Big Draw*. A number of Outreach workshops were also run for SEND groups.

A Jubilee celebration: *The Jubilant Queen's Beasts* was held to celebrate the Jubilee, funded by The Community Foundation. A series of workshops were held at the theatre and at The Cube and the finished products displayed - a mural at The Cube and backdrop and framed pictures at the theatre.

The Fabularium performed their original piece of outdoor theatre here at the theatre, Priory Park and also at The Cube. The performance was a free, non-ticketed event for the community.

The Big Draw was a free open event held in the theatre foyer. Three large banners were completed.

VOLUNTEERS AND COMMUNITY RELATIONS

The Trust's involvement in the community is demonstrated by the large number of volunteers who assist us with stewarding events and performances. This provides indispensable help in maximising the use of the theatres and provides considerable savings in staff costs, without which the theatres could not survive. We celebrate them annually on UK Volunteers' Week and they have regular meetings with the Chief Executive in order to put forward their ideas.

We encourage input from our audiences and we take careful note of both compliments and complaints, seeking to learn and grow from both.

As part of our charitable commitment to make the arts accessible to all, we hold weekly subtitled cinema, audio described performances and monthly relaxed cinema screenings. This year we were delighted to install audio description in the Forum Theatre, so now all three auditoria benefit from this facility.

Children and Young People

We believe that the arts are life-enhancing for children and young people, and that engagement can enrich their wider learning. Participation in the arts can unlock hidden talents and potential, as well as help develop essential skills such as communication, empathy, and teamwork.

This year, we have encouraged theatre going for under 26-year-olds with £8 tickets. We have offered workshops for young people, including a number of specialist workshops.

Older People

We are committed to playing a meaningful and significant role in society's changing demographic. Whether engaged, fit and well, living with dementia or facing isolation, the arts can provide a safe and inspiring place for older people. We are also committed to intergenerational work which has been shown to improve the lives of everyone involved, both young and old.

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

This year, workshops were facilitated for older people, across dance and visual arts. Our Senior Bronze membership is heavily discounted to assure affordable access to live performance and cinema. We host the Big Draw each year where you can come and make a drawing on that year's theme, whatever your age!

Disabled People

We pledge to make Malvern Theatres accessible for all. We understand the social model of disability and by extension, our responsibility as a large cultural venue to make our building work for everyone who uses it. The new capital development includes improved access, and a Changing Places facility, which has significantly improved our offer for patrons with disabilities.

This year we have installed audio description in the Forum, and have offered workshops for people with learning disabilities. We hold regular relaxed and weekly subtitled cinema screenings.

Environmental Responsibility

We aspire to be a leader in our community, promoting an environmentally responsible approach to our business and our building and inspiring others to make impactful changes for the good of our planet.

We strive to ensure our work has a minimal impact on the environment and offer E-Tickets (we now use 200,000 less paper tickets than in 2015), Vegware compostable cups in our cafe, and self-closing taps and an optimised water waste disposal in all our toilets.

Pricing

The financial year started with considerable pressure from producers and promoters to increase ticket prices in the face of concerns about costs and inflation. Although these concerns remain, the second half of the year saw greater caution than the first and prices have stabilised or even fallen slightly. The decision in autumn to increase the Heritage Fee paid by producers/promoters from £2 to £3 therefore looks to put the theatre in a strong position. The year also saw a resistance to widespread discounting of ticket price and this is likely to remain a policy objective.

Marketing

The financial year brought particular challenges in terms of communication strategy. Specifically, the building project which occupied the second half of the year compromised access. Whilst this may have had some effect on sales, the year nevertheless saw audiences continue to return in greater number compared with 2021-22 and the decision to keep all three auditoria open throughout the build was justified. The year also saw the theatre make further developments to its digital strategy and to prioritise this over other marketing techniques. In-house skills improved and our work with a local digital agency expanded and with it the proportion of our budget spent on digital advertising. A new bulk email system was purchased (to come into use in July 2023) and changes were made to our website and online booking systems to improve accessibility and the customer experience. The number of digital screens in our foyer increased from 26 to 38 and, once the current building project is complete, there will be digital screen displays on the external walls for the first time. A freelance London-based PR specialist was appointed in order to develop national strategies for communicating information about the recent build project and also the forthcoming levelling-up project.

Investment Powers and Policy

Apart from the need to retain restricted reserves, the trustees have unrestricted investment powers. Having regard to the liquidity requirements of the theatres, to the need to mitigate investment risk and to the reserves policy the trustees have operated a policy of keeping funds surplus to immediate requirements in interest bearing deposit accounts and fixed asset investments.

GOING CONCERN

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future.

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

Financial Review

The year under review produced a surplus in unrestricted funds of £1,293 compared with a deficit of £121,047 last year. There was a deficit in restricted funds of £39,172 compared with a surplus of £88,805 last year. Across all funds the deficit for the year was £39,172 (deficit of £32,242 last year).

The results of the subsidiaries, Malvern Theatres Trading Limited and Malvern Theatres Productions Limited, are included in the group's figures. Profits from the subsidiaries is paid to the charity by way of Gift Aid as in previous years.

There was a movement in cash of £158,796 (2022: £333,580). Cash at the end of the year was £3,105,273 (2022: £2,946,477).

At the year end net current assets were £1,711,753 (2022: £1,536,237).

RESERVES POLICY

Maintaining a sustainable level of reserves remains a prime consideration for the organisation going forward.

The level of grants receivable remains under pressure, leading to more and more of our creative output being generated from our own trading income.

Looking forward, we need to continue to balance the quality of our product with the funds available whilst also seeking to secure other sustainable funding sources.

Having regard to the economic situation, the Trustees believe that an appropriate level of reserves would be approximately three months overhead expenditure which is currently circa £625,000. At 31 March 2023, free reserves amounted to £1,199,747 after making a surplus for the financial year 2022/2023 of £1,293.

PLANS FOR THE FUTURE

The organisation is reliant on continued financial support, including funding from Malvern Hills District Council.

We will continue to strive to provide a balanced and diverse programme of the highest quality in our Festival and Forum Theatre.

Other initiatives are as follows:

- We will pursue new fund raising activities by seeking regular contributions from our loyal patrons, local businesses, trusts and foundations
- We will continue to build marketing capabilities so as to maximise the number of bookings taken via the internet
- We will review our pricing structure with a view to fine tuning these but only to the extent of not taking on risk that may reduce audiences

Capital development

Studio One, our new workshop and performance space was completed in June 2023 and is the largest development of the building since the Lottery-funded transformation 25 years ago. Comprising a large rehearsal space, workshop area and a 100-seat flexible performance space and cinema, the new development will allow us to expand our programme of events, specifically our education and creative learning programme to provide life-changing opportunities for people of all ages and abilities in our community.

The Changing Places facility in the new development has significantly improved our offer for patrons with severe disabilities and is a vital addition to the town and wider area making the region more accessible for all.

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

The project received the support of £1,200,000 from Malvern Hills District Council, a grant from The Arts Council of £120,000, and a grant of £100,000 donated by The Kay Trust.

Levelling up Project plans

Following a successful bid for Levelling Up Funding, Malvern Hills District Council (MHDC) has been awarded up to £20m in Levelling Up Funding towards the development and improvement of Malvern Theatres facilities into a world class cultural facility. This is expected to transform the visitor economy by attracting 135,000 more attendees and boosting the local economy by £11m annually.

The funding will be used to invest in widening access to creative arts and to expand the theatre with a further extension to accommodate a number of additional flexible workshop spaces.

As well as this, an external amphitheatre is proposed, an external lift will be installed to improve access and the Forum theatre will be upgraded to increase capacity.

TRUSTEES

The Trustees who served during the year were:

Professor Judith Elkin
Richard Hastilow-Smith
Maher Kazi
Leslie Kinmond
Simon Marks
Professor Tamar Thompson OBE, Chair
Thomas Wells (appointed 17 January 2023)

GOVERNING DOCUMENT

The Charity is registered as a charitable company limited by guarantee set up by a Memorandum of Association on 19 February 1965. It is registered as a charity with the Charity Commission No. 241433

APPOINTMENT OF TRUSTEES

The management of the Charity and the Group is the responsibility of the Trustees who are elected and co-opted under the terms of the Memorandum and Articles of Association. Particular effort is made to recruit Trustees who will benefit the Charity by bringing a balanced set of skills. Efforts are also made to manage future retirements of Trustees, so as to enable the appointment of successors without undue haste.

TRUSTEE INDUCTION AND TRAINING

Every Trustee on appointment is provided with a pack of documents setting out key information on the Trust and the Charity. New Trustees are required to confirm that they have studied these documents and raised any queries or obtained any further information which they may need.

Developments in Charity Law and practice are monitored and important developments are brought to the notice of Trustees.

TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of Malvern Theatres Trust Limited for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period.

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

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 judgments and accounting estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ORGANISATION

The Board of Trustees, which currently has 6 members, administers the Charity. The Board meets bi-monthly and there are sub-committees covering fundraising, audit and governance and remuneration. These sub-committees meet on an ad-hoc basis whenever necessary. The Chief Executive is appointed by the Trustees to manage the day to day operations of the Charity. To facilitate effective operation, the Chief Executive has delegated authority within terms of reference approved by the Trustees for some operational matters, including finance.

RELATED PARTIES

None of the Trustees receive remuneration or any other benefit for their work with the Charity. Any connection between any Trustee and any production company, contracted actor or performer of any sort, must be disclosed to the full Board of Trustees in the same way as any contractual relationship with a related party.

The Charity has a close relationship with Malvern Hills District Council, who provide grant aid. Receipt of these grant monies is crucial for the ongoing operations of the Theatres.

The Charity's wholly owned subsidiary, Malvern Theatres Trading Limited, was established to operate hire, conferences, etc. and all other activities ancillary to the main activity of the group. The profits of the subsidiary are Gift Aided to the Charity (see Note 13 to the financial statements).

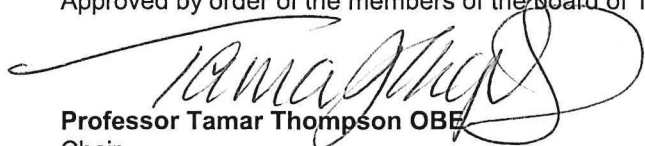
The Charity's wholly owned subsidiary, Malvern Theatres Productions Ltd, was established to produce theatre productions. The profits of the subsidiary are Gift Aided to the Charity (see Note 13 to the financial statements).

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the charitable group's auditors in connection with preparing their report and to establish that the charitable group's auditors are aware of that information.

Approved by order of the members of the board of Trustees and signed on their behalf by:



Professor Tamar Thompson OBE

Chair

Date:

17.10.23

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MALVERN THEATRES TRUST LIMITED

OPINION

We have audited the financial statements of Malvern Theatres Trust Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charitable Company Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 March 2023 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MALVERN THEATRES TRUST LIMITED
(CONTINUED)**

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We have considered the nature of the industry and sector, control environment and business performance;
- We have considered the results of our enquiries of management and the Chair of the Board about their own identification and assessment of the risk of irregularities;

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MALVERN THEATRES TRUST LIMITED
(CONTINUED)**

- For any matters identified we have obtained and reviewed the Charitable Group and Companies documentation of their policies and procedures relating to;
 - Identifying, evaluating and complying with laws and regulations whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risk of fraud and whether they have knowledge of actual, suspected or alleged fraud; and
 - The internal controls established to mitigate the risks of fraud or non-compliance with laws and regulations.
- We have considered the matters discussed among the audit engagement team, including internal tax specialists regarding how and where fraud might occur in the financial statements and potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas:

- Revenue recognition; and
- Accounting estimates.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Charitable Group and Company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Charities SORP (FRS 102) - Accounting and Reporting by Charities and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

In addition, we have considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Charitable Group and Company's ability to operate or to avoid a material penalty. These include data protection regulations, health and safety regulations and employment legislation.

Audit response to risks identified:

As a result of performing the above procedures, we have identified revenue recognition and accounting estimates as key audit matters related to the potential risk of fraud. Our procedures to respond to risks identified included the following:

- Documenting and validating the control environment for income and debtors and carrying out walkthrough testing;
- Undertaking substantive sample-based testing or proof in total calculations on all material revenue streams to ensure revenue has been recognised appropriately and accurately;
- Considering manual income journals as part of our work on fraud risks documented above;
- Reviewing the financial statement disclosures and testing to supporting documentation;
- Enquiring of management concerning actual and potential litigation claims;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement;
- Reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MALVERN THEATRES TRUST LIMITED
(CONTINUED)**

We also communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

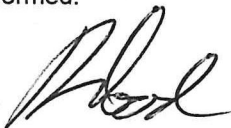
Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from an error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

We have been appointed auditor under the Companies Act 2006 and report in accordance with this Act.

USE OF OUR REPORT

This report is made solely to the Charitable Company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charitable Company's trustees those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



Andrew Wood FCCA (Senior Statutory Auditor)

for and on behalf of

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

1-3 College Yard

Worcester

WR1 2LB

Date:

26th October 2023

MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2023

| | Note | Unrestricted funds 2023 £ | Restricted funds 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|--|------|---------------------------------|-------------------------------|--------------------------|--------------------------|
| INCOME FROM: | | | | | |
| Donations and legacies | 3 | 212,353 | 366,118 | 578,471 | 822,880 |
| Charitable activities | 4 | 4,520,956 | - | 4,520,956 | 3,252,745 |
| Other trading activities | 5 | 170,995 | - | 170,995 | 134,347 |
| Investments | 6 | 22,032 | - | 22,032 | 43,219 |
| TOTAL INCOME | | 4,926,336 | 366,118 | 5,292,454 | 4,253,191 |
| EXPENDITURE ON: | | | | | |
| Raising funds | | 175,507 | - | 175,507 | 173,457 |
| Charitable activities | 7 | 4,693,993 | 405,290 | 5,099,283 | 4,105,715 |
| TOTAL EXPENDITURE | | 4,869,500 | 405,290 | 5,274,790 | 4,279,172 |
| NET INCOME/(EXPENDITURE) BEFORE NET LOSSES ON INVESTMENTS | | | | | |
| | | 56,836 | (39,172) | 17,664 | (25,981) |
| Net losses on investments | 13 | (55,543) | - | (55,543) | (6,261) |
| NET MOVEMENT IN FUNDS | | 1,293 | (39,172) | (37,879) | (32,242) |
| RECONCILIATION OF FUNDS: | | | | | |
| Total funds brought forward | | 1,198,454 | 3,581,202 | 4,779,656 | 4,811,898 |
| Net movement in funds | 18 | 1,293 | (39,172) | (37,879) | (32,242) |
| TOTAL FUNDS CARRIED FORWARD | | 1,199,747 | 3,542,030 | 4,741,777 | 4,779,656 |

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 21-34 form part of these financial statements.

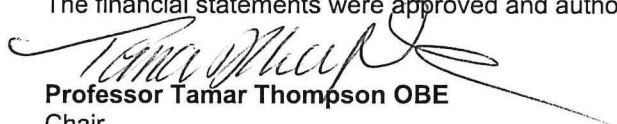
MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:00838245

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2023

| | Note | 2023 £ | 2022 £ |
|--|------|------------------|------------------|
| FIXED ASSETS | | | |
| Tangible assets | 12 | 2,367,862 | 2,510,177 |
| Investments | 13 | 592,905 | 656,950 |
| | | <u>2,960,767</u> | <u>3,167,127</u> |
| CURRENT ASSETS | | | |
| Debtors | 14 | 208,941 | 174,956 |
| Cash at bank and in hand | | 3,105,273 | 2,946,477 |
| | | <u>3,314,214</u> | <u>3,121,433</u> |
| Creditors: amounts falling due within one year | 15 | (1,533,204) | (1,508,904) |
| NET CURRENT ASSETS | | <u>1,781,010</u> | <u>1,612,529</u> |
| TOTAL NET ASSETS | | <u>4,741,777</u> | <u>4,779,656</u> |
| CHARITY FUNDS | | | |
| Restricted funds | 17 | 3,542,030 | 3,581,202 |
| Unrestricted funds | 17 | 1,199,747 | 1,198,454 |
| TOTAL FUNDS | | <u>4,741,777</u> | <u>4,779,656</u> |

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:


Professor Tamar Thompson OBE
 Chair
 Date: 17.10.23

The notes on pages 19 to 36 form part of these financial statements.

MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:00838245

CHARITABLE COMPANY STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 MARCH 2023

| | Note | 2023 £ | 2022 £ |
|--|------|------------------|------------------|
| FIXED ASSETS | | | |
| Tangible assets | 12 | 2,367,862 | 2,510,177 |
| Investments | 13 | 692,907 | 756,952 |
| | | <u>3,060,769</u> | <u>3,267,129</u> |
| CURRENT ASSETS | | | |
| Debtors | 14 | 260,449 | 247,797 |
| Cash at bank and in hand | | 2,972,534 | 2,786,127 |
| | | <u>3,232,983</u> | <u>3,033,924</u> |
| Creditors: amounts falling due within one year | 15 | (1,521,230) | (1,497,687) |
| NET CURRENT ASSETS | | <u>1,711,753</u> | <u>1,536,237</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>4,772,522</u> | <u>4,803,366</u> |
| TOTAL NET ASSETS | | <u>4,772,522</u> | <u>4,803,366</u> |
| CHARITY FUNDS | | | |
| Restricted funds | 17 | 3,542,030 | 3,581,202 |
| Unrestricted funds | 17 | 1,230,492 | 1,222,164 |
| TOTAL FUNDS | | <u>4,772,522</u> | <u>4,803,366</u> |

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



Professor Tamar Thompson OBE

Chair

Date: 17.10.23

The notes on pages 19 to 36 form part of these financial statements.

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023**

| | Note | 2023 £ | 2022 £ |
|--|------|------------------|------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Net cash used in operating activities | 20 | 138,251 | 463,285 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Investment income | | 22,032 | 43,217 |
| Movement of tangible fixed assets | | (9,989) | (13,895) |
| Proceeds from sale of investments | | 186,005 | 283,975 |
| Purchase of investments | | (177,503) | (443,002) |
| NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES | | 20,545 | (129,705) |
| CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR | | | |
| Cash and cash equivalents at the beginning of the year | | 2,946,477 | 2,612,897 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | 21 | 3,105,273 | 2,946,477 |

The notes on pages 19 to 36 form part of these financial statements

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

1. GENERAL INFORMATION

Malvern Theatres Trust Limited is a private charitable company limited by guarantee incorporated in England and Wales. The registered office is Grange Road, Malvern, Worcestershire, WR14 3HB.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Malvern Theatres Trust Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Group and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis.

The Group has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

2.2 GOING CONCERN

After making appropriate enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

The financial statements do not reflect the adjustments that would be necessary should entity cease to remain as a going concern.

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. ACCOUNTING POLICIES (continued)

2.3 INCOME

All income is recognised once the Charitable Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Charitable activities

Income from Theatre admission fees is included in incoming resources in the period in which the relevant show takes place.

Activities for generating funds

Activities for generating funds includes income from commercial activities and represents income from cinema admissions and sponsorship activities and is included in the period in which the group is entitled to receipt.

Grants receivable

Revenue based grants are credited to the Statement of financial activities in the year in which they are received.

Grants relating to the redevelopment of the Theatre complex have been credited to restricted funds in the Statement of financial activities in accordance with the conditions imposed by donors.

