



OCTAGON THEATRE TRUST LIMITED
GROUP ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR
THE YEAR ENDED MARCH 31 2021

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OCTAGON THEATRE TRUST LIMITED
CHAIR'S STATEMENT
FOR THE YEAR ENDED MARCH 31 2021

It is once again with great pleasure that I submit my annual Statement, now for the sixth and indeed final time; my tenure as Chair of the Board of Trustees comes to an end in the spring of 2022. This Statement therefore covers the period from the start of April 2020 to the end of March 2021.

Little did we know in April 2020 that our brand new Octagon Theatre would not be able to open for more than a year, due to the successive lockdowns and social distancing which have been a major part of government strategy in the fight against the COVID-19 pandemic. Even as I write now, in September 2021, the future flourishing of live performing arts remains somewhat precarious.

The headlines of April 2020 to March 2021 inevitably revolve around the measures that had to be put in place in response to the pandemic. As with all theatres across the UK the closure of our operations had to be actioned, we had to furlough a large number of staff, and, regrettably, make a small number of redundancies. The Chief Executive, Artistic Director and senior staff worked hard with the board to put in place the necessary emergency measures, as well as successive financial and artistic/community scenario planning as the situation developed, along with intensive fundraising. We were aided significantly by successful applications to the Cultural Recovery Fund. Strategic conversations with Arts Council England and with Bolton Council have been even more important than ever, as was the continuing help of so many Octagon funders and supporters from far and wide.

The role of modern technology in the shape of Zoomed meetings was absolutely crucial. A streamed version of *A Midsummer Night's Dream* provided a welcome diversion and, together with creative engagement projects, brought theatre and community spirit into the homes of thousands.

Last year saw the retirement of four Trustees. We are all very grateful to Rosslyn Colderley, Steve McArdle, Bill Webster and Natalie Wilson for all their energetic support and wise counsel over recent years. After a very positive online process five new Trustees were appointed at the AGM in 2020: Esh Alladi, Kirsty Devlin, Sameena Hussain, Darren Knight and Fiona Noden. We are hoping very much to be able finally to meet them all in person soon!

All this said, I cannot conclude my final Statement without congratulating the whole team on the Octagon's very long-awaited opening, which was finally able to go ahead in June, albeit on a smaller scale than anticipated prior to the pandemic. I am thrilled that our Theatre remains a beacon of hope and now has all the facilities to shine even more brightly in Bolton and beyond.

Claire Moreland DL

OCTAGON THEATRE TRUST LIMITED
ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED MARCH 31 2021

DIRECTORS

Name	Nominee/Elected	Appointed/Resigned	Position	Subcommittee (see key below)
C Moreland	Elected trustee		Chair	FR, PE
S A Young	Elected trustee		Vice Chair	FR
S D Plant	Elected trustee		Chair FR	FR
Dr E K Alladi	Elected trustee	Appointed 30/11/20		PE**
H Bowdur	Elected trustee			FR
R C Colderley	Elected trustee	Resigned 30/11/20		FR*
Cllr M Cox	BMBC nominee			
K Devlin	Elected trustee	Appointed 30/11/20		PE**
L A Harvey	Elected trustee		Chair PE	PE
S Hussain	Elected trustee	Appointed 30/11/20		PE**
V E Jackson	Elected trustee			PE
D J Knight	Elected trustee	Appointed 30/11/20		PE**
T A Lewyckyj	Elected trustee			PE
S J McArdle	Elected trustee	Resigned 30/11/20		FR*
M Mistry	Elected trustee	Resigned 30/11/20		PE*
Cllr M Murray	BMBC nominee	Appointed 15/07/20		
F L Noden	Elected trustee	Appointed 30/11/20		FR**
C Southern	Elected trustee			FR
I Tabron	Elected trustee			FR
W H C Webster	Elected trustee	Resigned 30/11/20		FR*
N E Wilson	Elected trustee	Resigned 30/11/20		PE*

COMPANY SECRETARY

K B Jones

KEY STAFF

R Gauld	Chief Executive
L Wakeham	Artistic Director
K B Jones	Head of Finance and Business
M Irving-Murphy	Head of Operations and Customer Experience
C Whitwood	Head of Production
C Rachwal	Head of Marketing and Communications
V Brown	Head of Creative Learning
D Fearnley	Head of Development

**REGISTERED OFFICE AND
PRINCIPAL PLACE OF BUSINESS**

Howell Croft South
Bolton
BL1 1SB

AUDITORS

Chittenden Horley
Chartered Accountants
456 Chester Road
Old Trafford
Manchester M16 9HD

BANKERS

Barclays Bank plc
1 Market Street
Bolton
BL1 1XA

KEY TO SUBCOMMITTEES

FR – Finance and Resources Sub-committee
PE – People and Equality Sub-committee
*served until resigned as a trustee
** from appointment as a trustee

**OCTAGON THEATRE TRUST LIMITED
TRUSTEES' AND DIRECTORS' ANNUAL REPORT
FOR THE YEAR ENDED MARCH 31 2021**

The trustees present their annual report together with the consolidated financial statements of the charity and its subsidiaries for the year ended March 31 2021.

REPORTING FRAMEWORK

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and 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 (FRS102) (effective 1 January 2019), referred to as the Charities SORP (FRS 102) (second edition – October 2019).

OBJECTIVES AND ACTIVITIES

Charitable objects

The objectives of the charity are:

“to promote, maintain, improve and advance education, particularly by the production of educational plays and the encouragement of the Arts, including the arts of drama, mime, dance, singing, and music”.

We achieve these objectives through the operation of the Octagon Theatre in Bolton and the creation of theatre productions for local and national audiences, including work off-site, on tour and online; and through extensive programmes of learning and participation with our community.

OBJECTIVES AND ACTIVITIES

Charitable objects

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Activities

The charity's main activities are:

- To produce high quality theatre productions that are accessible and relevant for the Bolton community. The programme includes a range of new, contemporary and classic plays, including musicals and family shows. Productions are mostly made and rehearsed in Bolton, with a skilled local workforce alongside artists drawn from across the UK.
- To develop the talent and professional skills of the theatre and creative industries. This includes opportunities for new work to be developed and showcased, support for artists at all stages of their career to improve their work and employability, and training for college and university students to ensure they are industry ready.
- To provide participation opportunities for young people and adults alike. These involve a wide range of theatre and artistic techniques to improve creative, communication and collaboration skills as part of life-long learning. Often we work with other partners to reach participants, including schools, with whom we work to enhance and enrich student learning.

Public benefit

In shaping the objectives and planning the activities for the year, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance on public benefit and fee charging. The charity relies on grants and the income from fees and charges to cover its operating costs. In setting the level of ticket prices, fees and other charges the trustees give consideration to the accessibility to activities for those on low income.

Contribution of volunteers

Volunteers play a vital and varied role in the life of the Trust, although with reduced activities due to the pandemic, there were less volunteer hours. A total of 32 people volunteered 530 hours. We are grateful to them all for their continued support and contribution.

ACHIEVEMENTS AND PERFORMANCE

The 2020/21 year was, of course, defined by the Covid19 pandemic that disrupted everyone's way of life from March 2020 onwards. The effect on the Octagon was to delay the completion of our redevelopment and a considerable postponement to the theatre's re-opening from July 2020 to May 2021. As a result we lost c£1.5m of expected revenue income in the 2020/21 year. A further effect of the national lockdown, the economic contraction and funders reprioritising to emergency causes, was that our capital fundraising appeal was halted with a £386k shortfall.

As well as the direct effect on the theatre, the consequences of the pandemic on Bolton have been significant. The pre-existing levels of social deprivation and health inequality have been starkly highlighted and exacerbated. On several occasions Bolton's infection rates have been the highest in the country and the area has endured one of the longest periods of social restrictions in the UK. The resulting negative publicity and economic loss will undoubtedly make for a tough, slow recovery for the borough. These are not ideal conditions in which to reopen a £12m recently re-developed theatre, and to build back audiences that had already been largely absent for two-years during the construction work.

The trustees took a number of decisions that were necessary to safeguard the charity through a turbulent period. Inevitably, these had a significant effect on the Octagon's staff, the majority of whom were furloughed for most of the financial year, and all of whom had to radically adjust to new and changing circumstances. The trustees recognise the incredible efforts and resilience of the whole staff team throughout the pandemic. In order to ensure our future viability, the staff size has unfortunately been reduced through natural wastage and regrettably, by making six redundancies including some employees who had been with us for a number of years. The trustees wish to place on record their appreciation for the skill and hard work that these individuals gave to the Octagon.

The trustees and key staff worked throughout 2020/21 to adapt our business and design a resilient, exciting recovery from the pandemic, taking into account our community and stakeholders. This has included reviewing the charity's vision and values, raising considerable emergency funds, and developing new business and operational plans for the Octagon's reopening and coming years.

The trustees are grateful to every individual and organisation who supported the Octagon throughout the pandemic. The charity would not be in the stable position it now is without the generosity of our supporters. Early in the pandemic, we launched the Future Fund – a crowdfunding appeal for the public to donate, with match support from the Oglesby Family Charitable Trust. The initial appeal exceeded target and was nominated for two national Emcee fundraising awards. Subsequent awards from the Linbury Trust, Esmée Fairbairn, Granada Foundation, Wolfson Foundation, National Lottery Community fund and Garfield Weston Foundation boosted the Future Fund to a total of £657,965 raised for our recovery. A portion of this fund has been designated for use in supporting our work and rebuilding audiences in 2021/22 (when we expect earned income to be down by a further £1.1m) and 2022/23.

