

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)

CONTENTS

	Page
Reference and Administrative Details of the Charitable Company, its Trustees and Advisers	1
Chair's Statement	2 - 3
Trustees' Report	4 - 9
Independent Auditors' Report on the Financial Statements	10 - 14
Consolidated Statement of Financial Activities	15
Consolidated Balance Sheet	16
Charitable Company Balance Sheet	17
Consolidated Statement of Cash Flows	18
Notes to the Financial Statements	19 - 36

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

Page 9

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>

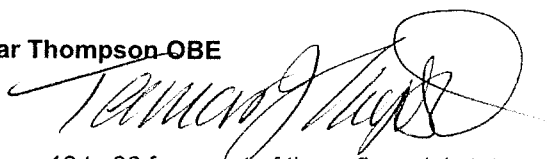
The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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>

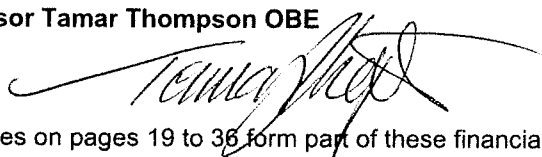
The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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.

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.

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	1,761,787	197,127	1,958,914	553,686
TOTAL 2020 AS RESTATED	219,368	334,318	553,686	

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	70,527	70,527	5,236,547

Prior year Job Retention Scheme income has been reclassified to grant income.

MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

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	64,411	64,411	383,574

6. INVESTMENT INCOME

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Investment income	38,598	38,598	41,546

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
	1,467,852	132,624	1,600,476	5,597,522
TOTAL 2020	5,446,420	151,102	5,597,522	

MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

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>5,239,140</u>	<u>358,382</u>	<u>5,597,522</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>5,160,782</u>	<u>78,358</u>	<u>5,239,140</u>	

MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

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	<u>3,029</u>	<u>455</u>

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.

MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

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).

MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

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	7,253,205	960,012	8,213,217
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	4,919,936	628,992	5,548,928
NET BOOK VALUE			
At 31 March 2021	2,333,269	331,020	2,664,289
At 31 March 2020	2,430,489	431,061	2,861,550

MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

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	504,182
NET BOOK VALUE	
AT 31 MARCH 2021	504,182
AT 31 MARCH 2020	530,345

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
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

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
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

	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)
	613,910	745,215	613,910	745,215

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	425,000	-	425,000	-

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	100,000	-	100,000	-
BETWEEN TWO AND FIVE YEARS				
Bank loans	325,000	-	325,000	-

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	2,612,897	1,876,280	2,471,925	1,746,136

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 2021

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
	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

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 reseatng 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 reseatng 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 2021

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

MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

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>

MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

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

MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

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).