2.4 EXPENDITURE

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 allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

2.5 INTEREST RECEIVABLE

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. ACCOUNTING POLICIES (continued)

2.6 TAXATION

The Charitable Company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charitable Company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2.7 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

| | |
|------------------------------|--|
| Long-term leasehold property | - Over the remaining life of the lease |
| Fixtures and fittings | - 10%-50% straight line |

2.8 INVESTMENTS

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated Statement of Financial Activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.9 DEBTORS

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.10 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. ACCOUNTING POLICIES (continued)

2.11 LIABILITIES AND PROVISIONS

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charitable Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated Statement of Financial Activities as a finance cost.

2.12 FINANCIAL INSTRUMENTS

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.13 OPERATING LEASES

Rentals paid under operating leases are charged to the Consolidated Statement of Financial Activities on a straight line basis over the lease term.

2.14 PENSIONS

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

2.15 FUND ACCOUNTING

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

3. INCOME FROM DONATIONS AND LEGACIES

| | Unrestricted funds 2023 £ | Restricted funds 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|-----------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| DONATIONS | | | | |
| Tomorrow Fund donations | - | 98,767 | 98,767 | 17,719 |
| Heritage Fund donations | - | 267,351 | 267,351 | 207,730 |
| Other donations | 74,738 | - | 74,738 | 80,802 |
| GRANTS | | | | |
| Support grant from MHDC | 56,800 | - | 56,800 | 56,801 |
| Covid grant from MHDC | - | - | - | 24,000 |
| Rent grant from MHDC | 61,000 | - | 61,000 | 61,000 |
| Other grants | 19,815 | - | 19,815 | 8,789 |
| Culture Recovery Fund grant | - | - | - | 327,672 |
| Job Retention Scheme grant | - | - | - | 38,367 |
| TOTAL 2023 | <u>212,353</u> | <u>366,118</u> | <u>578,471</u> | <u>822,880</u> |
| TOTAL 2022 | <u>597,431</u> | <u>225,449</u> | <u>822,880</u> | |

4. INCOME FROM CHARITABLE ACTIVITIES

| | Unrestricted funds 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|---|------------------------------------|-----------------------------|-----------------------------|
| Festival Theatre income | 2,619,264 | 2,619,264 | 1,639,522 |
| Forum Theatre income | 985,981 | 985,981 | 874,237 |
| Engagement and Creative Learning income | 13,498 | 13,498 | 14,170 |
| Cinema income | 244,257 | 244,257 | 224,600 |
| Theatre membership fees and income | 237,353 | 237,353 | 201,570 |
| Other income | 420,603 | 420,603 | 298,646 |
| TOTAL 2023 | <u>4,520,956</u> | <u>4,520,956</u> | <u>3,252,745</u> |
| TOTAL 2022 | <u>3,252,745</u> | <u>3,252,745</u> | |

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

5. INCOME FROM OTHER TRADING ACTIVITIES

Income from non charitable trading activities

| | Unrestricted funds 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|-------------------------------|--|---------------------------------------|---------------------------------------|
| Income from catering contract | 51,482 | 51,482 | 35,790 |
| Trading company income | 119,513 | 119,513 | 98,557 |
| TOTAL 2023 | <u>170,995</u> | <u>170,995</u> | <u>134,347</u> |
| TOTAL 2022 | <u>134,347</u> | <u>134,347</u> | |

6. INVESTMENT INCOME

| | Unrestricted funds 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|-------------------|--|---------------------------------------|---------------------------------------|
| Investment income | 22,032 | 22,032 | 43,219 |
| TOTAL 2023 | <u>22,032</u> | <u>22,032</u> | <u>43,219</u> |
| TOTAL 2022 | <u>43,219</u> | <u>43,219</u> | |

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

7. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Summary by fund type

| | Unrestricted funds 2023 £ | Restricted funds 2023 £ | Total 2023 £ | Total 2022 £ |
|----------------------------------|------------------------------------|----------------------------------|--------------------|--------------------|
| Shows | 4,573,157 | 405,290 | 4,978,447 | 3,986,443 |
| Engagement and Creative Learning | 87,394 | - | 87,394 | 57,666 |
| Catering expenditure | 33,442 | - | 33,442 | 61,606 |
| | <u>4,693,993</u> | <u>405,290</u> | <u>5,099,283</u> | <u>4,105,715</u> |
| TOTAL 2022 | <u>3,969,071</u> | <u>136,644</u> | <u>4,105,715</u> | |

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES

| | Activities undertaken directly 2023 £ | Support costs 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|----------------------------------|---|-------------------------------|-----------------------------|-----------------------------|
| Shows | 4,629,538 | 348,909 | 4,978,447 | 3,988,810 |
| Engagement and Creative Learning | 87,394 | - | 87,394 | 55,299 |
| Catering expenditure | 33,442 | - | 33,442 | 61,606 |
| | <u>4,750,374</u> | <u>348,909</u> | <u>5,099,283</u> | <u>4,105,715</u> |
| TOTAL 2022 | <u>3,791,894</u> | <u>313,821</u> | <u>4,105,715</u> | |

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF DIRECT COSTS

| | Shows 2023 £ | Engagement and Creative Learning 2023 £ | Catering 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|--------------------------------|--------------------|---|-----------------------|-----------------------------|-----------------------------|
| Staff costs | 857,833 | 62,949 | - | 920,782 | 817,372 |
| Depreciation | 159,816 | - | - | 159,816 | 168,007 |
| Show production costs | 2,610,337 | 19,989 | - | 2,630,326 | 1,951,460 |
| Cinema production costs | 91,071 | - | - | 91,071 | 87,494 |
| Irrecoverable VAT | 83,260 | - | - | 83,260 | 35,745 |
| Covid Costs | - | - | - | - | 4,011 |
| Advertising and marketing | 234,106 | 4,456 | - | 238,562 | 173,041 |
| Equipment and small tool costs | 5,602 | - | - | 5,602 | 5,328 |
| Property costs | 249,333 | - | - | 249,333 | 135,153 |
| General property costs | 113,598 | - | - | 113,598 | 125,432 |
| Other staff costs | 18,897 | - | - | 18,897 | 30,591 |
| General expenses | 133,276 | - | - | 133,276 | 126,655 |
| Catering Costs | - | - | 33,442 | 33,442 | 61,606 |
| Operating leases | 72,409 | - | - | 72,409 | 69,999 |
| | <u>4,629,538</u> | <u>87,394</u> | <u>33,442</u> | <u>4,750,374</u> | <u>3,791,894</u> |
| TOTAL 2022 | <u>3,674,989</u> | <u>55,299</u> | <u>61,606</u> | <u>3,791,894</u> | |

ANALYSIS OF SUPPORT COSTS

| | Theatres income 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|------------------------------|---------------------------------|-----------------------------|-----------------------------|
| Staff costs | 279,903 | 279,903 | 256,208 |
| Bank and credit card charges | 24,137 | 24,137 | 21,608 |
| Consultancy costs | 27,296 | 27,296 | 17,444 |
| Audit fees | 16,275 | 16,275 | 16,250 |
| Legal and professional fees | 1,298 | 1,298 | 2,311 |
| | <u>348,909</u> | <u>348,909</u> | <u>313,821</u> |

MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

9. AUDITORS' REMUNERATION

| | 2023 £ | 2022 £ |
|--|--------------|--------------|
| Fees payable to the Charitable Company's auditor for the audit of the Charitable Company's annual accounts | 14,275 | 14,250 |
| Fees payable to the Charitable Company's auditor in respect of: All non-audit services not included above | <u>2,000</u> | <u>2,000</u> |

10. STAFF COSTS

| | Group 2023 £ | Group 2022 £ | Charitable Company 2023 £ | Charitable Company 2022 £ |
|--|--------------------|--------------------|------------------------------------|------------------------------------|
| Wages and salaries | 1,138,973 | 1,032,696 | 1,138,973 | 1,032,696 |
| Social security costs | 88,939 | 77,598 | 88,939 | 77,598 |
| Contribution to defined contribution pension schemes | 42,515 | 38,187 | 42,515 | 38,187 |
| | <u>1,270,427</u> | <u>1,148,481</u> | <u>1,270,427</u> | <u>1,148,481</u> |

The average number of persons employed by the Charitable Company during the year was as follows:

| | Group 2023 No. | Group 2022 No. | Charitable Company 2023 No. | Charitable Company 2022 No. |
|-----------|----------------------|----------------------|--------------------------------------|--------------------------------------|
| Employees | <u>59</u> | <u>52</u> | <u>59</u> | <u>52</u> |

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

| | Group 2023 No. | Group 2022 No. |
|---------------------------------|----------------------|----------------------|
| In the band £120,001 - £130,000 | - | 1 |
| In the band £140,001 - £150,000 | 1 | - |

The key management personnel of the Charity, and the Group, comprise the Trustees, Chief Executive Officer, Finance Director, Marketing Director and Technical Director. The total employee benefits of the key management personnel of the Charity and Group, including employer's National Insurance contributions, were £347,557 (2022: £296,512).

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

11. TRUSTEES' REMUNERATION AND EXPENSES

During the year, no Trustees received any remuneration or other benefits (2022: £NIL).

During the year ended 31 March 2023, no Trustee expenses have been incurred (2022: £NIL).

12. TANGIBLE FIXED ASSETS

GROUP AND CHARITABLE COMPANY

| | Long-term leasehold property £ | Fixtures and fittings £ | Total £ |
|-----------------------|---|-------------------------------|-------------------------|
| COST | | | |
| At 1 April 2022 | 7,253,205 | 973,907 | 8,227,112 |
| Additions | - | 17,501 | 17,501 |
| Disposals | - | (7,512) | (7,512) |
| At 31 March 2023 | <u>7,253,205</u> | <u>983,896</u> | <u>8,237,101</u> |
| DEPRECIATION | | | |
| At 1 April 2022 | 5,017,156 | 699,779 | 5,716,935 |
| Charge for the year | 97,220 | 62,596 | 159,816 |
| On disposals | - | (7,512) | (7,512) |
| At 31 March 2023 | <u>5,114,376</u> | <u>754,863</u> | <u>5,869,239</u> |
| NET BOOK VALUE | | | |
| At 31 March 2023 | <u><u>2,138,829</u></u> | <u><u>229,033</u></u> | <u><u>2,367,862</u></u> |
| At 31 March 2022 | <u><u>2,236,049</u></u> | <u><u>274,128</u></u> | <u><u>2,510,177</u></u> |

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

13. FIXED ASSET INVESTMENTS

| | Listed investments £ |
|-------------------------------------|----------------------------|
| GROUP AND CHARITABLE COMPANY | |
| COST OR VALUATION | |
| At 1 April 2022 | 656,950 |
| Additions | 177,503 |
| Disposals | (186,005) |
| Revaluations | (55,543) |
| | <u>592,905</u> |
| AT 31 MARCH 2023 | <u>592,905</u> |
| NET BOOK VALUE | |
| | <u>592,905</u> |
| AT 31 MARCH 2023 | <u>592,905</u> |
| | <u>656,950</u> |
| AT 31 MARCH 2022 | <u>656,950</u> |

PRINCIPAL SUBSIDIARIES

The following were subsidiary undertakings of the Charitable Company:

| Names | Company number | Registered office or principal place of business | Principal activity | Class of shares | Holding |
|--------------------------------------|----------------|--|--|-----------------|---------|
| Malvern Theatres Trading Limited | 02870411 | The Malvern Theatres, Grange Road, Malvern, Worcestershire, WR14 3BH | Hire of facilities and sale of ancillary products related to shows | Ordinary | 100% |
| Malvern Theatres Productions Limited | 06421354 | The Malvern Theatres, Grange Road, Malvern, Worcestershire, WR14 3BH | Touring theatrical production company | Ordinary | 100% |

The financial results of the subsidiaries for the year were:

| Names | Income £ | Expenditure £ | Surplus/ (Deficit) for the period £ | Net assets £ |
|--------------------------------------|-------------|------------------|--|-----------------|
| Malvern Theatres Trading Limited | 123,513 | (123,513) | - | 2 |
| Malvern Theatres Productions Limited | (4,000) | (3,035) | (7,035) | 69,255 |

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

14. DEBTORS

| | Group 2023 £ | Group 2022 £ | Charitable Company 2023 £ | Charitable Company 2022 £ |
|------------------------------------|--------------------|--------------------|------------------------------------|------------------------------------|
| DUE WITHIN ONE YEAR | | | | |
| Trade debtors | 45,293 | 76,852 | 39,610 | 72,918 |
| Amounts owed by group undertakings | - | - | 58,191 | 81,775 |
| Other debtors | 2,200 | 2,200 | 1,200 | 1,200 |
| Prepayments and accrued income | 161,448 | 95,904 | 161,448 | 91,904 |
| | <u>208,941</u> | <u>174,956</u> | <u>260,449</u> | <u>247,797</u> |

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | Group 2023 £ | Group 2022 £ | Charitable Company 2023 £ | Charitable Company 2022 £ |
|------------------------------------|--------------------|--------------------|------------------------------------|------------------------------------|
| Trade creditors | 260,011 | 149,123 | 256,180 | 144,199 |
| Other taxation and social security | 26,788 | 43,897 | 26,788 | 43,897 |
| Other creditors | - | 612 | - | 612 |
| Accruals and deferred income | 1,246,405 | 1,315,272 | 1,238,262 | 1,308,979 |
| | <u>1,533,204</u> | <u>1,508,904</u> | <u>1,521,230</u> | <u>1,497,687</u> |

| | Group 2023 £ | Group 2022 £ | Charitable Company 2023 £ | Charitable Company 2022 £ |
|--|--------------------|--------------------|------------------------------------|------------------------------------|
| Deferred income at 1 April 2022 | 907,500 | 745,215 | 906,100 | 613,910 |
| Resources deferred during the year | 1,066,346 | 907,500 | 1,063,429 | 906,100 |
| Amounts released from previous periods | (907,500) | (745,215) | (906,100) | (613,910) |
| | <u>1,066,346</u> | <u>907,500</u> | <u>1,063,429</u> | <u>906,100</u> |

Deferred income represents amounts received in respect of shows and performances that do not take place until after the year end, as well as theatre packages and gift cards not yet reclaimed.

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

16. FINANCIAL INSTRUMENTS

| | Group 2023 £ | Group 2022 £ | Charitable Company 2023 £ | Charitable Company 2022 £ |
|--|--------------------|--------------------|------------------------------------|------------------------------------|
| FINANCIAL ASSETS | | | | |
| Financial assets measured at fair value through income and expenditure | <u>3,105,273</u> | <u>2,946,477</u> | <u>2,972,534</u> | <u>2,786,127</u> |

Financial assets measured at fair value through income and expenditure comprise cash at bank and in hand.

17. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

| | Balance at 1 April 2022 £ | Income £ | Expenditure £ | Gains/ (Losses) £ | Balance at 31 March 2023 £ |
|---------------------------------------|---------------------------------|-------------------------|---------------------------|-------------------------|-------------------------------------|
| UNRESTRICTED FUNDS | | | | | |
| General Funds | <u>1,198,454</u> | <u>4,926,336</u> | <u>(4,869,500)</u> | <u>(55,543)</u> | <u>1,199,747</u> |
| RESTRICTED FUNDS | | | | | |
| Restricted Theatre Refurbishment Fund | 2,236,049 | - | (97,220) | - | 2,138,829 |
| Restricted Tomorrow Fund | 661,900 | 98,767 | (102,554) | - | 658,113 |
| Restricted Heritage Fund | 683,253 | 267,351 | (205,516) | - | 745,088 |
| | <u>3,581,202</u> | <u>366,118</u> | <u>(405,290)</u> | <u>-</u> | <u>3,542,030</u> |
| TOTAL OF FUNDS | <u><u>4,779,656</u></u> | <u><u>5,292,454</u></u> | <u><u>(5,274,790)</u></u> | <u><u>(55,543)</u></u> | <u><u>4,741,777</u></u> |

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

17. STATEMENT OF FUNDS (CONTINUED)

RESTRICTED FUND DESCRIPTIONS:

Restricted Theatre Refurbishment Funds

This fund is the result of Lottery Funding Grant matched by contribution from MHDC and other supporters to provide refurbishment of the Theatres. The refurbishment costs have been capitalised and will be depreciated over the life of the lease, or life of item whichever is applicable. The balance on this fund as at the year end was £2,138,829 (2022: £2,236,049).

Restricted Tomorrow Fund

The fund is the result of contributions from the Theatres' supporters to fund the redevelopment of the Theatres, including reseating of the cinema, Festival and Forum, and for funding projects including festivals. The cinema and festival seating has been replaced and these costs have been capitalised and will be depreciated over the life of the assets. The balance on this fund as at the year end was £658,113 (2022: £661,900).

Restricted Heritage Fund

This fund is the results of contributions from the Theatres' supporters to fund heritage projects, and towards the maintenance and running costs of the building. The balance on this fund as at the year end was £745,088 (2022: £683,253). This fund has been used towards reseating the festival theatre, and going forward will help to fund replacement of the forum theatre seating and an extension to provide education space.