As well as cost savings and fundraising, the charity and its subsidiaries took full advantage of government support schemes such as the Coronavirus Job Retention Scheme, small business grants and hospitality grants. Together, these provided £300,213 towards the charity and Octagon Catering Services. In October, we successfully secured £620,232 from the Government's Cultural Recovery Fund (CRF) and we are grateful to the Fund and Arts Council England for this support. Furthermore, Bolton Council (our landlord for the redeveloped theatre) secured sufficient CRF funding to cover the additional construction costs attributed to the Covid-19 delay but did not secure funding for our appeal shortfall. As a result, the balance of our contribution to the redevelopment will now be generated through trading and savings, and paid to Bolton Council over a ten year period to 2030.

The Future Fund, government support and cost savings have ensured the Octagon has successfully weathered this most challenging and extraordinary of financial years, and is in as strong a position as possible for reopening and recovery over the coming years. As we reopen in 2021/22, we foresee another very challenging and unpredictable year with diminished income and it may be 2022/23 before we can expect stable recovery.

Throughout the pandemic we sought to continue creative activity with our community. This had been our ethos throughout the theatre's reconstruction when we'd staged productions in temporary venues and continued our creative engagement work. Working online meant a significant adjustment for our team, who rose to the challenge to deliver a range of projects and reached 2,964 people through creative engagement work. These included: ReAct – an initiative to design creative activities with and for over 50s; The Academy – a project for young people to learn all aspects of theatre making; Arts Awards – 41 young people successfully completed this qualification through our new online programme; and Creative Care Kits – a Greater Manchester initiative to deliver homebased creative activities and ideas to isolated young people and older people, in case specifically targeting the Bolton area.

In September, we presented our first digital theatre production, *A Midsummer Night's Dream*, directed by Lotte Wakeham, in collaboration with the Guildford Shakespeare Company. This was new development for the Octagon, as we entirely rehearsed and performed the play online, and provided a great deal of learning and experience to build on. Following this, in December we broadcast a 3 hour telling of *A Christmas Carol*. In March 2021, we were a partner venue on a new production of *A Picture of Dorian Gray* produced by Barn Theatre, Lawrence Batley Theatre, New Wolsey Theatre, Oxford Playhouse and Theatr Clwyd. Whilst written as a stage play, this production was made entirely for film and marked another learning opportunity for us in producing and promoting online theatre. In total, we reached an audience of 5,858 people for our digital productions.

**OCTAGON THEATRE TRUST LIMITED
TRUSTEES' AND DIRECTORS' ANNUAL REPORT
FOR THE YEAR ENDED MARCH 31 2021**

As well as our digital output we worked hard to sustain our planned theatre productions, the majority of which are now expected to go ahead in 2022. We are grateful to all of the partners and freelancers who have worked so constructively with us to continue developing these projects in the face of considerable uncertainty.

Freelancers make up the majority of the theatre industry's workforce. Throughout the pandemic, we have sought to support and include freelancers in our response including sponsoring two people to join the national Freelancer Task Force, whose recommendations we are now incorporating into our future plans. We joined the Greater Manchester Artists Hub which provided a range of mentoring, bursary and funding opportunities; and held our own Town Hall event to discuss with freelancers their needs and support through the pandemic. As a result, in early 2021, we provided three residencies for artists (each supported by a financial bursary) to develop their work in readiness for venues re-opening.

As well as the pandemic, another global event in 2020 was the Black Lives Matter movement which resulted in worldwide protests at the injustice and inequality experienced by Black people and ethnically diverse communities. The theatre industry is not immune from systemic racism and the trustees recognise that the Octagon has significant progress to make if we are to be a genuinely inclusive organisation. Recruitment to the board and a renewed energy on this agenda was an important step in 2020/21, and the trustees agreed priorities for diversifying the programme and audience development in the coming years. In October 2020, we launched The Fabric of Bolton, a project aimed to platform and celebrate Bolton's industrial heritage from a less commonly heard perspective – that of Black, Asian and other ethnic minority members of the community who contributed to this legacy through their work in textiles. Looking ahead: customer experience, staff recruitment and community-based audience development strategies are all to be reviewed during our re-opening year, in order to better include ethnic minorities and people with disabilities in our aspiration to be an inclusive organisation for our whole community.

Throughout the year we continued work on the theatre's redevelopment. Principal contractor Willmott Dixon handed over the keys to the Octagon and Bolton Council in July 2020, after a three month delay, and we then began the process of fitting out and moving in. Due to our reduced staffing, Covid-related restrictions and delays in the supply chain and contractors through the pandemic, this proved to be a particularly hard and long process. We were delighted to open our doors to public for the first time in February 2021 to become a Covid vaccination hub – supporting our neighbours at Lever Chambers Health Centre to provide over 7,000 jabs to local residents. Although closed as a theatre, we were delighted to play our part in the huge NHS drive to vaccinate against Covid-19. By the end of the 2020/21 year, the theatre was ready to open up in line with government guidelines, for creative engagement work in April 2021 and our first public performance in May 2021.

At the same time as the theatre's reopening, AMION consulting completed an Impact Study, commissioned to understand how the Octagon makes a positive contribution to Bolton and the surrounding area. Using data from the three years prior to the closure for redevelopment, the study found that the Octagon:

- Generated an annual economic impact of £10.8m per year, of which £8.43m is captured within Greater Manchester and £5.89m within Bolton itself;
- Generated social impact of £0.89m per year through health, education and volunteering.
- Produced a total benefit cost ratio of £13.44 to every £1 of public sector investment (Arts Council England, Bolton Council and Greater Manchester Combined Authority).
- Produced a benefit cost ratio to Bolton Council of £43 in GVA and social impact for every £1 of revenue investment.
- Improved Bolton's reputation, with 96% of audiences surveyed saying that the Octagon was good for Bolton's impact, and over £1m of positive media coverage generated every year.

The study went on to assess the benefits arising in Bolton specifically over the next 25 years as a result of the theatre's redevelopment and estimated a net value of £110m, which compared to £90.1m pre-redevelopment, is £19.1m of additional impact in Bolton.

The trustees are pleased and proud to see such strong evidence of the Octagon's economic and social impact, in addition to its cultural contribution. The report states that the Octagon "represents good value for money in the public sector and especially so within the arts and cultural sector". The trustees look forward to seeing the Octagon's impact grow in the years ahead.

Fundraising

The trustees place great importance on relationships with donors and are committed to ensuring best practice. There is an in-house development team and no other professional fundraiser or commercial participator carried out any fundraising activities during the financial year. The charity received support from volunteer fundraisers in aid of the capital appeal.

OCTAGON THEATRE TRUST LIMITED
TRUSTEES' AND DIRECTORS' ANNUAL REPORT
FOR THE YEAR ENDED MARCH 31 2021

FINANCIAL REVIEW

Overview

Taking into account Theatre Tax Relief generated through Octagon Theatre Productions Ltd, the Group completed its financial year with a financial surplus on unrestricted funds of £173,971 (2020 – deficit c£3,500k) after transfers and designations. This has been achieved largely due to the additional funding support secured to address the pandemic from the Arts Council and other funders and by making use of the Government furlough scheme. The charity has reassessed its operational model in the year and carried out a restructure which lead to some staff posts being made redundant and an ongoing cost saving.

The charity had previously designated £30,000 to support the artistic programme in 20/21, but due to the pandemic has not drawn on this and the designated fund has been carried forward to support 2021/22. In addition it has designated £130,000 of the monies received from the Wolfson Foundation to support the COVID recovery plans in 21/22.

At the year end the Trust's funds stood at:

	£'000
Unrestricted funds:	
General funds	565
Designated funds	911
	<u>1,476</u>
Restricted funds	<u>1,027</u>
	<u>2,503</u>

Trading subsidiaries

Octagon Catering Services (OCS) was unable to trade during the year because of the pandemic and as a consequence incurred a loss of £12,889 bringing its total deficit to c£98k. The directors are exploring the best options for the company and have prepared budgets and forecasts for the various options. However, they remain confident that the company will trade profitably when the theatre is fully open and will regain its solvency over time.

The other wholly owned trading subsidiary, Octagon Theatre Productions Ltd, was again engaged as the production vehicle for our plays, but because of COVID those productions did not go ahead. As a result it was only able to generate a theatre tax credit of £3,506, compared with c£90k in the previous year.

Principal funding sources

The following table summarise the major sources of funding for the Group:

	2021	2020	2019
	£'000	£'000	£'000
Core funding	885	943	910
COVID related funding	1,350	-	-
Donations & legacies	126	117	138
Capital grants	-	87	60
Charitable trading	42	522	853
Project grants	117	124	87
Fundraising/trading income	107	149	245
Interest	2	8	4
Other income	-	-	9
	2,629	1,950	2,306

Details of the material funders are shown in the notes to the financial statements.

Investment policy and review

Surplus funds are placed on deposit with our bankers. There are no fixed asset investments.

