

Registered number: 00838245
Charity number: 241433

MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

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

MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

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

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

**MALVERN THEATRES TRUST LIMITED
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**CHAIR'S STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023**

The chair presents her statement for the year.

Our vision:

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

Our commitment:

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

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

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

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



Professor Tamar Thompson OBE
Chair

Date: 17.10.23

MALVERN THEATRES TRUST LIMITED
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2023

YEAR ENDED 31 MARCH 2023

The Trustees present their annual report together with the audited financial statements of the Malvern Theatres Trust Limited for the year 1 April 2022 to 31 March 2023. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective January 2015).

PURPOSES AND ACTIVITIES

The purposes of the Trust are:

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

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

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

STRATEGIES

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

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

Strategies condense into three major areas of activity:

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

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

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

The Festival Theatre

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

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

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

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

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

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

Pantomime

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

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

The Forum Theatre

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

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

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

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

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

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

The Cinema

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

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

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

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

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

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

Engagement and Creative Learning

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

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

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

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

VOLUNTEERS AND COMMUNITY RELATIONS

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

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

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

Children and Young People

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

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

Older People

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

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FOR THE YEAR ENDED 31 MARCH 2023**

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

Disabled People

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

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

Environmental Responsibility

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

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

Pricing

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

Marketing

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

Investment Powers and Policy

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

GOING CONCERN

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

**MALVERN THEATRES TRUST LIMITED
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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

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

Financial Review

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

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

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

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

RESERVES POLICY

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

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

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

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

PLANS FOR THE FUTURE

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

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

Other initiatives are as follows:

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

Capital development

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

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

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

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

Levelling up Project plans

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

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

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

TRUSTEES

The Trustees who served during the year were:

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

GOVERNING DOCUMENT

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

APPOINTMENT OF TRUSTEES

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

TRUSTEE INDUCTION AND TRAINING

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

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

TRUSTEES' RESPONSIBILITIES

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

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

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

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

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

ORGANISATION

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

RELATED PARTIES

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

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

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

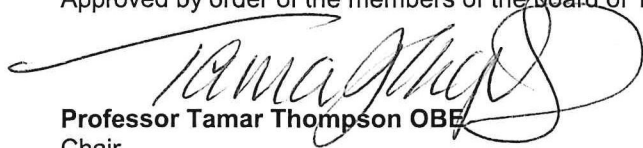
The Charity's wholly owned subsidiary, Malvern Theatres Productions Ltd, was established to produce theatre productions. The profits of the subsidiary are Gift Aided to the Charity (see Note 13 to the financial statements).

DISCLOSURE OF INFORMATION TO AUDITORS

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

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

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


Professor Tamar Thompson OBE
Chair
Date: 17.10.23

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

OPINION

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

In our opinion the financial statements:

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

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

OTHER INFORMATION

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

We have nothing to report in this regard.

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

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

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF TRUSTEES

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

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

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

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

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

- Revenue recognition; and
- Accounting estimates.

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

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

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

Audit response to risks identified:

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

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

MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

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

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

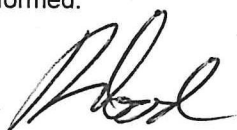
Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from an error, as fraud may involve deliberate concealment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

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

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

USE OF OUR REPORT

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



Andrew Wood FCCA (Senior Statutory Auditor)

for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
1-3 College Yard
Worcester
WR1 2LB

Date:

26th October 2023

MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

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

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

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

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


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

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
FIXED ASSETS			
Tangible assets	12	2,367,862	2,510,177
Investments	13	592,905	656,950
		<u>2,960,767</u>	<u>3,167,127</u>
CURRENT ASSETS			
Debtors	14	208,941	174,956
Cash at bank and in hand		3,105,273	2,946,477
		<u>3,314,214</u>	<u>3,121,433</u>
Creditors: amounts falling due within one year	15	(1,533,204)	(1,508,904)
NET CURRENT ASSETS		<u>1,781,010</u>	<u>1,612,529</u>
TOTAL NET ASSETS		<u><u>4,741,777</u></u>	<u><u>4,779,656</u></u>
CHARITY FUNDS			
Restricted funds	17	3,542,030	3,581,202
Unrestricted funds	17	1,199,747	1,198,454
TOTAL FUNDS		<u><u>4,741,777</u></u>	<u><u>4,779,656</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: 17.10.23