STATEMENT OF FUNDS - PRIOR YEAR

| | Balance at 1 April 2021 £ | Income £ | Expenditure £ | Gains/ (Losses) £ | Balance at 31 March 2022 £ |
|--|---------------------------------|------------------|--------------------|-------------------------|-------------------------------------|
| UNRESTRICTED FUNDS | | | | | |
| General Funds | 1,319,501 | 4,027,742 | (4,142,528) | (6,261) | 1,198,454 |
| RESTRICTED FUNDS | | | | | |
| Restricted Theatre Refurbishment Fund | 2,333,269 | - | (97,220) | - | 2,236,049 |
| Restricted Tomorrow Fund | 683,605 | 17,719 | (39,424) | - | 661,900 |
| Restricted Heritage Fund | 475,523 | 207,730 | - | - | 683,253 |
| | <u>3,492,397</u> | <u>225,449</u> | <u>(136,644)</u> | <u>-</u> | <u>3,581,202</u> |
| TOTAL OF FUNDS | <u>4,811,898</u> | <u>4,253,191</u> | <u>(4,279,172)</u> | <u>(6,261)</u> | <u>4,779,656</u> |

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

18. SUMMARY OF FUNDS

SUMMARY OF FUNDS - CURRENT YEAR

| | Balance at 1 April 2022 £ | Income £ | Expenditure £ | Gains/ (Losses) £ | Balance at 31 March 2023 £ |
|------------------|---------------------------------|------------------|--------------------|-------------------------|-------------------------------------|
| General funds | 1,198,454 | 4,926,336 | (4,869,500) | (55,543) | 1,199,747 |
| Restricted funds | 3,581,202 | 366,118 | (405,290) | - | 3,542,030 |
| | <u>4,779,656</u> | <u>5,292,454</u> | <u>(5,274,790)</u> | <u>(55,543)</u> | <u>4,741,777</u> |

SUMMARY OF FUNDS - PRIOR YEAR

| | Balance at 1 April 2021 £ | Income £ | Expenditure £ | Gains/ (Losses) £ | Balance at 31 March 2022 £ |
|------------------|---------------------------------|------------------|--------------------|-------------------------|-------------------------------------|
| General funds | 1,319,501 | 4,027,742 | (4,142,528) | (6,261) | 1,198,454 |
| Restricted funds | 3,492,397 | 225,449 | (136,644) | - | 3,581,202 |
| | <u>4,811,898</u> | <u>4,253,191</u> | <u>(4,279,172)</u> | <u>(6,261)</u> | <u>4,779,656</u> |

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

| | Unrestricted funds 2023 £ | Restricted funds 2023 £ | Total funds 2023 £ |
|-------------------------------|------------------------------------|----------------------------------|-----------------------------|
| Tangible fixed assets | - | 2,367,862 | 2,367,862 |
| Fixed asset investments | 592,905 | - | 592,905 |
| Current assets | 2,140,046 | 1,174,168 | 3,314,214 |
| Creditors due within one year | (1,533,204) | - | (1,533,204) |
| TOTAL | <u>1,199,747</u> | <u>3,542,030</u> | <u>4,741,777</u> |

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

| | Unrestricted funds 2022 £ | Restricted funds 2022 £ | Total funds 2022 £ |
|-------------------------------|------------------------------------|----------------------------------|-----------------------------|
| Tangible fixed assets | - | 2,510,177 | 2,510,177 |
| Fixed asset investments | 656,950 | - | 656,950 |
| Current assets | 2,050,408 | 1,071,025 | 3,121,433 |
| Creditors due within one year | (1,508,904) | - | (1,508,904) |
| TOTAL | 1,198,454 | 3,581,202 | 4,779,656 |

20. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

| | Group 2023 £ | Group 2022 £ |
|---|--------------------|--------------------|
| Net expenditure for the year (as per Statement of Financial Activities) | (37,879) | (32,242) |
| ADJUSTMENTS FOR: | | |
| Depreciation charges | 152,304 | 168,007 |
| Dividends, interests and rents from investments | (22,032) | (43,219) |
| Decrease/(increase) in debtors | (33,998) | 65,035 |
| Increase in creditors | 24,313 | 299,443 |
| Net (profit) / loss on sale and revaluation of investments | 55,543 | 6,261 |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | 138,251 | 463,285 |

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

| | Group 2023 £ | Group 2022 £ |
|--------------|--------------------|--------------------|
| Cash in hand | 3,105,273 | 2,946,477 |

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

22. ANALYSIS OF CHANGES IN NET DEBT

| | At 1 April 2022 | Cash flows | At 31 March 2023 |
|--------------------------|--------------------|----------------|---------------------|
| | £ | £ | £ |
| Cash at bank and in hand | 2,946,477 | 158,796 | 3,105,273 |
| | <u>2,946,477</u> | <u>158,796</u> | <u>3,105,273</u> |

23. CAPITAL COMMITMENTS

| | Group 2023 | Group 2022 | Charitable Company 2023 | Charitable Company 2022 |
|--|------------------|---------------|-------------------------------|-------------------------------|
| | £ | £ | £ | £ |
| CONTRACTED FOR BUT NOT PROVIDED IN THESE FINANCIAL STATEMENTS | | | | |
| Construction and development of Theatre | 1,050,000 | - | 1,050,000 | - |
| | <u>1,050,000</u> | <u>-</u> | <u>1,050,000</u> | <u>-</u> |

On 2nd August 2022, Malvern Theatres Trust Limited, entered into a contractual agreement with Malvern Hills District Council to contribute £1,050,000 to the development of Studio One - a new workshop and performance space for the Theatre.

24. PENSION COMMITMENTS

The Charitable Company makes contributions, as part of an employee's contract of employment, which are payable to defined contribution schemes chosen by the employer. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £42,515 (2022: £38,187). Contributions totalling £5,540 (2022: £4,932) were payable to the fund at the Balance sheet date and are included in creditors.

25. OPERATING LEASE COMMITMENTS

At 31 March 2023 the Group and the Charitable Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

| | Group 2023 | Group 2022 | Charitable Company 2023 | Charitable Company 2022 |
|--|------------------|------------------|-------------------------------|-------------------------------|
| | £ | £ | £ | £ |
| Not later than 1 year | 73,360 | 72,360 | 73,360 | 72,360 |
| Later than 1 year and not later than 5 years | 257,075 | 269,435 | 257,075 | 269,435 |
| Later than 5 years | 1,830,000 | 1,891,000 | 1,830,000 | 1,891,000 |
| | <u>2,160,435</u> | <u>2,232,795</u> | <u>2,160,435</u> | <u>2,232,795</u> |

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

26. RELATED PARTY TRANSACTIONS

The group has taken advantage of the exemption in Section 33 of FRS 102 from the requirement to disclose transactions with other wholly owned group companies.

During the year the Charity made sales of £1,200 (2022: £400) to Sweet Paan Limited, incurred expenditure of £1,761 (2022: £1,130), and has an outstanding balance of £480 (2022: £NIL) in debtors and £NIL (2022: £NIL) in creditors. Maher Kazi is a Trustee of the Charity and a shareholder of Sweet Paan Limited.

During the year the company made a purchase of £25,032 (2022: £NIL) from Webdesign Associates Ltd. T Thompson is a director of the company.

During the year donations of £1,015 were made to the Charity by a Trustee (2022: £110).

MALVERN THEATRES TRUST LIMITED

England & Wales - Charity number 241433

Accounts

Registered number: 00838245
Charity number: 241433

MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

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**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITABLE COMPANY, ITS TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 MARCH 2022**

| | |
|----------------------------------|--|
| Trustees | Professor Judith Elkin Richard Hastilow-Smith Maher Kazi Leslie Kinmond Simon Marks Sarah Rouse (resigned 29 March 2022) Professor Tamar Thompson OBE, Chair |
| Company registered number | 00838245 |
| Charity registered number | 241433 |
| Registered office | Malvern Theatres Grange Road Malvern Worcestershire WR14 3HB |
| Company secretary | Leslie Kinmond |
| Chief executive officer | Nic Lloyd |
| Independent auditors | Bishop Fleming LLP Chartered Accountants Statutory Auditors 1-3 College Yard Worcester WR1 2LB |
| Solicitors | Harrison Clark Rickerbys LLP 5 Deansway Worcester Worcestershire WR1 2JG Shakespeare Martineau Bridgeway House Bridgeway Stratford upon Avon CV37 6YX |
| Bankers | Lloyds Bank PLC 48 Belle Vue Terrace Malvern Worcestershire WR14 4QG |

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**CHAIR'S STATEMENT
FOR THE YEAR ENDED 31 MARCH 2022**

The chairman presents her statement for the year.

Our vision:

- To be a leading provider of the arts in the UK;
- To be nationally recognized for artistic excellence;
- To make the arts accessible to all;
- To celebrate the life-changing power of theatre;
- To be a respected training ground for the industry, helping to launch the careers of industry professionals.

Our commitment:

- We will commit to breaking down barriers that prevent participation;
- We will offer a diverse programme of high-quality cultural entertainment;
- We will provide development opportunities to enable lifelong learning for people of all ages and abilities;
- We will nurture a network of inspiring, ambitious and supportive individuals;
- We will collaborate to ensure that good quality touring theatre is always being produced;
- We will increase the percentage of earned income.

Malvern Theatres is one of the leading providers of the arts in the UK. The theatres' setting amongst the Malvern Hills and its commitment to providing a rich, diverse and high quality product for the community of Malvern and indeed further afield, has given it a unique profile both within the West Midlands and nationally.

Malvern Theatres has played a key role in reuniting communities following the pandemic and addressing the need for shared cultural experiences. During the 'lockdowns' the theatre received many messages of support from audience members, articulating the loss that the theatres closure was having on the quality of their lives:-

"Having a ticket booked for a production in the future is so important to me, it keeps me going. Malvern Theatres is my happy place, we cannot lose you to this awful virus."

"Thank you, Malvern Theatres, for all you have done to bring joy into our lives. Long may you continue your outstanding offerings to our community."

During 21/22 Malvern Theatres received revenue funding of £56,800 from Malvern Hills District Council. In addition, Covid grant support was received of £24,000.

Malvern Theatres was awarded £327,672 as part of the second round of the Government's Culture Recovery Fund (CRF). This emergency funding was essential to help cover costs incurred during national lockdowns and enabled the theatre to re-open successfully.

In addition, The Theatres' Trust has contributed £5,000 to the new and vital Changing Places facility and philanthropic giving has continued, with £37,977 given in donations via the Box Office, £33,118 by Regular Givers via direct debit, as well as £10,040 in Corporate Sponsorship.

This philanthropic giving has been fundamental to the theatre's financial stability and individual giving continues to help secure the theatre for the future.

Ticket sales are as ever, vitally important with regard to income and to the theatres' survival. Malvern Theatres has maintained its level of arts provision for the community welcoming more than 150,000 audience members into our three auditoria and delivering classes and workshops in all aspects of the arts.

More so than ever, ticket sales are fundamental to the theatre's survival and income. Since reopening after the COVID-19 building closure and nationwide lockdown,



Professor Tamar Thompson OBE
Chair
Date: 25/10/22

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2022**

YEAR ENDED 31 MARCH 2022

The Trustees present their annual report together with the audited financial statements of the Malvern Theatres Trust Limited for the year 1 April 2021 to 31 March 2022. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the 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 (FRS102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective January 2015).

CONCERTS AND STAGE PERFORMANCES - ACHIEVEMENTS AND PERFORMANCE

The Festival Theatre

The 850-seat Festival Theatre reopened its doors in June 2021, offering a strong Summer programme and continued to deliver its high-quality range of touring drama through the rest of the year. The summer reopened with Ben Brown's espionage drama **A Splinter of Ice** and was followed in July by the world premiere stage adaptation of T.S. Eliot's **Four Quartets directed and performed by Ralph Fiennes** which were both very well received by audiences. In contrast, we saw **Jodie Prenger** in the one-woman musical **Tell me on a Sunday** by Don Black, a role she reprised after performing in this one-woman show as Emma.

During the summer season, we had the next instalment of the Roy Grace series, with the world premiere stage production of **Looking Good Dead** whilst Theatre Royal Bath brought us both **Oleanna** and **Copenhagen**. We saw the stage adaptation of Susan Hills' **The Woman in Black** return and the comedy **Charlie and Stan** stylistically performed in silence through the means of physical theatre.

The autumn season saw the world premiere of **Julian Barnes' The Lemon Table** starring **Ian McDiarmid** amongst the return of Mischief Theatre Company with **The Play That Goes Wrong**. Reprised from the 2018 Edinburgh Festival Fringe, **Harpy** a one-woman bittersweet dark comedic drama starring Su Pollard, tackled the ongoing struggles of mental health, hoarding and isolation. Audiences were also able to appreciate four new theatre adaptations through the autumn season: **The Good Life** based on the television series, Arthur Conan Doyle's **The Hound of Baskervilles**, **The Legend of Sleepy Hollow** starring Wendi Peters and Bill Ward, and Frederick Knott's **Dial M for Murder** starring Tom Chambers.

In January, Ronald Harwood's acclaimed drama **The Dresser** showcasing **Matthew Kelly** as 'Sir' and **Julian Clary** as Norman with very good audiences in attendance. Direct from the West End, Mischief Theatre Company brought their brand-new comedy **Groan Ups** in February followed in March by the comedy **An Hour and a Half Late** featuring **Griff Rhys Jones and Janie Dee**. The multi-award winning musical **Blood Brothers** returned to the venue enjoying very good audiences. Dramas included: Bernard Slade's **Same Time Next Year**, Bram Stoker's **Dracula**, a new production of **The Play What I Wrote**, and **The Ballard of Maria Marten** which fused together folk music, storytelling, and movement to retell the true events of a murder mystery. At the end of March, we saw **Patrick Duffy**, and **Linda Purl** travel from America to star in the new production of the Broadway thriller **Catch Me If You Can**.

The leading actors who performed in the Festival Theatre during this period included Oliver Ford Davies, Stephen Boxer, Ralph Fiennes, Jodie Prenger, Adam Woodyatt, Gaynor Faye, Tom Chambers, Diana Vickers, Wendi Peters, Bill Ward, Su Pollard, Rufus Hound, Ian McDiarmid, Matthew Kelly, Julian Clary, James Gaddas, Griff Rhys Jones, Janie Dee, Patrick Duffy, Linda Purl, and Gray O'Brien.

Overall, 60,550 people took their seats for 24 weeks of professional theatre.

Pantomime

Malvern Theatres' saw the return of its annual traditional Christmas Pantomime with this year's production of **Peter Pan; The Return of Captain Hook**, which brought to Malvern Theatres the actors Tom Lister, Mark James, Lloyd Warbey and Jenny Huxley-Golden. The production played 43 performances and saw over 24,500 audience members in attendance.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

The Forum Theatre

This interesting and adaptable second space with its capacity of up to 827 seats presented a comprehensive programme of live art and cinema to suit all tastes and ages. The extensive repertoire performed in this space included classical, rock, cabaret and orchestral concerts, contemporary dance and art, comedy, talks and discussions and a continuing season of arts films as well as broadcasts from The Metropolitan Opera, The National Theatre, and The Royal Opera House.

A diverse programme of events was presented by a wide range of national and international artists and theatre companies including Tall Stories, Ocean Film Festival, Phoenix Dance, and Polka Theatre. The Forum Theatre has hosted a diverse range of one-night performances and these included Roy Orbison & the Travelling Wilburys, Oye Santana, Beyond the Barricade, The Simon and Garfunkel Story Unplugged, Saving Grace, Adam Kay, The Carpenters Story, Showaddywaddy, The Sound of Springsteen, Pam Ayres, Petticoat Council, Ben Fogle, The Rocket Man, Dr Richard Shepherd, Sir Geoffrey Boycott, Big Girls Don't Cry, Motionhouse, Hello Again; The Story of Neil Diamond, One Night in Dublin, What's Love Got to Do With It, The Elvis Years at Christmas, Henning When, Thank You For The Music, Sir Ranulph Fiennes, Lost in Music, David Suchet, Kate Rusby, Midnight Train to Georgia, The Classic Rock Show, Johnny Cash Roadshow, Friends! The Musical Parody, Lipstick on Your Collar, Fastlove, UK Pink Floyd Experience, An Evening with Aggers & Tuffers, That'll Be The day, Ray Mears, Sensational 60s Experience, Coldplace, The ELO Experience.

Numerous comedic acts performed at the venue this past year including Jack Dee, Jasper Carrott, Josh Widdicombe, Sarah Millican, Stewart Lee, Andy Parsons, Menopause The Musical 2, Max Boyce and Fascinating Aida. Once again, classical music was well-represented with a series of soloists and ensembles of international repute visiting the Forum Theatre including; Pavel Kolesnikov, Aronowitz Piano Trio, Armonico Consort, James Ehnes, Al;bion Quartet, Takács Quartet, The City of Birmingham .Symphony .Orchestra, Miloš Karadagli?, Chandos Symphony Orchestra, Rachel Podger, Martin Roscoe & Fernella Humphries, Li?r Williams, Carducci String Quartet.

This year, saw the return of theatre company **Frozen Light** who brought the multi-sensory production of **2065** to small audiences of six people with PMLD plus their companions with lots of 1:1 interaction between performers and audience members within a fully accessible space.

Our own Malvern Theatres Young Company, formed of talented performers aged 14-25, produced and performed **Sophocles' Electra** at the Forum Theatre 'in the round' for six performances.

The Forum Theatre was used for film screenings allowing us to expand our programming for the Christmas period offering a selection of titles on release date and prior to them being made available on streaming platforms.

Total audience numbers for the year: 38,772.

The Cinema

June 2021 saw the cinema audience gradually begin to return as the easing of restrictions started to steadily lift with screenings of award-winning films: - **Nomadland, Minari, The Dig, Judas and The Black Messiah, Ammonite** and **The Father**. Over the course of the year, we have screened 639 showings and 147 film titles, several of which have been from their national release date. We have screened several foreign-language films which have been enjoyed by our audiences.

Due to covid-19 restrictions, we have been unable to utilise the cinema during the day for young people's workshops and as a breakout space for national conferences as we have done in previous years. Fortunately, we were able to host several special film-showings for schools during the day and have continued to incorporate a weekly morning screening and a fusion of matinees, early and late evening screenings. In addition, we have continued to offer subtitled screenings and monthly relaxed cinema viewings to make cinema accessible to all.

Once again, we hosted the **Borderlines Film Festival** for two weeks across the Cinema and Forum Theatre offering 81 screenings of 32 different films including 10 previews prior to general release, as well as the silent film, **Nanook of the North** which had a live musical accompaniment by Meg Morley. A total of 4,962 people came to the Borderlines Film Festival over 17 days.

Total cinema audience numbers for the year: 39,590.

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

Engagement and Creative Learning

Malvern Theatres has delivered weekly classes from autumn 2021 and offered October and February half-term activities including: *Pumpkin Patch Ball*, *Big Draw*, *Theatrical Fun*, *Best of Broadway* and *the Happiness Project*.

PURPOSES AND ACTIVITIES

The purposes of the Trust are:

- To provide and enhance an artistic experience to the public in all aspects of dramatic art, including drama, mime, opera, ballet, music, singing and dance.
- To provide education in the arts, particularly focused on young persons.
- To further build on the experience of the public by the provision of two Theatres and a cinema.
- Generally to further the social and cultural welfare of Great Malvern and its surrounding areas.

Our objectives are set and our activities planned having regard to the Charity Commission's guidance on public benefit, including the guidance on admission charges to programmes and events. The Theatres are however obliged to cover costs in setting overall admission charges with shortfalls in revenues being made up by grants, particularly those from Malvern Hills District Council. Admission charges are kept as low as possible in order to preserve the availability of the Theatres and the cinema to lower income groups and younger theatre-goers

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

STRATEGIES

The strategies which are used to achieve the Trust's aims and objectives are:

- To present a balanced programme of theatre productions, music and dance productions to give a real breadth of artistic opportunity to residents of Malvern and the surrounding areas.
- To work with local artistic organisations sponsoring local artistic events.
- To focus particularly upon education in the arts, particularly performance based.
- To encourage programming involving artists of different cultural backgrounds.
- Generally to offer opportunities to a broad range of people to participate in arts activity thereby exploring their own creative powers.

Strategies condense into three major areas of activity:

- Educational programmes
- High Profile Cinema Productions
- Concerts and stage performances

Thus we focus on bringing the arts to as wide a range of participants as possible, affecting all members of our community.

VOLUNTEERS AND COMMUNITY RELATIONS

The Trust's involvement in the community is demonstrated by the large number of volunteers who assist us with stewarding events and performances. This provides indispensable help in maximising the use of the theatres and provides considerable savings in staff costs, without which the theatres could not survive. We celebrate them annually on UK Volunteers' Week and they have regular meetings with the Chief Executive in order to put forward their ideas.

We encourage input from our audiences and we take careful note of both compliments and complaints, seeking to learn and grow from both. We are currently researching more effective ways to record feedback across events and workshops, so that we are able to expand our responses in a consistent and effective manner.

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

As part of our charitable commitment to make the arts accessible to all, we hold weekly subtitled cinema, audio described performances and monthly relaxed cinema screenings. This year we were delighted to install audio description in the cinema, making the cinema fully accessible to those with visual impairments and we are in the process of doing the same in the Forum Theatre, which will mean all three auditoria will benefit from this fundamental facility.

Children and Young People

We believe that the arts are life-enhancing for children and young people, and that engagement can enrich their wider learning. Participation in the arts can unlock hidden talents and potential, as well as help develop essential skills such as communication, empathy, and teamwork.