OCTAGON THEATRE TRUST LIMITED
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Risk management

The trustees discuss and approve a risk register on an annual basis, and the Finance and Resources Sub-Committee review this on a bi-monthly basis. The greatest risks facing the charity, and the approach to their management, is summarised as follows:

The impact of Covid-19

This is the greatest risk facing the Trust and its sustainability. Prior to the pandemic, our 10 year models showed that the redevelopment would enable the Trust's turnover and activities to steadily grow and sustain itself with a reducing proportion of public funding. Covid-19 has lost the charity considerable income through the delayed opening, social distancing requirements and the subsequent loss of audience confidence to return to enclosed spaces.

Whilst the charity has been successful in securing emergency and short-term funding, the medium term situation remains fragile as the population transitions out of 16 months of restrictions; and almost uniquely to the Octagon, audiences are rebuilt after 3 years of closure due to the redevelopment. Box office income is very unpredictable and likely to remain diminished throughout 2021/22. We expect our income in 2021/22 to be down by over £1m. Simultaneously, many costs have increased and operations have become more complicated. We are operating on a reasonable worst-case scenario basis throughout 2021/22, which will likely include use of reserves, and we are constantly reviewing scenarios and contingencies. We are also creating digital captures of all our 2021/22 productions as a contingency against cancellations.

The Trust has fully committed to keeping its staff and public safe throughout the pandemic. To this end, comprehensive Covid-Secure measures have been put in place in line with government and industry guidance.

Reliance and uncertainty on grant income

There is a proactive approach to maintaining positive relationships with all funding stakeholders, and to monitoring the economic context the Trust operates within. The trustees and key staff have recently reviewed our short to medium term priorities and ensured these are aligned to our major stakeholders: Arts Council England, Bolton Council and Greater Manchester Combined Authority. Applications will be made in 2021 for continued Arts Council and GMCA funding, as well as new business plan for ongoing Bolton Council funding.

Failure to meet earned income targets

Box office, co-production and catering income targets are set clearly and specifically, allowing for frequent review throughout the year. There are regular forecasts to monitor income and expenditure, with scope for in-year adjustments to respond to any risks and take corrective actions where necessary. Earned income is particularly unpredictable in light of Covid-19 and the trustees have determined to maintain sufficient reserves to cope with any shortfalls as we work to return to normal trading levels from 2022 onwards.

Limited organisational capacity, resilience and accommodation

The redevelopment of the theatre has significantly improve the amount, standard and efficiency of our accommodation. There is potential to grow a number of activities and revenue streams. However, such growth needs to be balanced against the demands of coping with Covid19 and a reduced staff complement. We are concerned about the future of our dilapidated workshop building and with external support, have begun a detailed review of options for its replacement.

The staff team has worked hard to sustain and reopen the Octagon in the face of exceptional challenges. The trustees recognise the risks of stress and fatigue, and the need to maintain a healthy, resilient workforce. The trustees monitor staff morale and welfare through a range of mechanisms and are committed to improving work/life balance as part of the charity's future operations. There are a number of measures in place to provide financial and emotional assistance to staff as and when required. Investment in staff training and professional development has increased, with particular emphasis on leadership at all levels, communication and wellbeing.

Failure to meet expectations

The trustees regularly evaluate the performance of the charity and the quality of the theatre's work. This includes artistic outcomes, reputation, audience satisfaction and stakeholder requirements.

Underrepresentation of diversity

The trustees recognise that the Octagon does not yet fully reflect the diversity of the population it serves. Good progress has been made in recent years to improve diversity within our creative practices and selection of artists, and more recently the appointment of new trustees. Actions are in place to further improve representation in our audiences and workforce.

**OCTAGON THEATRE TRUST LIMITED
TRUSTEES' AND DIRECTORS' ANNUAL REPORT
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Going concern

The impact of COVID 19 is set out in the risk review above and the future plans below. In light of the financial support secured and measures taken and the contingency plans in place the Trustees have concluded that the accounts are properly prepared on the going concern basis.

The Directors support the view of the directors of Octagon Catering Services Ltd that that company will recover its financial position over time.

Reserves

The Trustees established a reserves policy in 2012, as amended by subsequent decisions, to address both the short-term and long-term needs of the charity. In 2016, Trustees made a decision to increase the reserves to mitigate risks associated with the capital project and temporary closure of the theatre.

The policy required:

Cash reserve	500,000
Fixed asset replacement	90,096 (balance of the original allocation of £130k)
Programme support 21/22	30,000
Capital programme	70,000

To which was added an additional £130,000 designated fund for COVID support.

At the end of the year the charity had c£2,045 in the bank account, which includes restricted capital grants and donations of c£1,027k along with other restricted and designated funds.

The free reserves (unrestricted funds not invested in fixed assets or otherwise designated) were c£565k.

FUTURE PLANS

The capital project and the pandemic have placed extraordinary demands on the Octagon, its staff and finances over the last three years. The stable position at the end of 2020/21 shows how well the charity has weathered this period and that we have robust foundations in place for a strong and exciting recovery. The modernised Octagon is now ready to play a leading role in the borough's recovery and future.

The theatre opened in May 2021 under social distancing rules, with a warm-up season including a specially commissioned short play, *See You at the Octagon* followed by the first full production, *The Hound of the Baskervilles* which will subsequently go on national tour. Feedback from audiences was very positive about the quality of performances, the visitor experience and the Covid-19 safety measures in place. With the removal of government restrictions from summer 2021 onwards, we look forward to the return of full audiences once again but realise that public confidence to book and attend crowded indoors events will take time. This may prove particularly true in Bolton, which has endured restrictions for longer than almost any other district in the country and an infection rate of more than twice the UK average. Underpinned by fundraising, we have put in place contingency plans for reduced audience numbers and income throughout the 2021/22 financial year and simultaneously we're planning a range of initiatives to engage and rebuild audiences including: a vibrant summer programme that includes a music festival, family festival and touring throughout Bolton neighbourhoods; and the launch of an audience ambassadors scheme to build word-of-mouth recommendations for the Octagon's work, especially with communities who are currently under-represented in our audience.

We have sustained nearly every postponed production from 2020/21 with the intention of mounting these in the 2022/23 financial year. So we can already look forward to a programme that will truly match our aspiration to be Bold, Adventurous and Popular.

The actual theatre is a fantastic new resources for the Octagon and Bolton. Disability access has vastly improved, as has environmental sustainability and the comfort of all building users. Our modern new studios offer a vastly better experience for performers, audiences, and participants in our creative engagement work. We are very pleased with the look and feel of the building, particularly the retention of the Octagon's history in the design. We are incredibly grateful to everyone who has supported the redevelopment. In particular, Bolton Council who led the delivery of the scheme along with a significant financial contribution; and Arts Council England who have awarded us one of their major capital project grants. The trustees would like to thank all of our major donors: Principal Patron Sue Hodgkiss and William Hare Ltd, The Linbury Trust, Garfield Weston, Foyle Foundation, The Oglesby Charitable Trust, The Wolfson Foundation, The Granada Foundation, The Sir James and Lady Scott Trust and Bill Holroyd. We also wish to thank the many contractors – particularly Willmott Dixon Construction, JMArchitects and Gardiner & Thebold – for the incredible care and skill they brought to modernising the theatre on our behalf.

Looking ahead, the trustees and staff are very excited about the positive role the Octagon can play in helping Bolton and the surrounding area to recover from the pandemic. Our refreshed organisational mission – **to be vital for a happier, healthier community** conveys our belief in the power of theatre and culture to improve lives, improve wellbeing and improve social and economic conditions. The impact report clearly demonstrated the difference that the Octagon makes to society and we intend to work with our theatre industry, audiences and local partners towards this purpose.

**OCTAGON THEATRE TRUST LIMITED
TRUSTEES' AND DIRECTORS' ANNUAL REPORT
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STRUCTURE GOVERNANCE AND MANAGEMENT

Governing document

The Charity is a company limited by guarantee and is governed by its Memorandum and Articles of Association dated June 6 1966, as amended by special resolutions dated October 7 1983, August 15 1986, September 11 1995 and November 25 2002.

Members of the company

The only members of the company are those appointed as trustees and directors. They cease to be members of the company on their resignation as trustees and directors.

Appointment of Directors and Trustees

The trustees, who are also the Directors of the Company, are appointed as follows:

- Bolton Council nominates up to three directors
- Greater Manchester Combined Authority (GMCA, formerly AGMA) nominates up to two directors
- Other directors are appointed at the Annual General Meeting

Excluding the nominated directors, at each AGM, one third of the Directors retire by rotation, being the longest in office and are eligible for re-election. Trustees normally serve two terms of three years each.

Trustee recruitment, induction and training

The trustees endeavour to ensure that they have within their number the appropriate range of skills and abilities, and from time to time will seek to identify individuals, who they believe can contribute essential knowledge and experience, to recruit to the Board.

New trustees are identified through open advertisement alongside targeted recruitment. The board endeavours to ensure that the trustees collectively have a relevant range of skills and abilities, including appropriate representation of Bolton's community and demographics.

New trustees receive induction meetings with the Chair and Chief Executive to brief them on the organisation, as well as information on their legal and fiduciary responsibilities. Outside of board meetings, all trustees are encouraged to attend performances and other events to keep informed of the Theatre's activities. Training for trustees is provided as necessary.