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

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

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

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

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

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



Professor Tamar Thompson OBE

Chair

Date: 17.10.23

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

MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

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

	Note	2023 £	2022 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash used in operating activities	20	138,251	463,285
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income		22,032	43,217
Movement of tangible fixed assets		(9,989)	(13,895)
Proceeds from sale of investments		186,005	283,975
Purchase of investments		(177,503)	(443,002)
NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES		20,545	(129,705)
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		158,796	333,580
Cash and cash equivalents at the beginning of the year		2,946,477	2,612,897
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	21	3,105,273	2,946,477

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

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

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

1. GENERAL INFORMATION

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

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

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

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

2.2 GOING CONCERN

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

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

2. ACCOUNTING POLICIES (continued)

2.3 INCOME

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

Charitable activities

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

Activities for generating funds

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

Grants receivable

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

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

2.4 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

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

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

2.5 INTEREST RECEIVABLE

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

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

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

2. ACCOUNTING POLICIES (continued)

2.6 TAXATION

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

2.7 TANGIBLE FIXED ASSETS AND DEPRECIATION

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

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

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

Depreciation is provided on the following bases:

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

2.8 INVESTMENTS

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

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

2.9 DEBTORS

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

2.10 CASH AT BANK AND IN HAND

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

2. ACCOUNTING POLICIES (continued)

2.11 LIABILITIES AND PROVISIONS

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

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

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

2.12 FINANCIAL INSTRUMENTS

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

2.13 OPERATING LEASES

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

2.14 PENSIONS

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

2.15 FUND ACCOUNTING

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

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

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

MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

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

3. INCOME FROM DONATIONS AND LEGACIES

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

4. INCOME FROM CHARITABLE ACTIVITIES

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

MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

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

5. INCOME FROM OTHER TRADING ACTIVITIES

Income from non charitable trading activities

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

6. INVESTMENT INCOME

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

MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

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

7. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Summary by fund type

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

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES

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

MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

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

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF DIRECT COSTS

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

ANALYSIS OF SUPPORT COSTS

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

MALVERN THEATRES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

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

9. AUDITORS' REMUNERATION

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

10. STAFF COSTS

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

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

	Group 2023 No.	Group 2022 No.	Charitable Company 2023 No.	Charitable Company 2022 No.
Employees	59	52	59	52

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

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

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

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11. TRUSTEES' REMUNERATION AND EXPENSES

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

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

12. TANGIBLE FIXED ASSETS

GROUP AND CHARITABLE COMPANY

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

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FOR THE YEAR ENDED 31 MARCH 2023

13. FIXED ASSET INVESTMENTS

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

PRINCIPAL SUBSIDIARIES

The following were subsidiary undertakings of the Charitable Company:

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

The financial results of the subsidiaries for the year were:

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

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NOTES TO THE FINANCIAL STATEMENTS
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14. DEBTORS

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

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

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

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

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

MALVERN THEATRES TRUST LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

16. FINANCIAL INSTRUMENTS

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

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

17. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

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

MALVERN THEATRES TRUST LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

17. STATEMENT OF FUNDS (CONTINUED)

RESTRICTED FUND DESCRIPTIONS:

Restricted Theatre Refurbishment Funds

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

Restricted Tomorrow Fund

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

Restricted Heritage Fund

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

STATEMENT OF FUNDS - PRIOR YEAR

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

MALVERN THEATRES TRUST LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

18. SUMMARY OF FUNDS

SUMMARY OF FUNDS - CURRENT YEAR

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

SUMMARY OF FUNDS - PRIOR YEAR

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

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

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

MALVERN THEATRES TRUST LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

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

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

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

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

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

MALVERN THEATRES TRUST LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

22. ANALYSIS OF CHANGES IN NET DEBT

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

23. CAPITAL COMMITMENTS

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

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

24. PENSION COMMITMENTS

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

25. OPERATING LEASE COMMITMENTS

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

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

**MALVERN THEATRES TRUST LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

26. RELATED PARTY TRANSACTIONS

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

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

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

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