This year, we have encouraged theatre going for under 26-year-olds with 10,000 £8 tickets. We have offered 180 workshops for young people, as well as 7 specialist workshops including a 2-day filmmaking session, The Happiness Project.

Older People

We are committed to playing a meaningful and significant role in society's changing demographic. Whether engaged, fit and well, living with dementia or facing isolation, the arts can provide a safe and inspiring place for older people. We are also committed to intergenerational work which has been shown to improve the lives of everyone involved, both young and old.

This year, 96 workshops were facilitated for older people, across dance and visual arts. Our Senior Bronze membership is heavily discounted to assure affordable access to live performance and cinema. We host the Big Draw each year where you can come and make a drawing on that year's theme, whatever your age!

Disabled People

We pledge to make Malvern Theatres accessible for all. We understand the social model of disability and by extension, our responsibility as a large cultural venue to make our building work for everyone who uses it.

This year we have installed audio description in the Cinema, offered 36 sessions for people with learning disabilities, as well as 3 specialised workshops. We hold regular relaxed and weekly subtitled cinema screenings and Frozen Light Theatre performed their multi-sensory show, 2065, to an audience living with profound and multiple disabilities.

Environmental Responsibility

We aspire to be a leader in our community, promoting an environmentally responsible approach to our business and our building and inspiring others to make impactful changes for the good of our planet.

This year we have programmed several shows with strong environmental messages, such as Steve Backshall and Kate Humble, as well as important environmental films such as River. By telling these stories we aim to inspire our community to make changes and have a deeper understanding of environmental issues and climate change. We strive to ensure our work has a minimal impact on the environment and offer E-Tickets (we now use 200,000 less paper tickets than in 2015), Vegware compostable cups in our cafe, and self-closing taps and an optimised water waste disposal in all our toilets.

MARKETING

The immediate challenge for marketing and indeed for programming in 2021-22 was to rebuild audiences to their pre-pandemic levels. So far this has not proved sporadic rather than linearly progressive. Panto sales, for example, Omicron notwithstanding, reached 90% of their 2019 level although overall attendances for the fourth quarter only reached 70% of their five-year pre-Covid average, much of the decline being seen in cinema audiences. More work still will be required to re-build our membership base. On 31st March 2022 there were 3094 members, compared with 3828 two years earlier. The planned introduction of a dedicated cinema membership will tackle some of this decline. Even though there has been a return to print marketing throughout the industry the progress made in our digital strategy both pre- and during Covid was retained and built upon in 2022-3. The department needs to retain and consolidate these new skills and a challenge will be to recruit or train to this level. Specifically, there needs to be a sustainable balance between digital services

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

delivered in-house and those outsourced. For the year ahead, technical challenges will be faced developing our systems – box office, website and mobile app – to ensure we provide a consistent customer experience across all three.

PRICING

Pricing is a challenge and is set to remain so throughout 2022-23. Remaining attractively priced at a time when the cost of living is rising is an obvious concern for venues but there is ongoing pressure from producers and promoters to lever increases due to inflationary pressure. This is then matched by subsequent pressure to discount if shows sell fewer tickets than expected. Decisions on pricing are thus often quite finely balanced and are likely to remain so.

INVESTMENT POWERS AND POLICIES

Apart from the need to retain restricted reserves, the trustees have unrestricted investment powers. Having regard to the liquidity requirements of the theatres, to the need to mitigate investment risk and to the reserves policy the trustees have operated a policy of keeping funds surplus to immediate requirements in interest bearing deposit accounts and fixed asset investments.

GOING CONCERN

After making appropriate enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies (Note 2.2).

FINANCIAL REVIEW

The year under review produced a deficit in unrestricted funds of £121,047 compared with a surplus of £256,863 last year. There was a surplus in restricted funds of £88,805 compared with £164,216 last year.

Across all funds the deficit for the year was £32,242 (surplus of £421,079 last year).

The results of the subsidiaries, Malvern Theatres Trading Limited and Malvern Theatres Productions Limited, are included in the group's figures. Profits from the subsidiaries is paid to the charity by way of Gift Aid as in previous years.

There was a movement in cash of £333,580 (2021: £736,617). Cash at the end of the year was £2,946,477 (2021: £2,612,897).

At the year end net current assets were £1,612,529 (2021: £2,068,427).

RESERVES POLICY

Maintaining a sustainable level of reserves remains a prime consideration for the organisation going forward.

The level of grants receivable remains under pressure, leading to more and more of our creative output being generated from our own trading income.

Looking forward, we need to continue to balance the quality of our product with the funds available whilst also seeking to secure other sustainable funding sources.

Having regard to the economic situation, the Trustees believe that an appropriate level of reserves would be approximately three months overhead expenditure which is currently circa £ 570,000. At 31 March 2022, free reserves amounted to £1,198,454 after making a deficit for the financial year 2021/2022 of £121,047.

PLANS FOR THE FUTURE

The organisation is reliant on continued financial support, including funding from Malvern Hills District Council.

We will continue to strive to provide a balanced and diverse programme of the highest quality in our Festival and Forum Theatre.

Other initiatives are as follows:

- We will pursue new fund raising activities by seeking regular contributions from our loyal patrons, local businesses, trusts and foundations
- We will continue to build marketing capabilities so as to maximise the number of bookings taken via the internet
- We will review our pricing structure with a view to fine tuning these but only to the extent of not taking on risk that may reduce audiences

Plans for capital development

Autumn 2022 sees us begin our long-awaited Capital Project, The Studio. The build is at the heart of our five-year strategy and is an essential development if Malvern Theatres is to maintain its place as a leading regional theatre.

In a further improvement to accessibility, The Changing Places toilet, which is currently under construction, will be the first in the district and will also significantly improve our offer for patrons with disabilities, as well as being a vital addition to the town making the area more accessible for all.

The project has received the support of £1,200,000 from Malvern Hills District Council and a grant from The Arts Council of £120,000. Trusts & Foundations who have supported the project include:

Backstage Trust
Baron Davenport's Charity
The Edward Cadbury Charitable Trust
The Rowlands Trust
The Saintbury Trust
Sylvia Waddilove Foundation UK
Theatres Trust
Hawthorne Trust

Following tender costs being received and budgeted, further Trusts & Foundations will be applied to, including Beaverbrook Foundation, The Clothworkers' Foundation, The Foyle Foundation and The Wolfson Foundation. In addition to this, we are looking at the vital events, projects and workshops which can go ahead in the space and researching grant makers to this end, from funds such as those offered by The Paul Hamlyn and Esmée Fairbairn. This space will be a step-change in how we fulfil our charitable aims.

The next project in our sights is a joint venture with MHDC, seeking funding of up to £20m from the Levelling Up Fund to support the expansion of Malvern Theatres.

This nationally significant project will act as a key economic driver for the region, creating 40 new jobs and a further 120 indirect employment opportunities. It will transform visitor numbers to the area, increasing attendance figures from 300,000 to 435,000. Economic benefits to the community will similarly rise from the current level of £23million to a forecast of £32million, delivering a much-needed boost to this largely rural economy.

Malvern Theatres is ideally poised to help the region 'level up' arts access and opportunity, but this cannot be done within the theatre's existing footprint which is at capacity in every way. The investment will transform the current offering, creating life-changing opportunities for young people and specifically those from deprived backgrounds, as well as people with severe disabilities.

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

TRUSTEES

The Trustees who served during the year were:

Professor Judith Elkin
Richard Hastilow-Smith
Maher Kazi
Leslie Kinmond
Richard Marks
Sarah Rouse (resigned 29 March 2022)
Professor Tamar Thompson OBE, Chair

GOVERNING DOCUMENT

The Charity is registered as a charitable company limited by guarantee set up by a Memorandum of Association on 19 February 1965. It is registered as a charity with the Charity Commission No. 241433

APPOINTMENT OF TRUSTEES

The management of the Charity and the Group is the responsibility of the Trustees who are elected and co-opted under the terms of the Memorandum and Articles of Association. Particular effort is made to recruit Trustees who will benefit the Charity by bringing a balanced set of skills. Efforts are also made to manage future retirements of Trustees, so as to enable the appointment of successors without undue haste.

TRUSTEE INDUCTION AND TRAINING

Every Trustee on appointment is provided with a pack of documents setting out key information on the Trust and the Charity. New Trustees are required to confirm that they have studied these documents and raised any queries or obtained any further information which they may need.

Developments in Charity Law and practice are monitored and important developments are brought to the notice of Trustees.

TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of Malvern Theatres Trust Limited for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group 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 judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

ORGANISATION

The Board of Trustees, which currently has 6 members, administers the Charity. The Board meets bi-monthly and there are sub-committees covering fundraising, audit and governance and remuneration. These sub-committees meet on an ad-hoc basis whenever necessary. The Chief Executive is appointed by the Trustees to manage the day to day operations of the Charity. To facilitate effective operation, the Chief Executive has delegated authority within terms of reference approved by the Trustees for some operational matters, including finance.

RELATED PARTIES

None of the Trustees receive remuneration or any other benefit for their work with the Charity. Any connection between any Trustee and any production company, contracted actor or performer of any sort, must be disclosed to the full Board of Trustees in the same way as any contractual relationship with a related party.

The Charity has a close relationship with Malvern Hills District Council, who provide grant aid. Receipt of these grant monies is crucial for the ongoing operations of the Theatres.

The Charity's wholly owned subsidiary, Malvern Theatres Trading Limited, was established to operate hire, conferences, etc. and all other activities ancillary to the main activity of the group. The profits of the subsidiary are Gift Aided to the Charity (see Note 13 to the financial statements).

The Charity's wholly owned subsidiary, Malvern Theatres Productions Ltd, was established to produce theatre productions. The profits of the subsidiary are Gift Aided to the Charity (see Note 13 to the financial statements).

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the charitable group's auditors in connection with preparing their report and to establish that the charitable group's auditors are aware of that information.

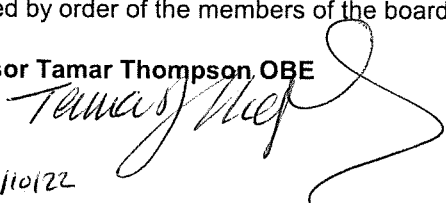
Approved by order of the members of the board of Trustees and signed on their behalf by:

Professor Tamar Thompson, OBE

Chair

Date:

25/10/22



**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MALVERN THEATRES TRUST LIMITED

OPINION

We have audited the financial statements of Malvern Theatres Trust Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charitable Company Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 March 2022 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MALVERN THEATRES TRUST LIMITED
(CONTINUED)**

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MALVERN THEATRES TRUST LIMITED
(CONTINUED)**

Identifying and assessing potential risks related to irregularities;

The procedures undertaken in order to identify and assess risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, are as follows:

- We have considered the nature of the industry and sector, control environment and business performance;
- We have considered the results of our enquiries of management and the Chair of the Board about their own identification and assessment of the risk of irregularities;
- For any matters identified we have obtained and reviewed the Charitable Group and Companies documentation of their policies and procedures relating to:
 - Identifying, evaluating and complying with laws and regulations whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risk of fraud and whether they have knowledge of actual, suspected or alleged fraud; and
 - The internal controls established to mitigate the risks of fraud or non-compliance with laws and regulations.
- We have considered the matters discussed among the audit engagement team, including internal tax specialists regarding how and where fraud might occur in the financial statements and potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas:

- Revenue recognition; and
- Accounting estimates.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Charitable Group and Company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Charities SORP (FRS 102) - Accounting and Reporting by Charities and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

In addition, we have considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Charitable Group and Company's ability to operate or to avoid a material penalty. These include data protection regulations, health and safety regulations and employment legislation.

Audit response to risks identified:

As a result of performing the above procedures, we have identified revenue recognition and accounting estimates as key audit matters related to the potential risk of fraud. Our procedures to respond to risks identified included the following:

- Documenting and validating the control environment for income and debtors and carrying out walkthrough testing;
- Undertaking substantive sample-based testing or proof in total calculations on all material revenue streams to ensure revenue has been recognised appropriately and accurately;
- Considering manual income journals as part of our work on fraud risks documented above;
- Reviewing the financial statement disclosures and testing to supporting documentation;
- Enquiring of management concerning actual and potential litigation claims;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement;

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MALVERN THEATRES TRUST LIMITED
(CONTINUED)**

- Reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from an error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

We have been appointed auditor under the Companies Act 2006 and report in accordance with this Act.

USE OF OUR REPORT

This report is made solely to the Charitable Company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charitable Company's trustees those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



Andrew Wood FCCA (Senior Statutory Auditor)

for and on behalf of

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

1-3 College Yard

Worcester

WR1 2LB

Date: 8th December 2022

MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2022

| | Note | Unrestricted funds 2022 £ | Restricted funds 2022 £ | Total funds 2022 £ | Total funds 2021 £ |
|--|------|---------------------------------|-------------------------------|--------------------------|--------------------------|
| INCOME FROM: | | | | | |
| Donations and legacies | 3 | 597,431 | 225,449 | 822,880 | 1,958,914 |
| Charitable activities | 4 | 3,252,745 | - | 3,252,745 | 70,527 |
| Other trading activities | 5 | 134,347 | - | 134,347 | 64,411 |
| Investments | 6 | 43,219 | - | 43,219 | 38,598 |
| TOTAL INCOME | | 4,027,742 | 225,449 | 4,253,191 | 2,132,450 |
| EXPENDITURE ON: | | | | | |
| Raising funds | | 173,457 | - | 173,457 | 111,267 |
| Charitable activities | 7 | 3,969,071 | 136,644 | 4,105,715 | 1,600,476 |
| TOTAL EXPENDITURE | | 4,142,528 | 136,644 | 4,279,172 | 1,711,743 |
| NET (EXPENDITURE)/INCOME BEFORE NET (LOSSES)/GAINS ON INVESTMENTS | | | | | |
| | | (114,786) | 88,805 | (25,981) | 420,707 |
| Net (losses)/gains on investments | 13 | (6,261) | - | (6,261) | 372 |
| NET MOVEMENT IN FUNDS | | (121,047) | 88,805 | (32,242) | 421,079 |
| RECONCILIATION OF FUNDS: | | | | | |
| Total funds brought forward | | 1,319,501 | 3,492,397 | 4,811,898 | 4,390,819 |
| Net movement in funds | 18 | (121,047) | 88,805 | (32,242) | 421,079 |
| TOTAL FUNDS CARRIED FORWARD | | 1,198,454 | 3,581,202 | 4,779,656 | 4,811,898 |

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 21-34 form part of these financial statements.

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:00838245**

**CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2022**

| | Note | 2022 £ | 2021 £ |
|---|------|-------------------------|-------------------------|
| FIXED ASSETS | | | |
| Tangible assets | 12 | 2,510,177 | 2,664,289 |
| Investments | 13 | 656,950 | 504,182 |
| | | <u>3,167,127</u> | <u>3,168,471</u> |
| CURRENT ASSETS | | | |
| Debtors | 14 | 174,956 | 239,978 |
| Cash at bank and in hand | | 2,946,477 | 2,612,897 |
| | | <u>3,121,433</u> | <u>2,852,875</u> |
| Creditors: amounts falling due within one year | 15 | (1,508,904) | (784,448) |
| NET CURRENT ASSETS | | <u>1,612,529</u> | <u>2,068,427</u> |
| Creditors: amounts falling due after more than one year | 16 | - | (425,000) |
| TOTAL NET ASSETS | | <u><u>4,779,656</u></u> | <u><u>4,811,898</u></u> |
| CHARITY FUNDS | | | |
| Restricted funds | 18 | 3,581,202 | 3,492,397 |
| Unrestricted funds | 18 | 1,198,454 | 1,319,501 |
| TOTAL FUNDS | | <u><u>4,779,656</u></u> | <u><u>4,811,898</u></u> |

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Professor Tamar Thompson OBE

Chair

Date:

The notes on pages 19 to 37 form part of these financial statements.



25/10/22

MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:00838245

CHARITABLE COMPANY STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 MARCH 2022

| | Note | 2022 £ | 2021 £ |
|---|------|-------------------------|-------------------------|
| FIXED ASSETS | | | |
| Tangible assets | 12 | 2,510,177 | 2,664,289 |
| Investments | 13 | 756,952 | 604,184 |
| | | <u>3,267,129</u> | <u>3,268,473</u> |
| CURRENT ASSETS | | | |
| Debtors | 14 | 247,784 | 275,806 |
| Cash at bank and in hand | | 2,786,127 | 2,471,925 |
| | | <u>3,033,911</u> | <u>2,747,731</u> |
| Creditors: amounts falling due within one year | 15 | (1,497,674) | (775,219) |
| | | <u>1,536,237</u> | <u>1,972,512</u> |
| NET CURRENT ASSETS | | | |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>4,803,366</u> | <u>5,240,985</u> |
| Creditors: amounts falling due after more than one year | 16 | - | (425,000) |
| TOTAL NET ASSETS | | <u><u>4,803,366</u></u> | <u><u>4,815,985</u></u> |
| CHARITY FUNDS | | | |
| Restricted funds | 18 | 3,581,202 | 3,492,397 |
| Unrestricted funds | 18 | 1,222,164 | 1,323,588 |
| TOTAL FUNDS | | <u><u>4,803,366</u></u> | <u><u>4,815,985</u></u> |

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Professor Tamar Thompson OBE
 Chair
 Date:

The notes on pages 19 to 37 form part of these financial statements.



25/10/22

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022**

| | Note | 2022 £ | 2021 £ |
|--|------|------------------|------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Net cash used in operating activities | 21 | 463,285 | 673,036 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Investment income | | 43,217 | 38,598 |
| Purchase of tangible fixed assets | | (13,895) | (1,552) |
| Proceeds from sale of investments | | 283,975 | 200,000 |
| Purchase of investments | | (443,002) | (173,465) |
| NET CASH (USED IN)/PROVIDED BY INVESTING ACTIVITIES | | (129,705) | 63,581 |
| CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR | | | |
| Cash and cash equivalents at the beginning of the year | | 2,612,897 | 1,876,280 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | 22 | 2,946,477 | 2,612,897 |

The notes on pages 19 to 37 form part of these financial statements

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

1. GENERAL INFORMATION

Malvern Theatres Trust Limited is a private charitable company limited by guarantee incorporated in England and Wales. The registered office is Grange Road, Malvern, Worcestershire, WR14 3HB.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Malvern Theatres Trust Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Group and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis.

The Group has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

2.2 GOING CONCERN

After making appropriate enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

The financial statements do not reflect the adjustments that would be necessary should entity cease to remain as a going concern.

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. ACCOUNTING POLICIES (continued)

2.3 INCOME

All income is recognised once the Charitable Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Charitable activities

Income from Theatre admission fees is included in incoming resources in the period in which the relevant show takes place.

Activities for generating funds

Activities for generating funds includes income from commercial activities and represents income from cinema admissions and sponsorship activities and is included in the period in which the group is entitled to receipt.

Grants receivable

Revenue based grants are credited to the Statement of financial activities in the year in which they are received.

Grants relating to the redevelopment of the Theatre complex have been credited to restricted funds in the Statement of financial activities in accordance with the conditions imposed by donors.