Organisation

The board, which must be no less than three members nor more than twenty, administers the Charity and meets as necessary. Normally meetings are bi-monthly with an annual away-day. All trustees are expected to adhere to a Code of Conduct. Conflicts of interest must be recorded on an annual basis and declared at each meeting.

In December 2018 the board resolved to re-organise its activities into two sub-committees: a Finance and Resources Sub-Committee that has responsibility for finance, funding, risk and the capital project; and a People and Equalities Sub-Committee that has responsibility for human resources, diversity and inclusion. Both of the sub-committees have delegated authority from the board within specific terms of reference.

A Chief Executive is appointed by the board, to whom the trustees have delegated authority for operational matters within the overall strategy agreed by the board.

Pay and remuneration for senior staff

The remuneration of senior staff is determined on appointment, based upon comparable benchmarks, and subsequently adjusted in line with other staff pay. The board reviews staff pay annually and it is normally increased in accordance with average earnings and inflation, if resources allow.

Related parties and co-operation with other organisations/charities

None of our trustees receive remuneration or other benefit from their work with the Trust.

The Trust has worked in partnership over many years with major funders Arts Council England, Bolton Council and the Greater Manchester Combined Authority. Both the Arts Council and Bolton Council have committed significant funds to support the re-development of the Theatre. Bolton Council are the landlords of the theatre.

There is a strong relationship with Bolton at Home, who contribute an annual grant to the theatre as well as jointly delivering a range of community projects. These include youth and adult drama provision, and providing free or affordable tickets to thousands of residents.

There is a long standing relationship with the University of Bolton, and the theatre provides learning and observation opportunities for students in the School of Arts, particularly on the Theatre and Performance course, from which the Trust receives a fee. In May 2021, the University undertook a two year agreement to be the theatre's Principal Sponsor.

**OCTAGON THEATRE TRUST LIMITED
TRUSTEES' AND DIRECTORS' ANNUAL REPORT
FOR THE YEAR ENDED MARCH 31 2021**

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The trustees (who are also directors of Octagon Theatre Trust Limited for the purposes of company law) are responsible for preparing the Trustees' Annual 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, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 (FRS 102) (second edition – October 2019);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT OF DISCLOSURE TO AUDITORS

We, the directors of the company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the company's auditors are unaware; and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

SMALL COMPANY PROVISIONS AND APPROVAL

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Approved by the Board of Trustees and signed on its behalf by:

C Moreland

C Moreland – Director

Date: 27/09/21

**INDEPENDENT AUDITORS REPORT
TO THE MEMBERS AND TRUSTEES OF THE OCTAGON THEATRE TRUST LIMITED
FOR THE YEAR ENDED MARCH 31 2021**

Opinion

We have audited the financial statements of The Octagon Theatre Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended March 31 2021 which comprise the Group and parent Charity Statements of Financial Activities, the Group, and parent Charity's Balance Sheets, the Group and Parent Charity's Statement of cash flows and notes to the financial statements, including 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 parent charitable company's affairs as at March 31 2021 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011

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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 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 trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

Opinions 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 (incorporating the [directors' report] for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the [strategic report and the]⁷ directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

**INDEPENDENT AUDITORS REPORT
TO THE MEMBERS AND TRUSTEES OF THE OCTAGON THEATRE TRUST LIMITED
FOR THE YEAR ENDED MARCH 31 2021**

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, set out in the Directors' and Trustees' Annual Report, the trustees (who are also the directors of the parent 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 groups and 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 parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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 auditor's 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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks in respect of irregularities and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognize non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with the directors and other management, and from our professional knowledge and experience of the charity sector and theatres in particular;
- We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statement to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual and alleged fraud;
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and
- Understanding the design of the company's remuneration policies.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 3 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing the financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to the actual and potential litigation claims; and
- reviewing correspondence with relevant regulators and HMRC.

No instances of material non-compliance were identified. However, there are inherent limitations in our audit procedures described above.

The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

**INDEPENDENT AUDITORS REPORT
TO THE MEMBERS AND TRUSTEES OF THE OCTAGON THEATRE TRUST LIMITED
FOR THE YEAR ENDED MARCH 31 2021**

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members and its trustees those matters we are required to state to them in an auditor's 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 the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Peter Smith

Peter Smith BA FCA DChA– Senior Statutory Auditor

For and on behalf of:
HGA Accountants & Financial Consultants Ltd t/a Chittenden Horley
Chartered Accountants and Statutory Auditors
456 Chester Road
Old Trafford
Manchester M16 9HD

Date: 9/11/21



HGA Accountants & Financial Consultants Ltd t/a Chittenden Horley *is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.*

OCTAGON THEATRE TRUST LIMITED
GROUP STATEMENT OF FINANCIAL ACTIVITIES (including the income and expenditure account)
FOR THE YEAR ENDED MARCH 31 2021

		Unrestricted				
	Notes	General	Designated	Restricted	Total	Total
		Funds	Funds	Funds	2021	2020
		£	£	£	£	£
INCOME						
Incoming resources from generated funds:						
Donations	2	1,351,816	-	1,008,563	2,360,379	1,147,395
Charitable activities	3	42,013	-	117,454	159,467	646,199
Other trading activities	4	106,686	-	-	106,686	148,529
Investment income - bank interest		811	1,190	-	2,001	7,910
TOTAL INCOMING RESOURCES		<u>1,501,326</u>	<u>1,190</u>	<u>1,126,017</u>	2,628,533	<u>1,950,033</u>
EXPENDITURE						
Costs of raising funds	6	112,826	-	-	112,826	170,615
Expenditure on charitable activities	7	1,083,642	28,069	433,369	1,545,080	1,913,223
TOTAL EXPENDITURE		<u>1,196,468</u>	<u>28,069</u>	<u>433,369</u>	1,657,906	<u>2,083,838</u>
NET INCOME/(EXPENDITURE)						
BEFORE TRANSFERS	10	304,858	(26,879)	692,648	970,627	(133,805)
Transfers between funds	16	(134,393)	409,000	(274,607)	-	-
NET INCOME/(EXPENDITURE)						
BEFORE TAXATION		170,465	382,121	418,041	970,627	(133,805)
TAXATION - Theatre Tax Credit	5	<u>3,506</u>	<u>-</u>	<u>-</u>	3,506	<u>90,382</u>
NET INCOME/(EXPENDITURE)						
AFTER TAXATION - NET MOVEMENT IN FUNDS		173,971	382,121	418,041	974,133	(43,423)
TOTAL FUNDS BROUGHT FORWARD	16	<u>406,390</u>	<u>528,508</u>	<u>608,659</u>	1,543,557	<u>1,586,980</u>
TOTAL FUNDS CARRIED FORWARD	16	<u>580,361</u>	<u>910,629</u>	<u>1,026,700</u>	2,517,690	<u>1,543,557</u>

The notes on pages 19 to 35 form part of these financial statements.

OCTAGON THEATRE TRUST LIMITED
CHARITY STATEMENT OF FINANCIAL ACTIVITIES (including the income and expenditure account)
FOR THE YEAR ENDED MARCH 31 2021

		Unrestricted				
	Notes	General Funds £	Designated Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Incoming resources from generated funds:						
Donations	2	1,351,816	-	1,008,563	2,360,379	1,147,395
Charitable activities	3	63,922	-	117,454	181,376	1,447,906
Other trading activities	4	53,330	-	-	53,330	41,673
Investment income - bank interest		811	1,190	-	2,001	7,910
TOTAL INCOME		<u>1,469,879</u>	<u>1,190</u>	<u>1,126,017</u>	2,597,086	<u>2,644,884</u>
EXPENDITURE						
Costs of raising funds	6	112,305	-	-	112,305	69,253
Expenditure on charitable activities	7	1,102,045	28,069	433,369	1,563,483	2,645,548
TOTAL EXPENDITURE		<u>1,214,350</u>	<u>28,069</u>	<u>433,369</u>	1,675,788	<u>2,714,801</u>
NET INCOME/(EXPENDITURE)						
BEFORE TRANSFERS		255,529	(26,879)	692,648	921,298	(69,917)
Transfers between funds	16	<u>(134,393)</u>	<u>409,000</u>	<u>(274,607)</u>	<u>-</u>	<u>-</u>
NET MOVEMENT IN FUNDS		121,136	382,121	418,041	921,298	(69,917)
TOTAL FUNDS BROUGHT FORWARD	16	<u>443,925</u>	<u>528,508</u>	<u>608,659</u>	1,581,092	<u>1,651,009</u>
TOTAL FUNDS CARRIED FORWARD	16	<u>565,061</u>	<u>910,629</u>	<u>1,026,700</u>	2,502,390	<u>1,581,092</u>

The notes on pages 19 to 35 form part of these financial statements.

