

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)

CONTENTS

	Page
Reference and Administrative Details of the Charitable Company, its Trustees and Advisers	1
Chair's Statement	2
Trustees' Report	3 - 10
Independent Auditors' Report on the Financial Statements	11 - 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 - 37

MALVERN THEATRES TRUST LIMITED
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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
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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, Alibion Quartet, Takács Quartet, The City of Birmingham Symphony Orchestra, Miloš Karadaglić, Chandos Symphony Orchestra, Rachel Podger, Martin Roscoe & Fernella Humphries, Lifer 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
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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.

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
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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.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

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:

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)
NET CURRENT ASSETS		<u>1,536,237</u>	<u>1,972,512</u>
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		333,580	736,617
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.

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.

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

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	597,431	225,449	822,880	1,958,914
TOTAL 2021	1,761,787	197,127	1,958,914	

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	3,252,745	3,252,745	70,527
TOTAL 2021	70,527	70,527	

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 2022 £	Group 2021 £	Charitable Company 2022 £	Charitable Company 2021 £
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 2022 No.	Group 2021 No.	Charitable Company 2022 No.	Charitable Company 2021 No.
Employees	52	73	52	73

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

	Group 2022 No.	Group 2021 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
(A COMPANY LIMITED BY GUARANTEE)**

**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	7,253,205	973,907	8,227,112
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	5,017,156	699,779	5,716,935
NET BOOK VALUE			
At 31 March 2022	2,236,049	274,128	2,510,177
At 31 March 2021	2,333,269	331,020	2,664,289

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 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	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
	174,956	239,978	247,784	275,806

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
	1,508,904	784,448	1,497,674	775,219
	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)
	907,500	745,215	906,100	613,910

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 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
	3,492,397	225,449	(136,644)	-	3,581,202
TOTAL OF FUNDS	4,811,898	4,253,191	(4,279,172)	(6,261)	4,779,656

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).