2.4 EXPENDITURE

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 allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

2.5 INTEREST RECEIVABLE

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. ACCOUNTING POLICIES (continued)

2.6 TAXATION

The Charitable Company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charitable Company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2.7 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

| | |
|------------------------------|--|
| Long-term leasehold property | - Over the remaining life of the lease |
| Fixtures and fittings | - 10%-50% straight line |

2.8 INVESTMENTS

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated Statement of Financial Activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.9 DEBTORS

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.10 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2. ACCOUNTING POLICIES (continued)

2.11 LIABILITIES AND PROVISIONS

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charitable Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated Statement of Financial Activities as a finance cost.

2.12 FINANCIAL INSTRUMENTS

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.13 OPERATING LEASES

Rentals paid under operating leases are charged to the Consolidated Statement of Financial Activities on a straight line basis over the lease term.

2.14 PENSIONS

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

2.15 FUND ACCOUNTING

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

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

3. INCOME FROM DONATIONS AND LEGACIES

| | Unrestricted funds 2022 £ | Restricted funds 2022 £ | Total funds 2022 £ | Total funds 2021 £ |
|-----------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| DONATIONS | | | | |
| Tomorrow Fund donations | - | 17,719 | 17,719 | 194,975 |
| Heritage Fund donations | - | 207,730 | 207,730 | 2,152 |
| Other donations | 80,802 | - | 80,802 | 237,179 |
| GRANTS | | | | |
| The Elmley Foundation | - | - | - | 2,000 |
| Support grant from MHDC | 56,801 | - | 56,801 | 56,810 |
| Covid grant from MHDC | 24,000 | - | 24,000 | 71,759 |
| Rent grant from MHDC | 61,000 | - | 61,000 | 61,000 |
| Other grants | 8,789 | - | 8,789 | 35,750 |
| Culture Recovery Fund grant | 327,672 | - | 327,672 | 845,703 |
| Job Retention Scheme grant | 38,367 | - | 38,367 | 451,586 |
| TOTAL 2022 | <u>597,431</u> | <u>225,449</u> | <u>822,880</u> | <u>1,958,914</u> |
| TOTAL 2021 | <u>1,761,787</u> | <u>197,127</u> | <u>1,958,914</u> | |

4. INCOME FROM CHARITABLE ACTIVITIES

| | Unrestricted funds 2022 £ | Total funds 2022 £ | Total funds 2021 £ |
|---|------------------------------------|-----------------------------|-----------------------------|
| Festival Theatre income | 1,639,522 | 1,639,522 | 21,773 |
| Forum Theatre income | 874,237 | 874,237 | 12,917 |
| Engagement and Creative Learning income | 14,170 | 14,170 | (746) |
| Cinema income | 224,600 | 224,600 | 20,256 |
| Theatre membership fees and income | 201,570 | 201,570 | 6,465 |
| Other income | 298,646 | 298,646 | 9,862 |
| TOTAL 2022 | <u>3,252,745</u> | <u>3,252,745</u> | <u>70,527</u> |
| TOTAL 2021 | <u>70,527</u> | <u>70,527</u> | |

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

5. INCOME FROM OTHER TRADING ACTIVITIES

Income from non charitable trading activities

| | Unrestricted funds 2022 £ | Total funds 2022 £ | Total funds 2021 £ |
|-------------------------------|--|---------------------------------------|---------------------------------------|
| Income from catering contract | 35,790 | 35,790 | 33,806 |
| Trading company income | 98,557 | 98,557 | 30,605 |
| TOTAL 2022 | <u>134,347</u> | <u>134,347</u> | <u>64,411</u> |
| TOTAL 2021 | <u>64,411</u> | <u>64,411</u> | |

6. INVESTMENT INCOME

| | Unrestricted funds 2022 £ | Total funds 2022 £ | Total funds 2021 £ |
|-------------------|--|---------------------------------------|---------------------------------------|
| Investment income | 43,219 | 43,219 | 38,598 |
| TOTAL 2022 | <u>43,219</u> | <u>43,219</u> | <u>38,598</u> |
| TOTAL 2021 | <u>38,598</u> | <u>38,598</u> | |

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

7. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Summary by fund type

| | Unrestricted funds 2022 £ | Restricted funds 2022 £ | Total funds 2022 £ | Total funds 2021 £ |
|----------------------------------|--|--|---------------------------------------|---------------------------------------|
| Shows | 3,849,799 | 136,644 | 3,986,443 | 1,559,973 |
| Engagement and Creative Learning | 57,666 | - | 57,666 | 40,503 |
| Catering expenditure | 61,606 | - | 61,606 | - |
| | <u>3,969,071</u> | <u>136,644</u> | <u>4,105,715</u> | <u>1,600,476</u> |
| TOTAL 2021 | <u>1,467,852</u> | <u>132,624</u> | <u>1,600,476</u> | |

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES

| | Activities undertaken directly 2022 £ | Support costs 2022 £ | Total funds 2022 £ | Total funds 2021 £ |
|----------------------------------|--|---|---------------------------------------|---------------------------------------|
| Shows | 3,672,622 | 313,821 | 3,986,443 | 1,559,973 |
| Engagement and Creative Learning | 57,666 | - | 57,666 | 40,503 |
| Catering expenditure | 61,606 | - | 61,606 | - |
| | <u>3,791,894</u> | <u>313,821</u> | <u>4,105,715</u> | <u>1,600,476</u> |
| TOTAL 2021 | <u>1,286,199</u> | <u>314,277</u> | <u>1,600,476</u> | |

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF DIRECT COSTS

| | Shows 2022 £ | Engagement and Creative Learning 2022 £ | Catering 2022 £ | Total funds 2022 £ | Total funds 2021 £ |
|--------------------------------|--------------------|---|-----------------------|-----------------------------|-----------------------------|
| Staff costs | 775,933 | 41,439 | - | 817,372 | 711,620 |
| Depreciation | 168,007 | - | - | 168,007 | 198,815 |
| Show production costs | 1,938,187 | 13,273 | - | 1,951,460 | 38,596 |
| Cinema production costs | 87,494 | - | - | 87,494 | 7,987 |
| Irrecoverable VAT | 35,745 | - | - | 35,745 | 32,262 |
| Covid Costs | 4,011 | - | - | 4,011 | 9,336 |
| Advertising and marketing | 170,087 | 2,954 | - | 173,041 | 10,752 |
| Equipment and small tool costs | 5,328 | - | - | 5,328 | 1,497 |
| Property costs | 135,153 | - | - | 135,153 | 70,751 |
| General property costs | 125,432 | - | - | 125,432 | 39,688 |
| Other staff costs | 30,591 | - | - | 30,591 | 10,776 |
| General expenses | 126,655 | - | - | 126,655 | 84,834 |
| Catering Costs | - | - | 61,606 | 61,606 | - |
| Operating leases | 69,999 | - | - | 69,999 | 69,285 |
| | <u>3,672,622</u> | <u>57,666</u> | <u>61,606</u> | <u>3,791,894</u> | <u>1,286,199</u> |
| TOTAL 2021 | <u>1,245,696</u> | <u>40,503</u> | <u>-</u> | <u>1,286,199</u> | |

ANALYSIS OF SUPPORT COSTS

| | Theatres income 2022 £ | Total funds 2022 £ | Total funds 2021 £ |
|------------------------------|---------------------------------|-----------------------------|-----------------------------|
| Staff costs | 256,208 | 256,208 | 275,618 |
| Bank and credit card charges | 21,608 | 21,608 | 3,009 |
| Consultancy costs | 17,444 | 17,444 | 20,659 |
| Audit fees | 16,250 | 16,250 | 14,779 |
| Legal and professional fees | 2,311 | 2,311 | 212 |
| | <u>313,821</u> | <u>313,821</u> | <u>314,277</u> |

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

9. AUDITORS' REMUNERATION

| | 2022 | 2021 |
|--|---------------|--------|
| | £ | £ |
| Fees payable to the Charitable Company's auditor for the audit of the Charitable Company's annual accounts | 14,250 | 11,750 |
| Fees payable to the Charitable Company's auditor in respect of: All non-audit services not included above | 2,000 | 3,029 |

10. STAFF COSTS

| | Group | Group | Charitable | Charitable |
|--|------------------|-----------|-------------------|------------|
| | 2022 | 2021 | Company | Company |
| | £ | £ | £ | £ |
| Wages and salaries | 1,032,696 | 945,577 | 1,032,696 | 945,577 |
| Social security costs | 77,598 | 69,920 | 77,598 | 69,920 |
| Contribution to defined contribution pension schemes | 38,187 | 39,322 | 38,187 | 39,322 |
| | 1,148,481 | 1,054,819 | 1,148,481 | 1,054,819 |

Redundancy payments totalling £NIL (2021: £13,100) were made to 0 (2021: 16) employees.

The average number of persons employed by the Charitable Company during the year was as follows:

| | Group | Group | Charitable | Charitable |
|-----------|--------------|-------|-------------------|------------|
| | 2022 | 2021 | Company | Company |
| | No. | No. | No. | No. |
| Employees | 52 | 73 | 52 | 73 |

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

| | Group | Group |
|---------------------------------|--------------|-------|
| | 2022 | 2021 |
| | No. | No. |
| In the band £100,001 - £110,000 | 1 | 1 |

The key management personnel of the Charity, and the Group, comprise the Trustees, Chief Executive Officer, Finance Director, Marketing Director and Technical Director. The total employee benefits of the key management personnel of the Charity and Group, including employer's National Insurance contributions, were £296,512 (2021: £293,783).

**MALVERN THEATRES TRUST LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

11. TRUSTEES' REMUNERATION AND EXPENSES

During the year, no Trustees received any remuneration or other benefits (2021: £NIL).

During the year ended 31 March 2022, no Trustee expenses have been incurred (2021: £NIL).

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

12. TANGIBLE FIXED ASSETS

GROUP AND CHARITABLE COMPANY

| | Long-term leasehold property £ | Fixtures and fittings £ | Total £ |
|-----------------------|---|-------------------------------|-------------------------|
| COST | | | |
| At 1 April 2021 | 7,253,205 | 960,012 | 8,213,217 |
| Additions | - | 13,895 | 13,895 |
| At 31 March 2022 | <u>7,253,205</u> | <u>973,907</u> | <u>8,227,112</u> |
| DEPRECIATION | | | |
| At 1 April 2021 | 4,919,936 | 628,992 | 5,548,928 |
| Charge for the year | 97,220 | 70,787 | 168,007 |
| At 31 March 2022 | <u>5,017,156</u> | <u>699,779</u> | <u>5,716,935</u> |
| NET BOOK VALUE | | | |
| At 31 March 2022 | <u><u>2,236,049</u></u> | <u><u>274,128</u></u> | <u><u>2,510,177</u></u> |
| At 31 March 2021 | <u><u>2,333,269</u></u> | <u><u>331,020</u></u> | <u><u>2,664,289</u></u> |

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

13. FIXED ASSET INVESTMENTS

| GROUP AND CHARITABLE COMPANY | Listed investments £ |
|-------------------------------------|-------------------------------------|
| COST OR VALUATION | |
| At 1 April 2021 | 504,184 |
| Additions | 443,002 |
| Disposals | (283,975) |
| Revaluations | (6,261) |
| AT 31 MARCH 2022 | <u>656,950</u> |
| NET BOOK VALUE | |
| AT 31 MARCH 2022 | <u>656,950</u> |
| AT 31 MARCH 2021 | <u>504,184</u> |

PRINCIPAL SUBSIDIARIES

The following were subsidiary undertakings of the Charitable Company:

| Names | Company number | Registered office or principal place of business | Principal activity | Class of shares | Holding |
|--|---------------------------|---|--|----------------------------|----------------|
| Malvern Theatres Trading Limited | 02870411 | The Malvern Theatres, Grange Road, Malvern, Worcestershire, WR14 3BH | Hire of facilities and sale of ancilliary products related to shows | Ordinary | 100% |
| Malvern Theatres Productions Limited | 06421354 | The Malvern Theatres, Grange Road, Malvern, Worcestershire, WR14 3BH | Touring theatrical production company | Ordinary | 100% |

The financial results of the subsidiaries for the year were:

| Names | Income £ | Expenditure £ | Surplus/ (Deficit) for the period £ | Net assets £ |
|--------------------------------------|---------------------|--------------------------|--|-------------------------|
| Malvern Theatres Trading Limited | 94,557 | 93,620 | 937 | 2 |
| Malvern Theatres Productions Limited | 4,000 | (24,560) | (20,560) | 76,290 |

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

14. DEBTORS

| | Group 2022 £ | Group 2021 £ | Charitable Company 2022 £ | Charitable Company 2021 £ |
|------------------------------------|-----------------------------|--------------------|--|------------------------------------|
| DUE WITHIN ONE YEAR | | | | |
| Trade debtors | 76,839 | 8,751 | 72,918 | 8,751 |
| Amounts owed by group undertakings | 13 | - | 81,762 | 36,828 |
| Other debtors | 2,200 | 3,603 | 1,200 | 2,603 |
| Prepayments and accrued income | 95,904 | 227,624 | 91,904 | 227,624 |
| | <u>174,956</u> | <u>239,978</u> | <u>247,784</u> | <u>275,806</u> |

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | Group 2022 £ | Group 2021 £ | Charitable Company 2022 £ | Charitable Company 2021 £ |
|--|-----------------------------|--------------------|--|------------------------------------|
| Bank loans | - | 75,000 | - | 75,000 |
| Trade creditors | 149,123 | 47,222 | 144,199 | 43,889 |
| Amounts owed to group undertakings | 13 | - | - | - |
| Other taxation and social security | 43,897 | - | 43,897 | - |
| Other creditors | 612 | - | 612 | - |
| Accruals and deferred income | 1,315,259 | 662,226 | 1,308,966 | 656,330 |
| | <u>1,508,904</u> | <u>784,448</u> | <u>1,497,674</u> | <u>775,219</u> |
| | Group 2022 £ | Group 2021 £ | Charitable Company 2022 £ | Charitable Company 2021 £ |
| Deferred income at 1 April 2021 | 745,215 | 851,243 | 613,910 | 745,215 |
| Resources deferred during the year | 907,500 | 623,755 | 906,100 | 613,910 |
| Amounts released from previous periods | (745,215) | (729,783) | (613,910) | (745,215) |
| | <u>907,500</u> | <u>745,215</u> | <u>906,100</u> | <u>613,910</u> |

Deferred income represents amounts received in respect of shows and performances that do not take place until after the year end, as well as theatre packages and gift cards not yet reclaimed.

**MALVERN THEATRES TRUST LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | Group 2022 £ | Group 2021 £ | Charitable Company 2022 £ | Charitable Company 2021 £ |
|------------|-----------------------------|--------------------|--|------------------------------------|
| Bank loans | - | 425,000 | - | 425,000 |

Included within the above are amounts falling due as follows:

| | Group 2022 £ | Group 2021 £ | Charitable Company 2022 £ | Charitable Company 2021 £ |
|-----------------------------------|-----------------------------|--------------------|--|------------------------------------|
| BETWEEN ONE AND TWO YEARS | | | | |
| Bank loans | - | 100,000 | - | 100,000 |
| BETWEEN TWO AND FIVE YEARS | | | | |
| Bank loans | - | 325,000 | - | 325,000 |

17. FINANCIAL INSTRUMENTS

| | Group 2022 £ | Group 2021 £ | Charitable Company 2022 £ | Charitable Company 2021 £ |
|--|-----------------------------|--------------------|--|------------------------------------|
| FINANCIAL ASSETS | | | | |
| Financial assets measured at fair value through income and expenditure | 2,946,477 | 2,612,897 | 2,786,127 | 2,471,925 |

Financial assets measured at fair value through income and expenditure comprise cash at bank and in hand.

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

18. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

| | Balance at 1 April 2021 £ | Income £ | Expenditure £ | Gains/ (Losses) £ | Balance at 31 March 2022 £ |
|--|---------------------------------|-------------------------|---------------------------|-------------------------|-------------------------------------|
| UNRESTRICTED FUNDS | | | | | |
| General Funds | 1,319,501 | 4,027,742 | (4,142,528) | (6,261) | 1,198,454 |
| RESTRICTED FUNDS | | | | | |
| Restricted Theatre Refurbishment Fund | 2,333,269 | - | (97,220) | - | 2,236,049 |
| Restricted Tomorrow Fund | 683,605 | 17,719 | (39,424) | - | 661,900 |
| Restricted Heritage Fund | 475,523 | 207,730 | - | - | 683,253 |
| | <u>3,492,397</u> | <u>225,449</u> | <u>(136,644)</u> | <u>-</u> | <u>3,581,202</u> |
| TOTAL OF FUNDS | <u><u>4,811,898</u></u> | <u><u>4,253,191</u></u> | <u><u>(4,279,172)</u></u> | <u><u>(6,261)</u></u> | <u><u>4,779,656</u></u> |

RESTRICTED FUND DESCRIPTIONS:

Restricted Theatre Refurbishment Funds

This fund is the result of Lottery Funding Grant matched by contribution from MHDC and other supporters to provide refurbishment of the Theatres. The refurbishment costs have been capitalised and will be depreciated over the life of the lease, or life of item whichever is applicable. The balance on this fund as at the year end was £2,236,049 (2021: £2,333,269).

Restricted Tomorrow Fund

The fund is the result of contributions from the Theatres' supporters to fund the redevelopment of the Theatres, including reseating of the cinema, Festival and Forum, and for funding projects including festivals. The cinema and festival seating has been replaced and these costs have been capitalised and will be depreciated over the life of the assets. The balance on this fund as at the year end was £661,900 (2021: £683,605).

Restricted Heritage Fund

This fund is the results of contributions from the Theatres' supporters to fund heritage projects, and towards the maintenance and running costs of the building. The balance on this fund as at the year end was £683,253 (2021: £475,523). This fund has been used towards reseating the festival theatre, and going forward will help to fund replacement of the forum theatre seating and an extension to provide education space.

MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

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

18. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR

| | Balance at 1 April 2020 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 March 2021 £ |
|---------------------------------------|---------------------------------|------------------|--------------------|--------------------------|-------------------------|-------------------------------------|
| UNRESTRICTED FUNDS | | | | | | |
| General Funds | 1,062,638 | 1,935,323 | (1,579,119) | (99,713) | 372 | 1,319,501 |
| RESTRICTED FUNDS | | | | | | |
| Restricted Theatre Refurbishment Fund | 2,330,776 | - | (97,220) | 99,713 | - | 2,333,269 |
| Restricted Tomorrow Fund | 523,054 | 194,975 | (34,424) | - | - | 683,605 |
| Restricted Heritage Fund | 474,351 | 2,152 | (980) | - | - | 475,523 |
| | 3,328,181 | 197,127 | (132,624) | 99,713 | - | 3,492,397 |
| TOTAL OF FUNDS | 4,390,819 | 2,132,450 | (1,711,743) | - | 372 | 4,811,898 |

19. SUMMARY OF FUNDS

SUMMARY OF FUNDS - CURRENT YEAR

| | Balance at 1 April 2021 £ | Income £ | Expenditure £ | Gains/ (Losses) £ | Balance at 31 March 2022 £ |
|------------------|---------------------------------|-------------|------------------|-------------------------|-------------------------------------|
| General funds | 1,319,501 | 4,027,742 | (4,142,528) | (6,261) | 1,198,454 |
| Restricted funds | 3,492,397 | 225,449 | (136,644) | - | 3,581,202 |
| | 4,811,898 | 4,253,191 | (4,279,172) | (6,261) | 4,779,656 |

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

19. SUMMARY OF FUNDS (CONTINUED)

SUMMARY OF FUNDS - PRIOR YEAR

| | Balance at 1 April 2020 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 March 2021 £ |
|------------------|---------------------------------|------------------|--------------------|--------------------------|-------------------------|-------------------------------------|
| General funds | 1,062,638 | 1,935,323 | (1,579,119) | (99,713) | 372 | 1,319,501 |
| Restricted funds | 3,328,181 | 197,127 | (132,624) | 99,713 | - | 3,492,397 |
| | <u>4,390,819</u> | <u>2,132,450</u> | <u>(1,711,743)</u> | <u>-</u> | <u>372</u> | <u>4,811,898</u> |

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

| | Unrestricted funds 2022 £ | Restricted funds 2022 £ | Total funds 2022 £ |
|-------------------------------|------------------------------------|----------------------------------|-----------------------------|
| Tangible fixed assets | - | 2,510,177 | 2,510,177 |
| Fixed asset investments | 656,950 | - | 656,950 |
| Current assets | 2,050,408 | 1,071,025 | 3,121,433 |
| Creditors due within one year | (1,508,904) | - | (1,508,904) |
| TOTAL | <u>1,198,454</u> | <u>3,581,202</u> | <u>4,779,656</u> |

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

| | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Total funds 2021 £ |
|-------------------------------------|------------------------------------|----------------------------------|-----------------------------|
| Tangible fixed assets | - | 2,664,289 | 2,664,289 |
| Fixed asset investments | 504,182 | - | 504,182 |
| Current assets | 2,024,767 | 828,108 | 2,852,875 |
| Creditors due within one year | (784,448) | - | (784,448) |
| Creditors due in more than one year | (425,000) | - | (425,000) |
| TOTAL | <u>1,319,501</u> | <u>3,492,397</u> | <u>4,811,898</u> |

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

21. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

| | Group 2022 £ | Group 2021 £ |
|--|-----------------------------|-----------------------------|
| Net income/expenditure for the year (as per Statement of Financial Activities) | (32,242) | 421,079 |
| ADJUSTMENTS FOR: | | |
| Depreciation charges | 168,007 | 198,813 |
| Dividends, interests and rents from investments | (43,219) | (38,598) |
| Decrease in debtors | 65,035 | 18,595 |
| Increase in creditors | 299,443 | 73,519 |
| Net (profit) / loss on sale and revaluation of investments | 6,261 | (372) |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | 463,285 | 673,036 |

22. ANALYSIS OF CASH AND CASH EQUIVALENTS

| | Group 2022 £ | Group 2021 £ |
|--------------|-----------------------------|-----------------------------|
| Cash in hand | 2,946,477 | 2,612,897 |

23. ANALYSIS OF CHANGES IN NET DEBT

| | At 1 April 2021 £ | Cash flows £ | At 31 March 2022 £ |
|--------------------------|----------------------------------|-------------------------|-----------------------------------|
| Cash at bank and in hand | 2,612,897 | 333,580 | 2,946,477 |
| Debt due within 1 year | (75,000) | 75,000 | - |
| Debt due after 1 year | (425,000) | 425,000 | - |
| | 2,112,897 | 833,580 | 2,946,477 |

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

24. PENSION COMMITMENTS

The Charitable Company makes contributions, as part of an employee's contract of employment, which are payable to defined contribution schemes chosen by the employer. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £38,187 (2021: £39,322). Contributions totalling £NIL (2021: £NIL) were payable to the fund at the Balance sheet date and are included in creditors.

25. OPERATING LEASE COMMITMENTS

At 31 March 2022 the Group and the Charitable Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

| | Group 2022 £ | Group 2021 £ | Charitable Company 2022 £ | Charitable Company 2021 £ |
|--|-----------------------------|-----------------------------|--|--|
| Not later than 1 year | 72,360 | 69,871 | 72,360 | 69,871 |
| Later than 1 year and not later than 5 years | 269,435 | 246,795 | 269,435 | 246,795 |
| Later than 5 years | 1,891,000 | 1,952,000 | 1,891,000 | 1,952,000 |
| | <u>2,232,795</u> | <u>2,268,666</u> | <u>2,232,795</u> | <u>2,268,666</u> |

26. RELATED PARTY TRANSACTIONS

The group has taken advantage of the exemption in Section 33 of FRS 102 from the requirement to disclose transactions with other wholly owned group companies.

During the year the Charity made sales of £400 (2021: £405) to Sweet Paan Limited, incurred expenditure of £1,130 (2020: £NIL), and has an outstanding balance of £NIL (2021: £480) in debtors and £NIL (2021: £NIL) in creditors. Maher Kazi is a Trustee of the Charity and a shareholder of Sweet Paan Limited.

During the year no donations were made to the Charity by any Trustees (2021: £2,500).

MALVERN THEATRES TRUST LIMITED

England & Wales - Charity number 241433

Accounts

Registered number: 00838245
Charity number: 241433

MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

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**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITABLE COMPANY, ITS TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 MARCH 2021**

| | |
|----------------------------------|---|
| Trustees | Professor Judith Elkin Richard Hastilow-Smith Maher Kazi Leslie Kinmond Simon Marks Sarah Rouse Professor Tamar Thompson OBE, Chair |
| Company registered number | 00838245 |
| Charity registered number | 241433 |
| Registered office | Malvern Theatres Grange Road Malvern Worcestershire WR14 3HB |
| Company secretary | Leslie Kinmond |
| Chief executive officer | Nic Lloyd |
| Independent auditors | Bishop Fleming LLP Chartered Accountants Statutory Auditors 1-3 College Yard Worcester WR1 2LB |
| Bankers | Lloyds Bank PLC 48 Belle Vue Terrace Malvern Worcestershire WR14 4QG |
| Solicitors | Harrison Clark Rickerbys LLP 5 Deansway Worcester Worcestershire WR1 2JG |

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**CHAIR'S STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021**

The chairman presents her statement for the year.

CHAIR'S REPORT

Our vision:

- To be a leading provider of the arts in the UK;
- To be nationally recognized for artistic excellence;
- To make the arts accessible to all;
- To celebrate the life-changing power of theatre;
- To be a respected training ground for the industry, helping to launch the careers of industry professionals.

Our commitment:

- We will commit to breaking down barriers that prevent participation;
- We will offer a diverse programme of high-quality cultural entertainment;
- We will provide development opportunities to enable lifelong learning for people of all ages and abilities;
- We will nurture a network of inspiring, ambitious and supportive individuals;
- We will collaborate to ensure that good quality touring theatre is always being produced;
- We will increase the percentage of earned income.

Malvern Theatres is one of the leading providers of the arts in the UK. The theatres' setting amongst the Malvern Hills and its commitment to providing a rich, diverse, and high-quality product for the community of Malvern and indeed further afield, has given it a unique profile both within the West Midlands and nationally.

Covid-19 had a devastating impact on Malvern Theatres. When we closed our doors in March 2020 our income disappeared overnight and during the past financial year, we have taken every opportunity to reduce our monthly overheads while following all routes open to us to ensure our survival. We were also very aware of the need within the local community for access to cultural entertainment during these unprecedented times, and whenever it was possible to do so, we provided cinema showings and live performances, whilst in times of lockdown we promoted access to our own curations of culture to enjoy at home, as well as shared content provided by other creatives.

Left with no other regular income or public subsidy we immediately launched a public fundraising campaign which has so far raised more than £200,000. At the same time, we began applying for grants, including the DCMS Culture Recovery Fund.

This income provided an essential lifeline to help cover our emergency costs, including unavoidable monthly overheads and staff salaries. Most of our small team was furloughed, but some members of staff continued to work to provide customer service, production, administration, and fundraising and marketing campaigns. Protecting our skilled workforce was one of our priorities and no permanent salaried members of staff have been made redundant in this period, which has proved invaluable in helping the theatre emerge from this crisis.

Serving our community is at the heart of our mission and, in line with our applications, we continued to produce work which would be enjoyed by our shielding and locked down audiences. This included streaming our first digital production that was filmed in-house. The digital production was made available for free, delivering cultural provision for the region and beyond. It was fully subtitled, providing essential content for those who have hearing loss. The original production was performed by members of our own Young Company whose burgeoning training/careers have been stalled by the pandemic. A key aim of our mission is to train the next generation of industry professionals. Nearly 75% of our Young Company members currently go on to study or work in the arts and we were keen to maintain opportunities where possible.

Through our public Emergency COVID-19 Appeal we have raised vital funds to ensure that Malvern Theatres will be here in the future to welcome audiences once again. During these uncertain times we have been overwhelmed by the generous donations and heartfelt messages of support we have received. Over 1,800 people have so far donated to our Covid-19 appeal and their names are gratefully acknowledged on our online Donor's Wall <https://www.malvern-theatres.co.uk/donor-dedication-wall/>

In February, the automatic donation option, when purchasing tickets online, was increased from £1 to £3 and this increase has been successful. 1 in 3 online bookers now choose to donate £3 when purchasing tickets.

As we emerge from the pandemic, we are poised to play a crucial role in helping to bring communities back together, healing the wounds of social isolation by embracing shared cultural experiences once more.

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**CHAIR'S STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

During 2020/21 Malvern Theatres received revenue funding of £56,810 from Malvern Hills District Council. In addition, Covid grant support was received of £71,750.

Malvern Theatres was awarded £810,703 as part of the first round of the Government's £1.57 billion Culture Recovery Fund (CRF). In addition, an emergency grant of £35,000 was received from the Arts Council, and emergency funding of £15,000 by the BFI Film Audience Network (FAN) as part of its BFI FAN COVID-19 Resilience Fund, and a £10,000 safety award for the cinema allocated by the British Film Institute (BFI) as part of the Culture Recovery Fund. Additionally, generous support of £15,000 was received from the Hawthorne Charitable Trust and £750 from the Rowlands Trust.

This emergency grant funding has been crucial to help cover costs during the closure period and will allow the theatre to re-open over the months ahead.



Professor Tamar Thompson OBE

Chair

Date: 12/10/21

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2021**

YEAR ENDED 31 MARCH 2021

The Trustees present their annual report together with the audited financial statements of the Malvern Theatres Trust Limited for the year 1 April 2020 to 31 March 2021. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the 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 (FRS102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective January 2015).

CONCERTS AND STAGE PERFORMANCES - ACHIEVEMENTS AND PERFORMANCE

The Festival Theatre

The 850 -seat Festival Theatre was, due to the pandemic, closed for most of the year. However, in September we took the first tentative steps to re-open the Festival Theatre by staging three plays. The first was **Mooney and his Caravans**, a Malvern Theatres Young Company production directed by Nic Lloyd, this was followed by **Doctor Faustus**, a new production by Mike Wilson Productions starring Harry Boaz and directed by Roma Farnell, and finally **A Chip in the Sugar**, the second production from Malvern Theatres Young Company, directed by Nic Lloyd.

In December Malvern Theatres' Young Company provided audiences with another chance to enjoy live theatre, with a touching and haunting adaptation of Paul Gallico's novel, **The Snow Goose**, directed by Nic Lloyd and designed by our in-house creative team.

The leading actors who performed in the Festival Theatre during the year were: Moa Myerson, Toby Burchell, Harry Boaz, Rhys Harris Clarke, Daniel Davis and Jennifer Thompson-Chatburn.

The Forum Theatre

This interesting and adaptable second space with its capacity of up to 821 seats was also, due to the pandemic, closed for a large part of the year. However, in July, as the theatre started to open again for cinema screenings, the Forum enabled us to provide a secondary venue for film showings.

In December live events returned to the Forum Theatre with performances from **Armonico Consort** and **Beyond the Barricades**, both companies are always popular with Malvern audiences and both were very well received.

The Cinema

The cinema was the first venue within the complex to open after each lockdown. In all 35 different films titles were shown during the year, with a total of 92 screenings. Total audiences numbered 3,511.

PURPOSES AND ACTIVITIES

The purposes of the Trust are:

- To provide and enhance an artistic experience to the public in all aspects of dramatic art, including drama, mime, opera, ballet, music, singing and dance.
- To provide education in the arts, particularly focused on young persons.
- To further build on the experience of the public by the provision of two Theatres and a cinema.
- Generally to further the social and cultural welfare of Great Malvern and its surrounding areas.

Our objectives are set and our activities planned having regard to the Charity Commission's guidance on public benefit, including the guidance on admission charges to programmes and events. The Theatres are however obliged to cover costs in setting overall admission charges with shortfalls in revenues being made up by grants, particularly those from Malvern Hills District Council. Admission charges are kept as low as possible in order to preserve the availability of the Theatres and the cinema to lower income groups and younger theatre-goers

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

STRATEGIES

The strategies which are used to achieve the Trust's aims and objectives are:

- To present a balanced programme of theatre productions, music and dance productions to give a real breadth of artistic opportunity to residents of Malvern and the surrounding areas.
- To work with local artistic organisations sponsoring local artistic events.
- To focus particularly upon education in the arts, particularly performance based.
- To encourage programming involving artists of different cultural backgrounds.
- Generally to offer opportunities to a broad range of people to participate in arts activity thereby exploring their own creative powers.

Strategies condense into three major areas of activity:

- Educational programmes
- High Profile Cinema Productions
- Concerts and stage performances

Thus we focus on bringing the arts to as wide a range of participants as possible, affecting all members of our community.

VOLUNTEERS AND COMMUNITY RELATIONS

The Trust's involvement in the community is demonstrated by the large number of volunteers who assist us with stewarding events and performances. This provides indispensable help in maximising the use of the theatres and provides considerable savings in staff costs, without which the theatres could not survive.

We encourage constructive criticism and input from our audiences, taking careful note of any complaints and taking immediate action where necessary.

As part of our charitable commitment to make the arts accessible to all we hold weekly subtitled cinema, audio described performances and monthly relaxed cinema screenings.

Young People and Education Strategy Overview

We believe that the arts are life-enhancing for children and young people, and that engagement can enrich their wider learning. Participation in the arts can unlock hidden talents and potential, as well as help develop essential skills such as communication, empathy, and teamwork.

We have the expertise, facilities, and capacity to work with schools and colleges to provide significant educational benefits. We are keen to collaborate with teachers, charities, and specialist providers to explore and improve practice and the outcomes for young people.

We are keen to encourage teachers to develop their own skills and professional practice in teaching through drama, and in understanding their pivotal role in creating and delivering an arts-rich curriculum and school environment.

We are developing the next generation of theatregoers and industry professionals, offering weekly classes, unique workshops, a semi-professional company, and a professional theatre course.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

Our pledge to children and young people:

- All children have the right to enjoy live theatre and workshops at Malvern Theatres
- We will make tickets affordable for all young people and make the theatre a welcoming space
- We will programme work that represents the stories and experiences of Malvern's youth
- We will provide creative opportunities in a safe and judgement-free environment
- We will encourage potential and help professional development
- We will run the theatre in an ethical and environmentally-sound way, securing its future for generations to come

MARKETING

Covid-19 altered our communications with our customers overnight, with the immediate emphasis on contact with ticket holders for cancelled shows. Some £500k was held for these and needed to be refunded or re-allocated. More than 50% of bookers opted either to reschedule their tickets, to accept a gift voucher or to donate their tickets. By May, with this work substantively complete, our day-to-day marketing techniques were re-deployed for fundraising and specifically our Covid-19 Emergency Appeal. Personalised emails, letters and social media, both paid and organic, were used to communicate details of the campaign. Cinema re-opened in July and we announced our autumn theatre programme in August. The pandemic sharpened the ongoing move towards digital marketing and, but for a postal newsletter to members in September, it was only with the launch of our Christmas season that print marketing made a significant return. The three Young Company productions which took place over the autumn saw the department develop skills and contacts, specifically in relation to video editing, design and photography. A project to live stream a classical concert in November was sadly cut short by lockdown, although the final Young Company production of the year – The Snow Goose – was filmed and made available online with several hundred viewings to date. Our theatre membership – which numbers more than 3500 - showed us extraordinary loyalty during closure and it will be essential to maintain that loyalty as we rebuild audiences. All memberships were extended for 15 months beyond their original date of expiry. Our mailing lists, postal and email grew throughout 2020-21 as did our social media reach. As we approach the forthcoming year, the target will be to restore audiences to their pre-pandemic levels and beyond. This will be no small task and it's hard to draw firm conclusions as to the likely sales pattern from the data currently available.

PRICING

Although 2020-21 saw very few actual performances, many future productions were priced and placed on sale in anticipation of the return of live theatre. It's clear from discussions with producers that theatre tickets are unlikely to escape the inflationary pressures already being seen in other areas of the economy. As restrictions are lifted and audiences start to return, perhaps cautiously, decisions on pricing are likely to be even more finely balanced than was traditionally the case.

INVESTMENT POWERS AND POLICIES

Apart from the need to retain restricted reserves, the Trustees have unrestricted investment powers. Having regard to the liquidity requirements of the theatres, to the need to mitigate investment risk and to the reserves policy the Trustees have operated a policy of keeping funds surplus to immediate requirements in interest bearing deposit accounts and fixed asset investments.

GOING CONCERN

After making appropriate enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies (Note 2.2).

FINANCIAL REVIEW

The year under review produced a surplus in unrestricted funds of £256,863 (£124,011 last year). There was a surplus in restricted funds of £164,216 compared with £183,216 last year. Across all funds the surplus for the year was £421,079 (£307,227 last year).

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

Part of the grant funding received during the year allowed a reflation of reserves, in order to make the organisation sustainable going forward. The surplus from this year has been used to build reserves. These reserves will be used to reopen the theatres and to allow the theatres survival in the difficult period of recovery following the pandemic.

The results of the subsidiaries, Malvern Theatres Trading Limited and Malvern Theatres Productions Limited, are included in the Group's figures. Profits from the subsidiaries are paid to the charity by way of Gift Aid.

There was a movement in cash of £736,617 (2020: £272,971). Cash at the end of the year was £2,612,897 (2020: £1,876,280).

At the year end net current assets were £2,068,427 (2020: £998,924).

RESERVES POLICY

Maintaining a sustainable level of reserves remains a prime consideration for the organisation going forward.

The level of grants receivable remains under pressure, leading to more and more of our creative output being generated from our own trading income.

Looking forward, we need to continue to balance the quality of our product with the funds available whilst also seeking to secure other sustainable funding sources.

Having regard to the economic situation, the Trustees believe that an appropriate level of reserves would be approximately three months overhead expenditure which is currently circa £ 540,000. At 31 March 2021, free reserves amounted to £1,319,501 (2020: £1,062,638) after making a surplus on free reserves for the financial year 2020/21 of £256,863 (2020: £120,023).

PLANS FOR THE FUTURE

The organisation is reliant on continued financial support, including funding from Malvern Hills District Council.

We will continue to strive to provide a balanced and diverse programme of the highest quality in our Festival and Forum Theatre.

Other initiatives are as follows:

- We will pursue new fund raising activities by seeking regular contributions from our loyal patrons, local businesses, trusts and foundations
- We will continue to build marketing capabilities so as to maximise the number of bookings taken via the internet
- We will review our pricing structure with a view to fine tuning these but only to the extent of not taking on risk that may reduce audiences

Plans for capital development

Our planned capital project for a new Studio and rehearsal room is currently on hold and we aim to proceed as soon as circumstances allow.