OCTAGON THEATRE TRUST LIMITED
GROUP BALANCE SHEET
AS AT MARCH 31 2021

	Notes	2021 £	2021 £	2020 £	2020 £
FIXED ASSETS					
Tangible Assets	11		287,558		71,901
CURRENT ASSETS					
Stock	13	239		370	
Debtors	14	412,522		224,930	
Cash at Bank and in Hand		<u>2,055,434</u>		<u>1,446,341</u>	
		2,468,195		1,671,641	
CREDITORS					
Amounts falling due in one year	15	<u>238,063</u>		<u>199,985</u>	
NET CURRENT ASSETS			<u>2,230,132</u>		<u>1,471,656</u>
NET ASSETS			<u>2,517,690</u>		<u>1,543,557</u>
FUNDS					
Unrestricted charitable funds					
General fund	16	678,685		491,925	
Designated fund	16	<u>910,629</u>		<u>528,508</u>	
			1,589,314		1,020,433
Restricted charitable funds	16		<u>1,026,700</u>		<u>608,659</u>
Total charitable funds			2,616,014		1,629,092
Non charitable trading subsidiaries			<u>(98,324)</u>		<u>(85,535)</u>
TOTAL FUNDS			<u>2,517,690</u>		<u>1,543,557</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The notes on pages 19 to 35 form part of these financial statements.

Approved by the Board of Directors and authorised for issue on: 27/09/21
And signed on their behalf by:

C Moreland

C Moreland – Director

Company registration number: 00882226

OCTAGON THEATRE TRUST LIMITED
CHARITY BALANCE SHEET
AS AT MARCH 31 2021

	Notes	2021 £	2021 £	2020 £	2020 £
FIXED ASSETS					
Tangible Assets	11		286,973		51,815
Investments	12		<u>1,100</u>		<u>1,100</u>
			288,073		52,915
CURRENT ASSETS					
Stock	13	-		-	
Debtors	14	404,865		282,392	
Cash at Bank and in Hand		<u>2,045,194</u>		<u>1,434,008</u>	
		2,450,059		1,716,400	
CREDITORS					
Amounts falling due in one year	15	<u>235,742</u>		<u>188,223</u>	
NET CURRENT ASSETS			<u>2,214,317</u>		<u>1,528,177</u>
NET ASSETS			<u>2,502,390</u>		<u>1,581,092</u>
FUNDS					
Unrestricted					
General fund	16	565,061		443,925	
Designated funds	16	<u>910,629</u>		<u>528,508</u>	
			1,475,690		972,433
Restricted	16		<u>1,026,700</u>		<u>608,659</u>
TOTAL FUNDS			<u>2,502,390</u>		<u>1,581,092</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The notes on pages 19 to 35 form part of these financial statements.

Approved by the Board of Directors and authorised for issue on: 27/09/21
And signed on their behalf by:

C Moreland

C Moreland – Director

Company registration number: 00882226

OCTAGON THEATRE TRUST LIMITED
GROUP AND CHARITY STATEMENT OF CASH FLOWS
AS AT MARCH 31 2021

		Group	Group	Charity	Charity
		2021	2020	2021	2020
	notes	£	£	£	£
Cash used in operating activities	21	873,423	259,399	875,516	252,244
Cashflows from investing activities					
Interest and dividends		2,001	7,910	2,001	7,910
Purchase of tangible fixed assets		(263,227)	(11,894)	(263,227)	(11,894)
Proceeds of sale of fixed assets		-	-	-	-
Payments to acquire investments		-	-	-	-
Cash provided by/(used in) investing activities		(261,226)	(3,984)	(261,226)	(3,984)
Cashflows from financing activities					
Proceeds from new borrowings		-	-	-	-
Repayment of borrowing		(3,104)	(5,185)	(3,104)	(5,185)
Cash from financing activities		(3,104)	(5,185)	(3,104)	(5,185)
Increase/(decrease) in cash & cash equivalents in the year		609,093	250,230	611,186	243,075
Cash and cash equivalents brought forward		1,446,341	1,196,111	1,434,008	1,190,933
Cash and cash equivalents carried forward		2,055,434	1,446,341	2,045,194	1,434,008
Cash and cash equivalents consist of:					
Cash at bank and in hand		2,055,434	1,446,341	2,045,194	1,434,008
Current asset investments		-	-	-	-
		2,055,434	1,446,341	2,045,194	1,434,008

Movements in net debt are shown in note 22.

The notes on pages 19 to 35 form part of these financial statements.

OCTAGON THEATRE TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2021

1 ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared: under the historic cost convention; in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) effective January 1 2019 (second edition – October 2019); FRS102; and the Companies Act 2006. The charity constitutes a public benefit entity as defined by FRS102.

The accounts are prepared in £ sterling, which is the functional currency.

Going Concern

The Trustees have addressed the impact of COVID 19 and the delays to the capital project in their annual report, and have concluded that there are no issues concerning the Group's ability to continue as a going concern.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Income recognition

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. The following applies to particular types of income:

Grants, whether of a capital or revenue nature, are recognised when the charity has entitlement to the funds, any performance conditions have been met and it is probable that the income will be received.

Donations from individuals and other bodies (not being of the nature of a grant) are recognised when receivable.

Earned income is measured at the fair value of the consideration received or receivable for services and goods supplied, net of discounts and VAT.

In kind support consisting of donated facilities is recognised as income when the charity has control over the facilities, the receipt of economic benefit is probable and can be measured reliably. The facilities are recognised at the value the charity would have been prepared to pay for them. A corresponding amount is included as expenditure.

Deferred income

Income is only deferred and included in creditors when:

- The income relates to a future accounting period
- A sales invoice has been raised ahead of the work being carried out and there is no contractual entitlement to the income until the work has been done
- Not all the terms and conditions of the grant have been met, including the incurring of expenditure and the grant conditions are such that unspent grant must be refunded

Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

Costs of raising funds including those associated with fundraising activities, managing investments and commercial trading by the subsidiary company.

Charitable activities costs of undertaking the work of the charity.

The charity is registered for VAT and is able to recover some of the input tax charged as it relates to VATable supplies. Costs are stated net of the recoverable amount of VAT, were VAT has been charged.

Allocation of support costs

Support costs are those functions which assist the work of the charity either by supporting the delivery of charitable activities or by supporting the generation of funds. They include property costs, back office functions, staff costs, depreciation, finance costs and professional fees. The basis of allocations is set out in note 8.

OCTAGON THEATRE TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2021

1 ACCOUNTING POLICIES (continued)

Pension contributions

The charity operates a defined contribution pension scheme for its employees, agreeing the contribution rates with each individual. The contributions are paid to a third party who invests the contributions in a money purchase plan. Contributions are charged to the SoFA as they become payable.

The charity also makes contributions to the actors Equity Pension fund in respect of the relevant qualifying workers. Contributions are charged to the SoFA as they become payable

Tangible fixed assets and depreciation

Individual fixed assets costing more than £500 are capitalised at cost and are depreciated over their estimated useful lives on a straight-line basis as set out below.

Depreciation rates are as follows:

Long leasehold land and buildings	5%
Premises refurbishment	2% on additions pre 31/03/14, 4% on additions thereafter
Fixtures, fittings & equipment*	10% and 20%,
Computer equipment	25%

*assets acquired under finance lease are depreciated over the life of the leases, which equates to 5 years on current agreements.

Debtors

Trade and other debtors are recognised at the settlement amount due and prepayments are valued at the amount prepaid.

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.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount.

Financial instruments

The charity has only basic financial instruments which are initially recorded at cost, subsequently measured at their settlement value.

Group financial statements

The financial statements consolidate the results of the charity and its wholly owned subsidiaries, Octagon Catering services Ltd and Octagon Theatre Productions Ltd, on a line by line basis.

Capital grants

Capital grants received by the charity are accounted for as income in the period in which the charity becomes entitled to receive the income and included within restricted reserves until the conditions of the grant have been fulfilled.

Within the subsidiary companies, Capital grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received. Capital grants are recognised using the accrual model and the performance model. Under the accrual model, capital grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable. Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset.

The treatment of capital grants received by the subsidiary companies is aligned with that of the charity on consolidation and grants were received from the charity are eliminated on consolidation.

OCTAGON THEATRE TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2021

	2021			2020		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
2 DONATIONS						
Revenue grants:						
Arts Council England	625,359	-	625,359	614,060	-	614,060
Bolton MBC	145,380	-	145,380	145,380	-	145,380
GMCA	107,200	-	107,200	107,200	-	107,200
Backstage Trust	-	-	-	-	35,000	35,000
The Oglesby Charitable Trust	-	7,500	7,500	-	-	-
University of Bolton	-	-	-	-	40,000	40,000
	877,939	7,500	885,439	866,640	75,000	941,640
 COVID related funding:						
ACE - CRF1	-	620,232	620,232	-	-	-
Esmee Fairbairn	7,500	-	7,500	-	-	-
Garfield Weston Foundation	-	320,000	320,000	-	-	-
Granada Foundation	3,500	-	3,500	-	-	-
Wolfson Foundation	140,000	-	140,000	-	-	-
The Lindbury Trust	-	40,000	40,000	-	-	-
HMRC - CJRS	217,985	-	217,985	1,362	-	1,362
	368,985	980,232	1,349,217	1,362	-	1,362
 Capital grants						
Capital project:						
Garfield Weston	-	-	-	-	75,000	75,000
Hobson Foundation	-	-	-	-	5,000	5,000
Duchy of Lancaster	-	-	-	-	7,000	7,000
	-	-	-	-	87,000	87,000
 Donations & legacies						
General donations	95,572	-	95,572	6,650	-	6,650
In kind support	9,320	-	9,320	35,000	-	35,000
Capital project	-	20,831	20,831	-	74,278	74,278
Learning & participation	-	-	-	-	1,465	1,465
	104,892	20,831	125,723	41,650	75,743	117,393
 Total for group	1,351,816	1,008,563	2,360,379	909,652	237,743	1,147,395
Donation from OCS Ltd	-	-	-	-	-	-
Total for company	1,351,816	1,008,563	2,360,379	909,652	237,743	1,147,395

Allocations to designated funds are shown in note 16.

OCTAGON THEATRE TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2021

2021			2020		
Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
£	£	£	£	£	£

3 INCOME FROM CHARITABLE ACTIVITIES

Group

Theatre and performance

Charity Income (as below)	18,420	-	18,420	468,397	58,498	526,895
Octagon Theatre Productions	19,661	-	19,661	712,211	-	712,211
Eliminated on consolidation intercompany charges	(19,661)	-	(19,661)	(712,211)	-	(712,211)
	18,420	-	18,420	468,397	58,498	526,895

Learning and Participation

Charity Income (as below)	23,593	117,454	141,047	53,604	65,700	119,304
	23,593	117,454	141,047	53,604	65,700	119,304

Total per Group

	42,013	117,454	159,467	522,001	124,198	646,199
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Charity

Theatre and performance

Box office	6,654	-	6,654	403,238	-	403,238
Grants	-	-	-	-	58,498	58,498
Co-productions	4,000	-	4,000	4,583	-	4,583
Other income	7,766	-	7,766	51,156	-	51,156
Ancillary trading	-	-	-	9,420	-	9,420
	18,420	-	18,420	468,397	58,498	526,895

Production sub contractor fees

(eliminated on consolidation)	21,909	-	21,909	801,707	-	801,707
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Learning and Participation

Fees & earned income	23,593	-	23,593	53,604	-	53,604
Grants	-	117,454	117,454	-	65,700	65,700
	23,593	117,454	141,047	53,604	65,700	119,304

Total per Charity

	63,922	117,454	181,376	1,323,708	124,198	1,447,906
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4 INCOME FROM OTHER TRADING ACTIVITIES

Sponsorship	44,205	-	44,205	20,765	-	20,765
Capital project event	-	-	-	-	156	156
Management charge/rent	5,000	-	5,000	20,000	-	20,000
Hire income	4,125	-	4,125	-	-	-
Sales commissions	-	-	-	752	-	752
Per charity	53,330	-	53,330	41,517	156	41,673

Less eliminated on consolidation:

Management charge/rent to OCS Ltd	(5,000)	-	(5,000)	(20,000)	-	(20,000)
Add subsidiary income OCS Ltd	58,356	-	58,356	126,856	-	126,856
Per group	106,686	-	106,686	148,373	156	148,529

OCTAGON THEATRE TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2021

5 TRADING SUBSIDIARIES

	Octagon Catering Services Ltd		Octagon Theatre Productions Ltd	
	2021	2020	2021	2020
	£	£	£	£
Turnover	99	125,784	19,661	712,211
Cost of sales	44,693	117,254	21,909	801,707
Gross profit	(44,594)	8,530	(2,248)	(89,496)
Administration Expenses	26,552	28,108	1,258	886
Operating profit/loss	(71,146)	(19,578)	(3,506)	(90,382)
Other income	58,257	22,072	-	-
Net profit/loss before taxation	(12,889)	2,494	(3,506)	(90,382)
(Tax charge)/Theatre tax credit	-	-	3,506	90,382
Net profit after taxation	(12,889)	2,494	-	-
Total assets	16,471	34,084	121,609	121,609
Total liabilities (excluding capital grant)	(114,795)	(119,519)	(120,609)	(120,609)
Capital grant	-	-	-	-
Net funds	(98,324)	(85,435)	1,000	1,000

Octagon Catering Services Ltd (OCS LTD)

The subsidiary operates the bar and catering services within the theatre. On consolidation the management charge of £5,000 (2020 - £20,000) and the grant from OTT to OCS of £nil (2020 £21,000) are eliminated. The balance of other income is the CJRS grant.

Octagon Theatre Productions Ltd (OTP)

OTP has been formed to undertake the production, running and closure of in house theatrical productions on behalf of the charity. It subcontracts the production work back to the charity, and is eligible to claim theatre tax relief.

OTP's income derives from charity. On consolidation income from the charity of 19,661 (2020 - £712,211) is eliminated against theatre production costs and the direct costs of £21,909 (2020 - £801,707) are eliminated against production subcontractor fees in the charity.

OCTAGON THEATRE TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2021

6 COSTS OF RAISING FUNDS	2021			2020		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Inter company provision re OCS	65,724	-	65,724	24,000	-	24,000
Support costs	46,581	-	46,581	45,253	-	45,253
Per charity	112,305	-	112,305	69,253	-	69,253
OCS (net of consolidation adjustments)	71,245	-	71,245	124,362	21,000	145,362
Less provision eliminated on consolidation	(65,724)	-	(65,724)	(24,000)	-	(24,000)
Less management charge rent eliminated	(5,000)	-	(5,000)	(20,000)	-	(20,000)
Total fundraising in Group	112,826	-	112,826	149,615	21,000	170,615

No costs were charged to designated or restricted funds in either year.

7 CHARITABLE EXPENDITURE

Theatre and performance	1,213,136	-	1,213,136	2,191,426	63,498	2,254,924
Learning and participation	208,118	93,879	301,997	273,188	61,126	334,314
Capital project	-	48,350	48,350	-	56,310	56,310
Charged to restricted fund	(291,140)	291,140	-	(75,000)	75,000	-
Per charity	1,130,114	433,369	1,563,483	2,389,614	255,934	2,645,548

Less eliminated on consolidation:

Grant to OCS Ltd	-	-	-	-	(21,000)	(21,000)
Charges from OTP Ltd	(18,403)	-	(18,403)	(711,325)	-	(711,325)
Per group	1,111,711	433,369	1,545,080	1,678,289	234,934	1,913,223

Charges to restricted funds in respect of grants shown in note 2 have been made. Details of the grants are shown in note 16.

Depreciation of £28,069 (2020 - £37,546), loss on disposal of fixed assets £nil (2020 - £8,381), have been charged to designated funds as shown in note 16.

Expenditure in the charity is analysed as follows:

	Direct costs	Direct salaries & actors' fees	Support costs	Total
2020/21	£	£	£	£
Theatre and performance	109,377	355,986	747,773	1,213,136
Learning and participation	15,045	156,279	130,673	301,997
Capital project	48,350	-	-	48,350
	172,772	512,265	878,446	1,563,483
2019/20				
Theatre and performance	1,060,234	480,269	714,421	2,254,924
Learning and participation	44,996	170,925	118,393	334,314
Capital project	49,941	6,369	-	56,310
	1,155,171	657,563	832,814	2,645,548

OCTAGON THEATRE TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2021

8 SUPPORT & GOVERNANCE COSTS

			Costs of raising funds £	Theatre & Performance £	Learning & participation £	Total 2021 £
	Marketing £	Governance £				
2020/21						
Salaries	85,289	24,356	43,103	315,123	80,864	548,735
Marketing costs	24,434	-	-	-	-	24,434
Establishment costs	881	3,523	881	101,010	21,139	127,434
Insurance	-	-	-	15,047	5,016	20,063
Legal & professional	-	5,531	-	61,066	3,214	69,811
Administration costs	8,721	2,180	2,180	69,769	6,541	89,391
Finance charges	226	56	56	1,806	169	2,313
Staff training and recruitment	1,442	360	360	11,532	1,081	14,775
Loss on disposal of fixed assets	-	-	-	-	-	-
Depreciation	631	-	-	22,671	4,768	28,070
	121,624	36,006	46,581	598,024	122,792	925,026
Allocation of marketing support costs	(121,624)	-	-	115,543	6,081	-
Allocation of governance costs	-	(36,006)	-	34,206	1,800	-
	-	-	46,581	747,773	130,673	925,026
2019/20						
Support costs						
Support salaries costs	76,679	23,432	41,726	293,653	66,732	502,222
Marketing costs	101,627	-	-	-	-	101,627
Establishment costs	857	3,426	857	59,962	20,558	85,660
Insurance	-	-	-	15,564	5,188	20,752
Legal & professional	-	5,208	-	6,844	360	12,412
Administration costs	8,149	2,037	2,037	65,191	6,112	83,526
Finance charges	700	175	175	5,602	525	7,177
Staff training and recruitment	1,834	458	458	14,669	1,375	18,794
Loss on disposal of fixed assets	-	-	-	7,933	418	8,351
Depreciation	747	-	-	30,941	5,858	37,546
	190,593	34,736	45,253	500,359	107,126	878,067
Allocation of marketing support costs	(190,593)	-	-	181,063	9,530	-
Allocation of governance costs	-	(34,736)	-	32,999	1,737	-
	-	-	45,253	714,421	118,393	878,067

Support costs are allocated on the following basis:

Area	basis	comment
Marketing costs	estimate of usage	net of any direct attribution
Support salaries	estimate of time spent	
Other costs:		
Property	Space	
Irrecoverable VAT (after any direct attribution)	Head count	net of any direct attribution
All other costs	estimate of usage/head count	
Depreciation	estimate of usage	