The build is at the heart of our five-year strategy and is an essential development if Malvern Theatres is to maintain its place as a leading regional theatre. Without it we cannot expand our current community programme and our future education offering will be limited. The planned Changing Places toilet, the first in the district, will also significantly improve our offer for patrons with severe disabilities and will be a vital addition to the town and wider area making the region more accessible for all.

The timing of the project is now delayed until we can be confident that the project will not threaten the theatre financially. Before the Coronavirus outbreak we were on track to achieve our fundraising target for the project and had raised over £1million of our £1.2million target, including a grant from The Arts Council of £120,000, £200,000 from Malvern Hills District Council and a grant of £100,000 donated by The Kay Trust.

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

The next project in our sights is a joint venture with MHDC, seeking £19 million from the Levelling Up Fund to support the expansion of Malvern Theatres.

This nationally significant project will act as a key economic driver for the region, creating 40 new jobs and a further 120 indirect employment opportunities. It will transform visitor numbers to the area, increasing attendance figures from 300,000 to 435,000. Economic benefits to the community will similarly rise from the current level of £23million to a forecast of £32million, delivering a much-needed boost to this largely rural economy.

Malvern Theatres is ideally poised to help the region 'level up' arts access and opportunity, but this cannot be done within the theatre's existing footprint which is at capacity in every way. The investment will transform the current offering, creating life-changing opportunities for young people and specifically those from deprived backgrounds, as well as people with severe disabilities.

TRUSTEES

The Trustees who served during the year were:

Professor Judith Elkin

Richard Hastilow-Smith

Maher Kazi

Leslie Kinmond

Richard Marks

Sarah Rouse

Professor Tamar Thompson OBE, Chair

GOVERNING DOCUMENT

The Charity is registered as a charitable company limited by guarantee set up by a Memorandum of Association on 19 February 1965. It is registered as a charity with the Charity Commission No. 241433

APPOINTMENT OF TRUSTEES

The management of the Charity and the Group is the responsibility of the Trustees who are elected and co-opted under the terms of the Memorandum and Articles of Association. Particular effort is made to recruit Trustees who will benefit the Charity by bringing a balanced set of skills. Efforts are also made to manage future retirements of Trustees, so as to enable the appointment of successors without undue haste.

TRUSTEE INDUCTION AND TRAINING

Every Trustee on appointment is provided with a pack of documents setting out key information on the Trust and the Charity. New Trustees are required to confirm that they have studied these documents and raised any queries or obtained any further information which they may need.

Developments in Charity Law and practice are monitored and important developments are brought to the notice of Trustees.

TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of Malvern Theatres Trust Limited for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ORGANISATION

The Board of Trustees, which currently has 7 members, administers the Charity. The Board meets bi-monthly and there are sub-committees covering fundraising, audit and governance and remuneration. These sub-committees meet on an ad-hoc basis whenever necessary. The Chief Executive is appointed by the Trustees to manage the day to day operations of the Charity. To facilitate effective operation, the Chief Executive has delegated authority within terms of reference approved by the Trustees for some operational matters, including finance.

RELATED PARTIES

None of the Trustees receive remuneration or any other benefit for their work with the Charity. Any connection between any Trustee and any production company, contracted actor or performer of any sort, must be disclosed to the full Board of Trustees in the same way as any contractual relationship with a related party.

The Charity has a close relationship with Malvern Hills District Council, who provide grant aid. Receipt of these grant monies is crucial for the ongoing operations of the Theatres.

The Charity's wholly owned subsidiary, Malvern Theatres Trading Limited, was established to operate hire, conferences, etc. and all other activities ancillary to the main activity of the group. The profits of the subsidiary are Gift Aided to the Charity (see Notes 13 and 25 to the financial statements).

The Charity's wholly owned subsidiary, Malvern Theatres Productions Ltd, was established to produce theatre productions. The profits of the subsidiary are Gift Aided to the Charity (see Notes 13 and 25 to the financial statements).

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

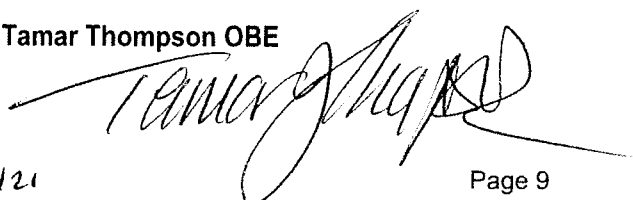
- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the charitable group's auditors in connection with preparing their report and to establish that the charitable group's auditors are aware of that information.

Approved by order of the members of the board of Trustees and signed on their behalf by:

Professor Tamar Thompson OBE

Chair

Date:



12/10/21

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MALVERN THEATRES TRUST LIMITED

OPINION

We have audited the financial statements of Malvern Theatres Trust Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charitable Company Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 March 2021 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MALVERN THEATRES TRUST LIMITED
(CONTINUED)**

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MALVERN THEATRES TRUST LIMITED
(CONTINUED)**

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Identifying and assessing potential risks related to irregularities;

The procedures undertaken in order to identify and assess risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, are as follows:

- We have considered the nature of the industry and sector, control environment and business performance;
- We have considered the results of our enquiries of management and the Chair of the Board about their own identification and assessment of the risk of irregularities;
- For any matters identified we have obtained and reviewed the Charitable Group and Companies documentation of their policies and procedures relating to:
 - Identifying, evaluating and complying with laws and regulations whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risk of fraud and whether they have knowledge of actual, suspected or alleged fraud; and
 - The internal controls established to mitigate the risks of fraud or non-compliance with laws and regulations.
- We have considered the matters discussed among the audit engagement team, including internal tax specialists regarding how and where fraud might occur in the financial statements and potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas:

- Revenue recognition; and
- Accounting estimates.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Charitable Group and Company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Charities SORP (FRS 102) - Accounting and Reporting by Charities and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MALVERN THEATRES TRUST LIMITED
(CONTINUED)**

In addition, we have considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Charitable Group and Company's ability to operate or to avoid a material penalty. These include data protection regulations, health and safety regulations and employment legislation.

Audit response to risks identified

As a result of performing the above procedures, we have identified revenue recognition and accounting estimates as key audit matters related to the potential risk of fraud. Our procedures to respond to risks identified included the following:

- Documenting and validating the control environment for income and debtors and carrying out walkthrough testing;
- Undertaking substantive sample-based testing or proof in total calculations on all material revenue streams to ensure revenue has been recognised appropriately and accurately;
- Considering manual income journals as part of our work on fraud risks documented above;
- Reviewing the financial statement disclosures and testing to supporting documentation;
- Enquiring of management concerning actual and potential litigation claims;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement;
- Reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from an error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

We have been appointed auditor under the Companies Act 2006 and report in accordance with this Act.

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MALVERN THEATRES TRUST LIMITED
(CONTINUED)**

USE OF OUR REPORT

This report is made solely to the Charitable Company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charitable Company's trustees those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



Andrew Wood FCCA (Senior Statutory Auditor)

for and on behalf of

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

1-3 College Yard

Worcester

WR1 2LB

Date: *7th October 2021.*

MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2021

| | Note | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|--|------|---------------------------------|-------------------------------|--------------------------|--------------------------|
| Income from: | | | | | |
| Donations and legacies | 3 | 1,761,787 | 197,127 | 1,958,914 | 553,686 |
| Charitable activities | 4 | 70,527 | - | 70,527 | 5,236,547 |
| Other trading activities | 5 | 64,411 | - | 64,411 | 383,574 |
| Investments | 6 | 38,598 | - | 38,598 | 41,546 |
| Total income | | 1,935,323 | 197,127 | 2,132,450 | 6,215,353 |
| Expenditure on: | | | | | |
| Raising funds | | 111,267 | - | 111,267 | 268,105 |
| Charitable activities | 7 | 1,467,852 | 132,624 | 1,600,476 | 5,597,522 |
| Total expenditure | | 1,579,119 | 132,624 | 1,711,743 | 5,865,627 |
| Net income before net gains/(losses) on investments | | 356,204 | 64,503 | 420,707 | 349,726 |
| Net gains/(losses) on investments | | 372 | - | 372 | (42,499) |
| Net income | | 356,576 | 64,503 | 421,079 | 307,227 |
| Transfers between funds | 18 | (99,713) | 99,713 | - | - |
| Net movement in funds | | 256,863 | 164,216 | 421,079 | 307,227 |
| Reconciliation of funds: | | | | | |
| Total funds brought forward | | 1,062,638 | 3,328,181 | 4,390,819 | 4,083,592 |
| Net movement in funds | | 256,863 | 164,216 | 421,079 | 307,227 |
| Total funds carried forward | | 1,319,501 | 3,492,397 | 4,811,898 | 4,390,819 |

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 21-34 form part of these financial statements.

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:00838245**

**CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2021**

| | Note | 2021 £ | 2020 £ |
|---|------|-------------------------|-------------------------|
| Fixed assets | | | |
| Tangible assets | 12 | 2,664,289 | 2,861,550 |
| Investments | 13 | 504,182 | 530,345 |
| | | <u>3,168,471</u> | <u>3,391,895</u> |
| Current assets | | | |
| Debtors | 14 | 239,978 | 258,573 |
| Cash at bank and in hand | | 2,612,897 | 1,876,280 |
| | | <u>2,852,875</u> | <u>2,134,853</u> |
| Creditors: amounts falling due within one year | 15 | (784,448) | (1,135,929) |
| Net current assets | | <u>2,068,427</u> | <u>998,924</u> |
| Creditors: amounts falling due after more than one year | 16 | (425,000) | - |
| Net assets excluding pension asset | | <u>4,811,898</u> | <u>4,390,819</u> |
| Total net assets | | <u><u>4,811,898</u></u> | <u><u>4,390,819</u></u> |
| Charity funds | | | |
| Restricted funds | 18 | 3,492,397 | 3,328,181 |
| Unrestricted funds | 18 | 1,319,501 | 1,062,638 |
| Total funds | | <u><u>4,811,898</u></u> | <u><u>4,390,819</u></u> |

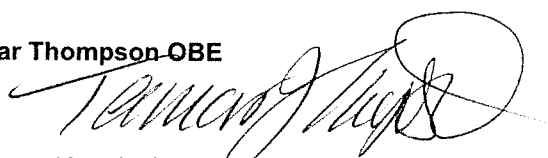
The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Professor Tamar Thompson-OBE

Chair

Date:



12/10/21

The notes on pages 19 to 36 form part of these financial statements.

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:00838245**

**CHARITABLE COMPANY STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 MARCH 2021**

| | Note | 2021 £ | 2020 £ |
|---|------|-------------------------|-------------------------|
| Fixed assets | | | |
| Tangible assets | 12 | 2,664,289 | 2,861,550 |
| Investments | 13 | 604,184 | 630,347 |
| | | <u>3,268,473</u> | <u>3,491,897</u> |
| Current assets | | | |
| Debtors | 14 | 275,806 | 275,522 |
| Cash at bank and in hand | | 2,471,925 | 1,746,136 |
| | | <u>2,747,731</u> | <u>2,021,658</u> |
| Creditors: amounts falling due within one year | 15 | (775,219) | (1,122,736) |
| Net current assets | | <u>1,972,512</u> | <u>898,922</u> |
| Total assets less current liabilities | | <u>5,240,985</u> | <u>4,390,819</u> |
| Creditors: amounts falling due after more than one year | 16 | (425,000) | - |
| Net assets excluding pension asset | | <u>4,815,985</u> | <u>4,390,819</u> |
| Total net assets | | <u><u>4,815,985</u></u> | <u><u>4,390,819</u></u> |
| Charity funds | | | |
| Restricted funds | 18 | 3,492,397 | 3,328,181 |
| Unrestricted funds | 18 | 1,323,588 | 1,062,638 |
| Total funds | | <u><u>4,815,985</u></u> | <u><u>4,390,819</u></u> |

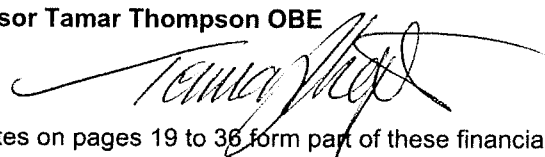
The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Professor Tamar Thompson OBE

Chair

Date:



12/10/21

The notes on pages 19 to 36 form part of these financial statements.

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021**

| | 2021 £ | 2020 £ |
|---|------------------|------------------|
| Cash flows from operating activities | | |
| Net cash used in operating activities (Note 20) | 673,036 | 244,735 |
| Cash flows from investing activities | | |
| Dividends, interests and rents from investments | 38,598 | 41,546 |
| Purchase of tangible fixed assets | (1,552) | (34,295) |
| Proceeds from sale of investments | 200,000 | 101,040 |
| Purchase of investments | (173,465) | (80,055) |
| Net cash provided by investing activities | 63,581 | 28,236 |
| Change in cash and cash equivalents in the year | 736,617 | 272,971 |
| Cash and cash equivalents at the beginning of the year | 1,876,280 | 1,603,309 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (Note 21) | 2,612,897 | 1,876,280 |

The notes on pages 19 to 36 form part of these financial statements

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

1. GENERAL INFORMATION

Malvern Theatres Trust Limited is a private charitable company limited by guarantee incorporated in England and Wales. The registered office is Grange Road, Malvern, Worcestershire, WR14 3HB.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Malvern Theatres Trust Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Group and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis.

The Group has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

2.2 GOING CONCERN

After making appropriate enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

The Trustees' expectation considers the fact that the current Coronavirus (COVID-19) pandemic has had a widespread impact on the economy, with the performing arts sector being significantly impacted by prolonged closures and then the challenge of operating viably under the restrictions of social distancing. The pandemic has had a significant financial impact on the Theatre due to being closed for 11 months, however theatres are now reopened post year end, the management team and the Board have taken steps to mitigate the impact of the virus on incoming resources, expenditure and cashflow as much as possible, utilising Government support and funding from funding bodies where appropriate, inclusive of grants received during the year. The Board continue to monitor the impacts of the pandemic and Government pronouncements during these unprecedented times.

The financial statements do not reflect the adjustments that would be necessary should entity cease to remain as a going concern.

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

2. ACCOUNTING POLICIES (continued)

2.3 INCOME

All income is recognised once the Charitable Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Charitable activities

Income from Theatre admission fees is included in incoming resources in the period in which the relevant show takes place.

Activities for generating funds

Activities for generating funds includes income from commercial activities and represents income from cinema admissions and sponsorship activities and is included in the period in which the group is entitled to receipt.

Grants receivable

Revenue based grants are credited to the Statement of financial activities in the year in which they are received.

Grants relating to the redevelopment of the Theatre complex have been credited to restricted funds in the Statement of financial activities in accordance with the conditions imposed by donors.

2.4 EXPENDITURE

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 allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

2.5 INTEREST RECEIVABLE

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

2. ACCOUNTING POLICIES (continued)

2.6 TAXATION

The Charitable Company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charitable Company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2.7 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

| | |
|------------------------------|--|
| Long-term leasehold property | - Over the remaining life of the lease |
| Fixtures and fittings | - 10%-50% straight line |

2.8 INVESTMENTS

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated Statement of Financial Activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.9 DEBTORS

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.10 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

2. ACCOUNTING POLICIES (continued)

2.11 LIABILITIES AND PROVISIONS

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charitable Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated Statement of Financial Activities as a finance cost.

2.12 FINANCIAL INSTRUMENTS

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.13 OPERATING LEASES

Rentals paid under operating leases are charged to the Consolidated Statement of Financial Activities on a straight line basis over the lease term.

2.14 PENSIONS

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

2.15 FUND ACCOUNTING

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

3. INCOME FROM DONATIONS AND LEGACIES

| | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Total funds 2021 £ | As restated Total funds 2020 £ |
|-------------------------------|------------------------------------|----------------------------------|-----------------------------|--|
| DONATIONS | | | | |
| Tomorrow Fund donations | - | 194,975 | 194,975 | 163,248 |
| Restoration Fund donations | - | 2,152 | 2,152 | 171,070 |
| Other donations | 237,179 | - | 237,179 | 76,252 |
| GRANTS | | | | |
| The Elmley Foundation | 2,000 | - | 2,000 | 12,000 |
| Support grant from MHDC | 56,810 | - | 56,810 | 56,800 |
| Covid grant from MHDC | 71,759 | - | 71,759 | 61,000 |
| Rent grant from MHDC | 61,000 | - | 61,000 | 500 |
| Other grants | 35,750 | - | 35,750 | - |
| Culture Recovery Fund grant | 845,703 | - | 845,703 | - |
| Job Retention Scheme | 451,586 | - | 451,586 | 12,816 |
| TOTAL 2021 | <u>1,761,787</u> | <u>197,127</u> | <u>1,958,914</u> | <u>553,686</u> |
| TOTAL 2020 AS RESTATED | <u>219,368</u> | <u>334,318</u> | <u>553,686</u> | |

Prior year Job Retention Scheme income has been reclassified from charitable activities.

4. INCOME FROM CHARITABLE ACTIVITIES

| | Unrestricted funds 2021 £ | Total funds 2021 £ | As restated Total funds 2020 £ |
|---|------------------------------------|-----------------------------|--|
| Festival Theatre income | 21,773 | 21,773 | 3,194,469 |
| Forum Theatre income | 12,917 | 12,917 | 889,809 |
| Engagement and Creative Learning income | (746) | (746) | 32,961 |
| Cinema income | 20,256 | 20,256 | 451,505 |
| Theatre membership fees and income | 6,465 | 6,465 | 307,468 |
| Other income | 9,862 | 9,862 | 360,335 |
| TOTAL 2021 | <u>70,527</u> | <u>70,527</u> | <u>5,236,547</u> |

Prior year Job Retention Scheme income has been reclassified to grant income.