OCTAGON THEATRE TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2021

9 STAFF INFORMATION

	2021	2020
	£	£
a Employees		
Salaries and wages	1,003,701	1,027,290
Pension costs	22,655	23,362
Employer's NI contributions	76,456	80,856
	<u>1,102,811</u>	<u>1,131,508</u>
Staff costs for the Trading subsidiary included above	<u>43,629</u>	<u>78,517</u>
Employees earning more than £60,000pa (excluding employer's nic and pension contributions):		
	number	number
£60,000 - £70,000	<u>1</u>	<u>1</u>

The key management of the charity comprise the trustees and senior staff (as set out on page1) and the key management of the group are the same people plus catering manager. The trustees do not receive any remuneration for their services

The total employee benefits of other key management were as follows:

	£	£
Charity	<u>371,802</u>	<u>363,780</u>
Group	<u>398,280</u>	<u>391,980</u>
b Actors and stage managers	£	£
Fees	1,818	104,188
Pension contributions (Equity)	-	2,605
	<u>1,818</u>	<u>106,793</u>

c Group average staff numbers

The average number of employees, excluding the actors and stage manager referred to above, was as follows:-

	2021	2021	2020	2020
	Average	Average FTE	Average	average FTE
	number	number	number	number
Employees	52	38	67	48
	<u>52</u>	<u>38</u>	<u>67</u>	<u>48</u>

10 NET INCOME/(EXPENDITURE) BEFORE TRANSFERS (for the Group)

This is stated after charging/(crediting):	£	£
Auditors remuneration:-		
Audit fees	4,000	4,000
Accountancy fees	3,329	5,521
Finance lease charges	111	743
Depreciation of fixed assets	31,082	41,091
Trustees remuneration	-	-
Trustees expenses	<u>-</u>	<u>-</u>

OCTAGON THEATRE TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2021

11 TANGIBLE FIXED ASSETS

GROUP	Fixtures & Fittings £	Computer Equipment £	Total £
Cost or valuation			
As at April 1 2020	715,208	75,226	790,434
Additions	240,121	23,106	263,227
Disposals	(77,430)	-	(77,430)
As at 31 March 2021	877,899	98,332	976,231
Depreciation			
As at April 1 2020	654,126	64,407	718,533
Charge for the year	22,625	8,457	31,082
Disposals	(60,942)	-	(60,942)
As at 31 March 2021	615,809	72,864	688,673
Net Book Value			
As at 31 March 2021	262,090	25,468	287,558
As at 31 March 2020	61,082	10,819	71,901
COMPANY			
Cost or valuation			
As at April 1 2020	636,459	75,226	711,685
Additions	240,121	23,106	263,227
Disposals	-	-	-
As at 31 March 2021	876,580	98,332	974,912
Depreciation			
As at April 1 2020	595,463	64,407	659,870
Charge for the year	19,612	8,457	28,069
Disposals	-	-	-
As at 31 March 2021	615,075	72,864	687,939
Net Book Value			
As at 31 March 2021	261,505	25,468	286,973
As at 31 March 2020	40,996	10,819	51,815

Included in fixtures, fittings and equipment are assets held on finance leases with a net book value of £nil (2020 - £1,337).

OCTAGON THEATRE TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2021

12 FIXED ASSET INVESTMENTS

The charity has owns 100% of the issued share capital of the following companies:

Name	Company no.	Investment		Activity
		2021	2020	
		£	£	
Octagon Catering Services Ltd	2095489	100	100	Catering & bar services
Octagon Theatre Productions Ltd	9260244	1,000	1,000	Theatre productions
		<u>1,100</u>	<u>1,100</u>	

GROUP	GROUP	COMPANY	COMPANY
2021	2020	2021	2020
£	£	£	£

13 STOCKS

Stock of goods for resale	239	370	-	-
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14 DEBTORS

Trade debtors	19,718	53,747	19,495	53,524
Grants and income receivable	328,114	50,565	322,930	49,493
Octagon Catering Services Ltd	-	-	113,724	109,158
Inter company provision re OCS	-	-	(113,724)	(48,000)
Octagon Theatre Productions Ltd	-	-	1,307	87,980
VAT refundable	26,699	-	26,649	-
Other debtors	891	541	891	541
Theatre Tax Credit receivable	3,507	90,381	-	-
Prepayments	33,593	29,696	33,593	29,696
	<u>412,522</u>	<u>224,930</u>	<u>404,865</u>	<u>282,392</u>

15 CREDITORS falling due within one year

Trade creditors	82,012	16,630	81,964	15,914
Other taxes and social security	21,141	29,398	21,141	23,347
Accruals	83,226	46,496	80,953	41,501
Other creditors	29,016	16,686	29,016	16,686
Income and grants in advance	22,668	87,671	22,668	87,671
Finance lease creditors	-	3,104	-	3,104
	<u>238,063</u>	<u>199,985</u>	<u>235,742</u>	<u>188,223</u>

All income and grants in advance brought forward are released in the subsequent year.

OCTAGON THEATRE TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2021

16 STATEMENT OF FUNDS

Group	2019/20				b/f and c/f 31/03/2020 01/04/2020	2020/21			
	01/04/2019	Income	Expenditure	TTR & Transfers		Income	Expenditure	TTR & Transfers	31/03/2021
	£	£	£	£	£	£	£	£	£
Unrestricted funds:									
General fund	410,990	1,581,945	(1,782,006)	195,461	406,390	1,501,326	(1,196,468)	(130,887)	580,361
Designated Funds (see details below)	539,423	5,991	(45,898)	28,992	528,508	1,190	(28,069)	409,000	910,629
	950,413	1,587,936	(1,827,904)	224,453	934,898	1,502,516	(1,224,537)	278,113	1,490,990
Restricted Funds:									
As below	636,567	362,097	(255,934)	(134,071)	608,659	1,126,017	(433,369)	(274,607)	1,026,700
Total Funds	1,586,980	1,950,033	(2,083,838)	90,382	1,543,557	2,628,533	(1,657,906)	3,506	2,517,690

Funds analysed between charitable and non-charitable:

	2021	2020
	£	£
Charity unrestricted and designated	1,475,690	972,433
Add back provision on inter company eliminated on consolidation	113,724	48,000
Charity restricted	1,026,700	608,659
	2,616,114	1,629,092
Trading subsidiaries	(98,324)	(85,535)
	2,517,790	1,543,557

OCTAGON THEATRE TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2021

16 STATEMENT OF FUNDS (continued)

COMPANY	2019/20				b/f and c/f 31/03/2020 01/04/2020 £	2020/21			
	01/04/2019 £	Income £	Expenditure £	TTR & Transfers £		Income £	Expenditure £	TTR & Transfers £	31/03/2021 £
Unrestricted funds:									
General fund	475,019	2,276,796	(2,412,969)	105,079	443,925	1,469,879	(1,214,350)	(134,393)	565,061
Designated funds:									
Invested in fixed assets	69,821	-	(45,898)	28,992	52,915	-	(28,069)	263,227	288,073
Programme support 2018/19 & 2019/20	30,000	-	-	(30,000)	-	-	-	-	-
Programme support	-	-	-	30,000	30,000	-	-	-	30,000
Covid Recovery	-	-	-	-	-	-	-	-	130,000
Capital project	279,506	5,991	-	-	285,497	1,190	-	15,773	302,460
Capital project - reserves	70,000	-	-	-	70,000	-	-	-	70,000
Capital replacement unallocated	90,096	-	-	-	90,096	-	-	-	90,096
	539,423	5,991	(45,898)	28,992	528,508	1,190	(28,069)	409,000	910,629
Total unrestricted funds	1,014,442	2,282,787	(2,458,867)	134,071	972,433	1,471,069	(1,242,419)	274,607	1,475,690
Restricted Funds:									
Backstage Trust	-	35,000	(35,000)	-	-	-	-	-	-
The Oglesby Charitable Trust	-	-	-	-	-	7,500	(7,500)	-	-
University of Bolton	-	-	-	-	-	-	-	-	-
- writing & talent development	13,726	40,000	(40,000)	-	13,726	-	(13,726)	-	-
COVID related funding:									
ACE - CRF1	-	-	-	-	-	620,232	(229,914)	(80,000)	310,318
Garfield Weston Foundation	-	-	-	-	-	320,000	-	-	320,000
The Lindbury Trust	-	-	-	-	-	40,000	(40,000)	-	-
Capital Project Grants & donations	539,908	161,434	(56,310)	(118,073)	526,959	20,831	(48,350)	(191,107)	308,333
	553,634	236,434	(131,310)	(118,073)	540,685	1,008,563	(339,490)	(271,107)	938,651
Project funds									
Theatre	5,000	58,498	(63,498)	-	-	-	-	-	-
Learning & participation	61,935	67,165	(61,126)	-	67,974	117,454	(93,879)	(3,500)	88,049
	66,935	125,663	(124,624)	-	67,974	117,454	(93,879)	(3,500)	88,049
Capital grants expended									
Refurbishment 2013	15,998	-	-	(15,998)	-	-	-	-	-
Sub total restricted capital funds	15,998	-	-	(15,998)	-	-	-	-	-
Total restricted funds	636,567	362,097	(255,934)	(134,071)	608,659	1,126,017	(433,369)	(274,607)	1,026,700
Total Funds	1,651,009	2,644,884	(2,714,801)	-	1,581,092	2,597,086	(1,675,788)	-	2,502,390