MALVERN THEATRES TRUST LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

5. INCOME FROM OTHER TRADING ACTIVITIES

Income from non charitable trading activities

| | Unrestricted funds 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|-------------------------------|--|---------------------------------------|---------------------------------------|
| Income from catering contract | 33,806 | 33,806 | 147,073 |
| Trading company income | 30,605 | 30,605 | 236,501 |
| TOTAL 2021 | <u>64,411</u> | <u>64,411</u> | <u>383,574</u> |

6. INVESTMENT INCOME

| | Unrestricted funds 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|-------------------|--|---------------------------------------|---------------------------------------|
| Investment income | 38,598 | 38,598 | 41,546 |
| | <u>38,598</u> | <u>38,598</u> | <u>41,546</u> |

7. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Summary by fund type

| | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|----------------------------------|--|--|---------------------------------------|---------------------------------------|
| Shows | 1,427,349 | 132,624 | 1,559,973 | 5,519,164 |
| Engagement and Creative Learning | 40,503 | - | 40,503 | 78,358 |
| | <u>1,467,852</u> | <u>132,624</u> | <u>1,600,476</u> | <u>5,597,522</u> |
| TOTAL 2020 | <u>5,446,420</u> | <u>151,102</u> | <u>5,597,522</u> | |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES

| | Activities undertaken directly 2021 £ | Support costs 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|----------------------------------|--|---|---------------------------------------|---------------------------------------|
| Shows | 1,245,696 | 314,277 | 1,559,973 | 5,519,164 |
| Engagement and Creative Learning | 40,503 | - | 40,503 | 78,358 |
| | <u>1,286,199</u> | <u>314,277</u> | <u>1,600,476</u> | <u>5,597,522</u> |
| TOTAL 2020 | <u><u>5,239,140</u></u> | <u><u>358,382</u></u> | <u><u>5,597,522</u></u> | |

ANALYSIS OF DIRECT COSTS

| | Shows 2021 £ | Engagement and Creative Learning 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|--------------------------------|-----------------------------|--|---------------------------------------|---------------------------------------|
| Staff costs | 672,486 | 39,134 | 711,620 | 856,247 |
| Depreciation | 198,815 | - | 198,815 | 208,985 |
| Show production costs | 37,227 | 1,369 | 38,596 | 3,150,632 |
| Cinema production costs | 7,987 | - | 7,987 | 160,975 |
| Irrecoverable VAT | 32,262 | - | 32,262 | 46,386 |
| Covid Costs | 9,336 | - | 9,336 | - |
| Advertising and marketing | 10,752 | - | 10,752 | 346,958 |
| Equipment and small tool costs | 1,497 | - | 1,497 | 7,755 |
| Property costs | 70,751 | - | 70,751 | 145,565 |
| General property costs | 39,688 | - | 39,688 | 92,805 |
| Other staff costs | 10,776 | - | 10,776 | 23,997 |
| General expenses | 84,834 | - | 84,834 | 128,605 |
| Operating leases | 69,285 | - | 69,285 | 70,230 |
| | <u>1,245,696</u> | <u>40,503</u> | <u>1,286,199</u> | <u>5,239,140</u> |
| TOTAL 2020 | <u><u>5,160,782</u></u> | <u><u>78,358</u></u> | <u><u>5,239,140</u></u> | |

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**NOTES TO THE FINANCIAL STATEMENTS
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8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF SUPPORT COSTS

| | Theatres income 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|------------------------------|---|---------------------------------------|---------------------------------------|
| Staff costs | 275,618 | 275,618 | 292,966 |
| Bank and credit card charges | 3,009 | 3,009 | 26,326 |
| Consultancy costs | 20,659 | 20,659 | 24,333 |
| Audit fees | 14,779 | 14,779 | 14,250 |
| Legal and professional fees | 212 | 212 | 507 |
| | <u>314,277</u> | <u>314,277</u> | <u>358,382</u> |

9. AUDITORS' REMUNERATION

| | 2021 £ | 2020 £ |
|--|-------------------|-------------------|
| Fees payable to the Charitable Company's auditor for the audit of the Charitable Company's annual accounts | 11,750 | 14,250 |
| Fees payable to the Charitable Company's auditor in respect of: All non-audit services not included above | 3,029 | 455 |

10. STAFF COSTS

| | Group 2021 £ | Group 2020 £ | Charitable Company 2021 £ | Charitable Company 2020 £ |
|--|-----------------------------|-----------------------------|--|--|
| Wages and salaries | 945,577 | 1,095,392 | 945,577 | 1,095,392 |
| Social security costs | 69,920 | 83,690 | 69,920 | 83,690 |
| Contribution to defined contribution pension schemes | 39,322 | 42,787 | 39,322 | 42,787 |
| | <u>1,054,819</u> | <u>1,221,869</u> | <u>1,054,819</u> | <u>1,221,869</u> |

Redundancy payments totalling £13,100 (2020: £NIL) were made to 16 (2020: 0) employees.

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10. STAFF COSTS (CONTINUED)

The average number of persons employed by the Charitable Company during the year was as follows:

| | Group 2021 No. | Group 2020 No. | Charitable Company 2021 No. | Charitable Company 2020 No. |
|-----------|-------------------------------|-------------------------------|--|--|
| Employees | 73 | 71 | 73 | 71 |

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

| | Group 2021 No. | Group 2020 No. |
|---------------------------------|-------------------------------|-------------------------------|
| In the band £100,001 - £110,000 | 1 | 1 |

The key management personnel of the Trust, and the group, comprise the Trustees, Chief Executive Officer, Finance Director, Marketing Director and Technical Director. The total employee benefits of the key management personnel of the Trust and group, including employer's National Insurance contributions, were £293,783 (2020: £292,996).

11. TRUSTEES' REMUNERATION AND EXPENSES

During the year, no Trustees received any remuneration or other benefits (2020: £NIL).

During the year ended 31 March 2021, no Trustee expenses have been incurred (2020: £NIL).

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**NOTES TO THE FINANCIAL STATEMENTS
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12. TANGIBLE FIXED ASSETS

GROUP AND CHARITABLE COMPANY

| | Long-term leasehold property £ | Fixtures and fittings £ | Total £ |
|--------------------------|---|-------------------------------|-------------------------|
| COST OR VALUATION | | | |
| At 1 April 2020 | 7,253,205 | 958,460 | 8,211,665 |
| Additions | - | 1,552 | 1,552 |
| At 31 March 2021 | <u>7,253,205</u> | <u>960,012</u> | <u>8,213,217</u> |
| DEPRECIATION | | | |
| At 1 April 2020 | 4,822,716 | 527,399 | 5,350,115 |
| Charge for the year | 97,220 | 101,593 | 198,813 |
| At 31 March 2021 | <u>4,919,936</u> | <u>628,992</u> | <u>5,548,928</u> |
| NET BOOK VALUE | | | |
| At 31 March 2021 | <u><u>2,333,269</u></u> | <u><u>331,020</u></u> | <u><u>2,664,289</u></u> |
| At 31 March 2020 | <u><u>2,430,489</u></u> | <u><u>431,061</u></u> | <u><u>2,861,550</u></u> |

**MALVERN THEATRES TRUST LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
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13. FIXED ASSET INVESTMENTS

| GROUP AND CHARITABLE COMPANY | Listed investments £ |
|-------------------------------------|-------------------------------------|
| COST OR VALUATION | |
| At 1 April 2020 | 530,345 |
| Additions | 173,465 |
| Disposals | (200,000) |
| Revaluations | 372 |
| AT 31 MARCH 2021 | <u>504,182</u> |
| NET BOOK VALUE | |
| AT 31 MARCH 2021 | <u>504,182</u> |
| AT 31 MARCH 2020 | <u>530,345</u> |

PRINCIPAL SUBSIDIARIES

The following were subsidiary undertakings of the Charitable Company:

| Names | Company number | Registered office or principal place of business | Principal activity |
|--------------------------------------|---------------------------|--|--|
| Malvern Theatres Trading Limited | 02870411 | The Malvern Theatres, Grange Road, Malvern, Worcestershire, WR14 3BH | Hire of facilities and sale of ancillary products related to shows |
| Malvern Theatres Productions Limited | 06421354 | The Malvern Theatres, Grange Road, Malvern, Worcestershire, WR14 3BH | Touring theatrical production company |
| Class of shares | Holding | | |
| Ordinary | 100% | | |
| Ordinary | 100% | | |

**MALVERN THEATRES TRUST LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
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13. FIXED ASSET INVESTMENTS (CONTINUED)

The financial results of the subsidiaries for the year were:

| Names | Income £ | Expenditure £ | Surplus/ (Deficit) for the period £ | Net assets £ |
|--------------------------------------|---------------------|--------------------------|--|-------------------------|
| Malvern Theatres Trading Limited | 605 | (1,542) | (937) | 2 |
| Malvern Theatres Productions Limited | 30,000 | (33,150) | (3,150) | 100,000 |

14. DEBTORS

| | Group 2021 £ | Group 2020 £ | Charitable Company 2021 £ | Charitable Company 2020 £ |
|------------------------------------|-----------------------------|-----------------------------|--|--|
| DUE WITHIN ONE YEAR | | | | |
| Trade debtors | 8,751 | 72,530 | 8,751 | 63,207 |
| Amounts owed by group undertakings | - | - | 36,828 | 57,272 |
| Other debtors | 3,603 | 32,200 | 2,603 | 1,200 |
| Prepayments and accrued income | 227,624 | 153,843 | 227,624 | 153,843 |
| | <u>239,978</u> | <u>258,573</u> | <u>275,806</u> | <u>275,522</u> |

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | Group 2021 £ | Group 2020 £ | Charitable Company 2021 £ | Charitable Company 2020 £ |
|------------------------------------|-----------------------------|-----------------------------|--|--|
| Bank loans | 75,000 | - | 75,000 | - |
| Trade creditors | 47,222 | 107,489 | 43,889 | 105,881 |
| Other taxation and social security | - | 34,691 | - | 34,691 |
| Accruals and deferred income | 662,226 | 993,749 | 656,330 | 982,164 |
| | <u>784,448</u> | <u>1,135,929</u> | <u>775,219</u> | <u>1,122,736</u> |

**MALVERN THEATRES TRUST LIMITED
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| | Group 2021 £ | Group 2020 £ | Charitable Company 2021 £ | Charitable Company 2020 £ |
|--|--------------------|--------------------|------------------------------------|------------------------------------|
| Deferred income at 1 April 2020 | 745,215 | 851,243 | 745,215 | 853,227 |
| Resources deferred during the year | 613,910 | 623,755 | 613,910 | 623,755 |
| Amounts released from previous periods | (745,215) | (729,783) | (745,215) | (731,767) |
| | <u>613,910</u> | <u>745,215</u> | <u>613,910</u> | <u>745,215</u> |

Deferred income represents amounts received in respect of shows and performances that do not take place until after the year end and includes shows postponed due to COVID-19, as well as theatre packages and gift cards not yet reclaimed.

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | Group 2021 £ | Group 2020 £ | Charitable Company 2021 £ | Charitable Company 2020 £ |
|------------|--------------------|--------------------|------------------------------------|------------------------------------|
| Bank loans | <u>425,000</u> | <u>-</u> | <u>425,000</u> | <u>-</u> |

Included within the above are amounts falling due as follows:

| | Group 2021 £ | Group 2020 £ | Charitable Company 2021 £ | Charitable Company 2020 £ |
|-----------------------------------|--------------------|--------------------|------------------------------------|------------------------------------|
| BETWEEN ONE AND TWO YEARS | | | | |
| Bank loans | <u>100,000</u> | <u>-</u> | <u>100,000</u> | <u>-</u> |
| BETWEEN TWO AND FIVE YEARS | | | | |
| Bank loans | <u>325,000</u> | <u>-</u> | <u>325,000</u> | <u>-</u> |

17. FINANCIAL INSTRUMENTS

| | Group 2021 £ | Group 2020 £ | Charitable Company 2021 £ | Charitable Company 2020 £ |
|--|--------------------|--------------------|------------------------------------|------------------------------------|
| FINANCIAL ASSETS | | | | |
| Financial assets measured at fair value through income and expenditure | <u>2,612,897</u> | <u>1,876,280</u> | <u>2,471,925</u> | <u>1,746,136</u> |

Financial assets measured at fair value through income and expenditure comprise cash at bank and in hand.

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**NOTES TO THE FINANCIAL STATEMENTS
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18. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

| | Balance at 1 April 2020 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 March 2021 £ |
|---------------------------------------|---------------------------------|------------------|--------------------|--------------------------|-------------------------|-------------------------------------|
| UNRESTRICTED FUNDS | | | | | | |
| General Funds | 1,062,638 | 1,935,323 | (1,579,119) | (99,713) | 372 | 1,319,501 |
| RESTRICTED FUNDS | | | | | | |
| Restricted Theatre Refurbishment Fund | 2,330,776 | - | (97,220) | 99,713 | - | 2,333,269 |
| Restricted Tomorrow Fund | 523,054 | 194,975 | (34,424) | - | - | 683,605 |
| Restricted Restoration Fund | 474,351 | 2,152 | (980) | - | - | 475,523 |
| | <u>3,328,181</u> | <u>197,127</u> | <u>(132,624)</u> | <u>99,713</u> | <u>-</u> | <u>3,492,397</u> |
| TOTAL OF FUNDS | <u>4,390,819</u> | <u>2,132,450</u> | <u>(1,711,743)</u> | <u>-</u> | <u>372</u> | <u>4,811,898</u> |

RESTRICTED FUND DESCRIPTIONS:

Restricted Theatre Refurbishment Funds

This fund is the result of Lottery Funding Grant matched by contribution from MHDC and other supporters to provide refurbishment of the Theatres. The refurbishment costs have been capitalised and will be depreciated over the life of the lease, or life of item whichever is applicable. The balance on this fund as at the year end was £2,333,269 (2020: £2,330,776).

Restricted Tomorrow Fund

The fund is the result of contributions from the Theatres' supporters to fund the redevelopment of the Theatres, including reseating of the cinema, Festival and Forum, and for funding projects including festivals. The cinema and festival seating has been replaced and these costs have been capitalised and will be depreciated over the life of the assets. The balance on this fund as at the year end was £683,605 (2020: £523,054).

Restricted Restoration Fund

This fund is the results of contributions from the Theatres' supporters to fund restoration projects. The balance on this fund as at the year end was £475,523 (2020: £474,351). This fund has been used towards reseating the festival theatre, and going forward will help to fund replacement of the forum theatre seating and an extension to provide education space.

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18. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR

| | Balance at 1 April 2019 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 March 2020 £ |
|---------------------------------------|---------------------------------|----------------|--------------------|--------------------------|-------------------------|-------------------------------------|
| UNRESTRICTED FUNDS | | | | | | |
| General Funds | 942,615 | 5,881,035 | (5,714,525) | (3,988) | (42,499) | 1,062,638 |
| RESTRICTED FUNDS | | | | | | |
| Restricted Theatre Refurbishment Fund | 2,424,008 | - | (97,220) | 3,988 | - | 2,330,776 |
| Restricted Tomorrow Fund | 397,896 | 163,248 | (38,090) | - | - | 523,054 |
| Restricted Restoration Fund | 319,073 | 171,070 | (15,792) | - | - | 474,351 |
| | 3,140,977 | 334,318 | (151,102) | 3,988 | - | 3,328,181 |
| TOTAL OF FUNDS | 4,083,592 | 334,318 | (5,865,627) | - | (42,499) | 4,390,819 |

19. SUMMARY OF FUNDS

SUMMARY OF FUNDS - CURRENT YEAR

| | Balance at 1 April 2020 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 March 2021 £ |
|------------------|---------------------------------|-------------|------------------|--------------------------|-------------------------|-------------------------------------|
| General funds | 1,062,638 | 1,935,323 | (1,579,119) | (99,713) | 372 | 1,319,501 |
| Restricted funds | 3,328,181 | 197,127 | (132,624) | 99,713 | - | 3,492,397 |
| | 4,390,819 | 2,132,450 | (1,711,743) | - | 372 | 4,811,898 |

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19. SUMMARY OF FUNDS (CONTINUED)

SUMMARY OF FUNDS - PRIOR YEAR

| | Balance at 1 April 2019 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 March 2020 £ |
|------------------|---------------------------------|------------------|--------------------|--------------------------|-------------------------|-------------------------------------|
| General funds | 942,615 | 5,881,035 | (5,714,525) | (3,988) | (42,499) | 1,062,638 |
| Restricted funds | 3,140,977 | 334,318 | (151,102) | 3,988 | - | 3,328,181 |
| | <u>4,083,592</u> | <u>6,215,353</u> | <u>(5,865,627)</u> | <u>-</u> | <u>(42,499)</u> | <u>4,390,819</u> |

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

| | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Total funds 2021 £ |
|-------------------------------------|------------------------------------|----------------------------------|-----------------------------|
| Tangible fixed assets | - | 2,664,289 | 2,664,289 |
| Fixed asset investments | 504,182 | - | 504,182 |
| Current assets | 2,024,767 | 828,108 | 2,852,875 |
| Creditors due within one year | (784,448) | - | (784,448) |
| Creditors due in more than one year | (425,000) | - | (425,000) |
| TOTAL | <u>1,319,501</u> | <u>3,492,397</u> | <u>4,811,898</u> |

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

| | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Total funds 2020 £ |
|-------------------------------|------------------------------------|----------------------------------|-----------------------------|
| Tangible fixed assets | 179,175 | 2,682,375 | 2,861,550 |
| Fixed asset investments | 530,345 | - | 530,345 |
| Current assets | 1,489,047 | 645,806 | 2,134,853 |
| Creditors due within one year | (1,135,929) | - | (1,135,929) |
| TOTAL | <u>1,062,638</u> | <u>3,328,181</u> | <u>4,390,819</u> |

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**NOTES TO THE FINANCIAL STATEMENTS
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21. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

| | Group 2021 £ | Group 2020 £ |
|--|--------------------|--------------------|
| Net income for the year (as per Statement of Financial Activities) | 421,079 | 307,227 |
| ADJUSTMENTS FOR: | | |
| Depreciation charges | 198,813 | 208,985 |
| Dividends, interests and rents from investments | (38,598) | (41,546) |
| Decrease/(increase) in debtors | 18,595 | (11,278) |
| Increase/(decrease) in creditors | 73,519 | (261,152) |
| Net (profit) / loss on sale and revaluation of investments | (372) | 42,499 |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | 673,036 | 244,735 |

22. ANALYSIS OF CASH AND CASH EQUIVALENTS

| | Group 2021 £ | Group 2020 £ |
|--------------|--------------------|--------------------|
| Cash in hand | 2,612,897 | 1,876,280 |

23. ANALYSIS OF CHANGES IN NET DEBT

| | At 1 April 2020 £ | Cash flows £ | At 31 March 2021 £ |
|--------------------------|-------------------------|-----------------|--------------------------|
| Cash at bank and in hand | 1,876,280 | 736,617 | 2,612,897 |
| Debt due within 1 year | - | (75,000) | (75,000) |
| Debt due after 1 year | - | (425,000) | (425,000) |
| | 1,876,280 | 236,617 | 2,112,897 |

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**NOTES TO THE FINANCIAL STATEMENTS
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24. PENSION COMMITMENTS

The Charitable Company makes contributions, as part of an employee's contract of employment, which are payable to defined contribution schemes chosen by the employer. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £39,322 (2020: £42,787). Contributions totalling £NIL (2020: £NIL) were payable to the fund at the Balance sheet date and are included in creditors.

25. OPERATING LEASE COMMITMENTS

At 31 March 2021 the Group and the Charitable Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

| | Group 2021 £ | Group 2020 £ | Charitable Company 2021 £ | Charitable Company 2020 £ |
|--|-----------------------------|-----------------------------|--|--|
| Not later than 1 year | 69,871 | 69,871 | 69,871 | 69,871 |
| Later than 1 year and not later than 5 years | 246,795 | 255,451 | 246,795 | 255,451 |
| Later than 5 years | 1,952,000 | 2,013,215 | 1,952,000 | 2,013,215 |
| | <u>2,268,666</u> | <u>2,338,537</u> | <u>2,268,666</u> | <u>2,338,537</u> |

26. RELATED PARTY TRANSACTIONS

The group has taken advantage of the exemption in Section 33 of FRS 102 from the requirement to disclose transactions with other wholly owned group companies.

During the year Malvern Theatres Trust incurred marketing expenditure of £NIL (2020: £24,600) from Webdesign Associates Limited. Professor Tamar Thompson OBE is a director of the company. At the year end a balance of £NIL (2020: £NIL) was owed by the charitable company.

During the year the company incurred costs of £405 (2020 - £nil) from Sweet Paan Limited and has an outstanding balance of £480 in debtors. M Kazi is a shareholder of the company.

During the year a trustee made a donation of £2,500 to the trust (2020: £NIL).