OCTAGON THEATRE TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2021

16 STATEMENT OF FUNDS (continued)

	2019/20				b/f and c/f 31/03/2020 01/04/2020 £	2020/21			
	01/04/2019 £	Income £	Expenditure £	TTR & Transfers £		Income £	Expenditure £	TTR & Transfers £	31/03/2021 £
Theatre									
Donations	5,000	-	(5,000)	-	-	-	-	-	-
Bolton CVS - CAN project	-	18,498	(18,498)	-	-	-	-	-	-
University of Bolton	-	40,000	(40,000)	-	-	-	-	-	-
	5,000	58,498	(63,498)	-	-	-	-	-	-
Learning and participation									
Donations - Youth theatre	-	1,465	(1,465)	-	-	-	-	-	-
IGEN Trust	29,595	28,915	(24,481)	-	34,029	21,468	(11,556)	-	43,941
Oglesby	20,000	-	(10,000)	-	10,000	-	(10,000)	-	-
Bolton CVS - Ambition for Aging	5,516	-	(5,516)	-	-	-	-	-	-
Bolton CVS - Health and Wellbeing	4,170	7,570	(5,089)	-	6,651	-	-	-	6,651
D'Oyly Carte	-	3,500	-	-	3,500	-	-	(3,500)	-
The Co-operative Foundation	2,654	-	(2,654)	-	-	-	-	-	-
The Provisional Walsh Trust	-	2,500	(2,500)	-	-	-	-	-	-
The Peter Kershaw Trust	-	2,000	(2,000)	-	-	-	-	-	-
HM Government/National Lottery Community Fund - Building Stronger Communities	-	-	-	-	-	54,768	(54,768)	-	-
National Lottery Community Fund - ReAct	-	21,215	(7,421)	-	13,794	41,218	(17,555)	-	37,457
	61,935	67,165	(61,126)	-	67,974	117,454	(93,879)	(3,500)	88,049

Analysis of restricted project grants

OCTAGON THEATRE TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2021

16 STATEMENT OF FUNDS (continued)

Transfers 2020/21

A transfer to the designated fund for investment in fixed assets has been made equal to the additions in the year.

The programme fund was re-designated in the year to support costs in 21/22.

A transfer has been made designated to meet the ongoing costs of COVID recovery.

A transfer has been made from the general funds to the designated capital project fund to ensure that taken together with the restricted capital funds sufficient monies are available to meet the costs of the capital project.

	Reclassified	Rebuild Reserves	Investment in fixed assets	New Designations	Total
	£	£	£	£	£
General fund	3,500	80,000	(72,120)	(130,000)	(118,620)
Designated - invested in Fixed assets	-	-	263,227	-	263,227
Designated - capital project	-	-	-	-	-
Designated fund - Covid recovery	-	-	-	130,000	130,000
ACE CRF1	-	(80,000)	-	-	(80,000)
Learning and participation	(3,500)	-	-	-	(3,500)
Capital Project Grants & donations	-	-	(191,107)	-	(191,107)
	-	-	-	-	-

Transfers 2020/20

Transfers were made to reflect the surrender of the leasehold interest in the theatre for £500k, the investment in fixed assets and revenue support from capital funding for business interruption at a level designed to maintain free reserve at their March 2020 level.

	Disposal theatre lease	Investment in fixed assets	Revenue support	Total
	£	£	£	£
General fund	-	(10,561)	118,073	107,512
Designated - invested in Fixed assets	(27,017)	10,561	-	(16,456)
Designated - capital project	277,550	-	-	277,550
BMBC - feasibility	222,450	-	-	222,450
Capital Project Grants & donations	-	-	(118,073)	(118,073)
Refurbishment 2013	(472,983)	-	-	(472,983)
	-	-	-	-

Restricted funds

ACE CRF1	To meet the ongoing costs of the pandemic, both capital and revenue.
Garfield Weston Foundation	To meet the ongoing costs of the pandemic, both capital and revenue.
Capital grants & donations	Towards the costs of the refurbishment and equipping of the theatre
IGEN Trust	Towards the Academy project
Bolton CVS - Health and Wellbeing	Towards community health and wellbeing
National Lottery Community Fund - ReAct	Towards work with over 50s.

It is expected that all the above funds will be utilised in the 21/22.

OCTAGON THEATRE TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2021

17 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Company fund balances at March 31 2021

are represented by:-

	Unrestricted funds		Restricted	Total
	General	Designated	Funds	
	£	£	£	£
Fixed assets	-	288,073	-	288,073
Net current assets	565,061	622,556	1,026,700	2,214,317
	<u>565,061</u>	<u>910,629</u>	<u>1,026,700</u>	<u>2,502,390</u>

Company fund balances at March 31 2020

are represented by:-

	Unrestricted funds		Restricted	Total
	General	Designated	Funds	
	£	£	£	£
Fixed assets	-	52,915	-	52,915
Net current assets	443,925	475,593	608,659	1,528,177
Creditors due in more than one year	-	-	-	-
	<u>443,925</u>	<u>528,508</u>	<u>608,659</u>	<u>1,581,092</u>

Free Reserves:

	2021	2020
	£	£
Net current assets	<u>565,061</u>	<u>443,925</u>

18 CONSTITUTION

The Company is limited by guarantee and does not have a share capital. In the event of the Company being wound up the members are committed to contributing £1 each.

19 TAXATION

The company is a registered charity and is entitled to claim annual exemption from UK corporation tax under sections 466 to 477 of the Corporation Tax Act 2010.

20 CAPITAL COMMITMENTS

The company had no capital commitments at the year end (2020 - none).

OCTAGON THEATRE TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2021

21 RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASHFLOW FROM OPERATING ACTIVITIES

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Net income/(expenditure)	974,133	(43,423)	921,298	(69,917)
Add back depreciation	31,082	41,091	28,069	37,547
Add back impairment loss	-	-	-	-
Deduct interest income shown in investing activities	(2,001)	(7,910)	(2,001)	(7,910)
Deduct profit/add back losses on disposals of FA	16,488	8,351	-	8,351
Decrease/(increase) in stock	131	1,147	-	-
Decrease/(increase) in debtors	(187,592)	262,203	(122,473)	286,873
Increase/(decrease) in creditors	41,182	(2,060)	50,623	(2,700)
Net cash generated from/(used in) operating activities	873,423	259,399	875,516	252,244

22 MOVEMENT IN NET DEBT

Group	at 31/3/20	cashflows	New finance leases	other non cash	as 31/3/21
Cash and cash equivalents	£	£	£	£	£
Cash at bank and in hand	1,446,341	609,093	-	-	2,055,434
Debt					
Finance lease obligations	(3,104)	3,104	-	-	-
Cash and cash equivalents net of debt	<u>1,443,237</u>				<u>2,055,434</u>
Charity					
Cash and cash equivalents					
Cash at bank and in hand	1,434,008	611,186	-	-	2,045,194
Debt					
Finance lease obligations	(3,104)	3,104	-	-	-
Cash and cash equivalents net of debt	<u>1,430,904</u>				<u>2,045,194</u>

There were no: acquisitions or disposals of subsidiaries; foreign exchange movements; or market value changes in the period.

23 LEASE COMMITMENTS

a Operating leases

The charity and group had no commitments under non cancellable operating leases in either year. It continued to occupy the Wellsprings premises at a peppercorn (if required) but for storage rather than as offices. It continued to occupy the Market Place premises a peppercorn (if required) rent, but with the closure of the cafe and the suspension of other activities just for storage during the year until just before the year end. These were continued during the year because of the pandemic.

The benefit of these arrangements is reflected in the accounts as support in kind.

b Finance leases

The charity and group had the following future minimum commitments under finance leases:

Not later than one year	3,214	5,929	3,214	5,929
Later than one year and not later than five years	-	3,212	-	3,212
	3,214	9,141	3,214	9,141
Less interest charges	(110)	(852)	(110)	(852)
Per creditors notes	3,104	8,289	3,104	8,289

24 RELATED PARTY TRANSACTIONS

Details of the grant support from organisations who nominated directors and other organisations with which the charity works closely is shown in the statement of funds note.

Details of the trading between the charity and its subsidiaries is shown in the notes to the SoFA.

Unrestricted donations received from trustees amounted to £220 (2020 - £1,921). There are no other related party transactions that are required to be disclosed.

25 CONTINGENT LIABILITIES

Capital grants

In previous years the charity has received funding from Arts Council England (ACE) for the redevelopment of the theatre from ACE National Lottery funding and jointly from ACE and Bolton MBC for the improvement of the lighting and sound system. The assets created are subject to ACE normal terms and conditions and property assets cannot be disposed of at any time or equipment within ten years without ACE prior written consent, and any proceeds of sale may be repayable in proportion to the funding received.

These liabilities are not expected to crystallise and therefore the grant, relating to capital items, has been taken to a restricted reserve and related depreciation is being charged against the fund each year. However, as all the other restrictions have been met the grant has been released to unrestricted funds.