CUMBRIA THEATRE TRUST

England & Wales · Charity number 516673

Details

Other names	CUMBERLAND YOUTH THEATRE, NEW DIRECTIONS, THEATRE BY THE LAKE
Status	Registered
Legal form	Charitable company
Company number	01874868
Registered	1985-09-16
Register	View on the Charity Commission register

Contact

Address	Theatre By The Lake Lake Road Keswick CA12 5DJ
Phone	01768772282
Email	finance@theatrebythelake.com
Website	www.theatrebythelake.com

Activities

Objects: 3 THE COMPANY IS ESTABLISHED:I) TO PROMOTE AND ADVANCE THE ARTS AND IN PARTICULAR THE PERFORMING ARTS FOR THE BENEFIT OF THE PUBLIC.II) TO PROMOTE AND ADVANCE EDUCATION THROUGH THE DEVELOPMENT AND DELIVERY OF CREATIVE LEARNING PROGRAMMES FOR PEOPLE OF ALL AGES.

Activities: Provision of a year-round theatre and performing arts resource for the communities of, and visitors to, Cumbria.Activities include productions and performances created in-house and by others for public consumption, programmes of participatory activity and workshop activity focussed on professional artistic development.

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Classification

- **How:** Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services, Other Charitable Activities
- **What:** Education/training, Arts/culture/heritage/science
- **Who:** Children/young People, The General Public/mankind

Geography

- **Area of benefit:** NOT DEFINED - IN PRACTICE CUMBRIA
- Cumbria

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£3,972,704	£3,727,590	£5,464,594	29
2024-03-31	£2,986,940	£2,920,209	£5,220,055	29
2023-03-31	£2,745,344	£3,041,268	£5,153,324	29
2022-03-31	£1,678,219	£1,830,406	£5,449,248	22
2021-03-31	£309,403	£1,478,590	£5,601,435	33

Trustees

Name	Role	Appointed
Catherine Anna McLaughlin-Flynn		2018-03-24
Charles William Hugh Carter		2018-03-24
Elizabeth Charlotte Freestone		2021-04-06
Fiona Claire Lowry		2021-04-06
Janaki Fryer-Spedding		2018-03-24
Philip James Moorhouse		2021-04-06
Stephen Freeman		2019-06-22

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CUMBRIA THEATRE TRUST

England & Wales - Charity number 516673

Accounts

Charity Registration No. 516673

Company Registration No. 1874868 (England and Wales)

CUMBRIA THEATRE TRUST

TRADING AS THEATRE BY THE LAKE

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

CUMBRIA THEATRE TRUST
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FOR THE YEAR ENDED 31 MARCH 2025

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CUMBRIA THEATRE TRUST
TRADING AS THEATRE BY THE LAKE
Company Information

PRESIDENT	Dame Judi Dench
FOUNDING PRESIDENTS	Graham Lamont Vicky Robinson MBE
VICE PRESIDENTS	Nigel Illman
PATRONS	Lord Bragg of Wigton Sir Tony Cunningham Hunter Davies OBE Dame Patricia Routledge OBE Eric Robson OBE Richard Wilson OBE
DIRECTORS AND TRUSTEES	Charles Carter * Kate McLaughlin-Flynn * Steve Freeman ** Elizabeth Freestone ** Janaki Fryer-Spedding * ** Fiona Lowry * (resigned 19 June 2025) Philip Moorhouse * (resigned 7 December 2024) Jenna Omeltschenko (resigned 27 August 2024 & appointed 22 March 2025) ** Melina Barnett (appointed 22 March 2025) ** Martin Leitch (appointed 25 January 2025) * Neil MacDonald OBE (appointed 25 January 2025) * Karen Seward (appointed 25 January 2025) ** Thomas Speight (appointed 25 January 2025) ** Marie Whitehead (appointed 25 January 2025) ** * Member of Finance Committee ** Member of Artistic Committee
SECRETARY	Amanda Leader
JOINT CEO	Simon Stephens (Executive Director) Liz Stevenson (Artistic Director)
EXECUTIVE DIRECTOR	Simon Stephens
ARTISTIC DIRECTOR	Liz Stevenson
KEY MANAGEMENT PERSONNEL	Amanda Leader – Head of Finance & Operations Amy Clewes – Head of Producing & Programming Shelly Ramsdale – Head of Marketing & Communications (resigned 17th January 2025) Sam Meegan – Head of Development (appointed 9th December 2024)
REGISTERED OFFICE	Theatre by the Lake Lakeside Keswick, Cumbria CA12 5DJ
AUDITORS	Azets Audit Services Fleet House New Road Lancaster LA1 1EZ

CUMBRIA THEATRE TRUST
TRADING AS THEATRE BY THE LAKE
Company Information

MAIN BANKERS	Handelsbanken 1 Merchant's Drive Parkhouse Road Carlisle, Cumbria CA3 0JW
COMPANY NUMBER	1874868
CHARITY NUMBER	516673
TELEPHONE	017687 72282
WEBSITE	www.theatrebythelake.com

CUMBRIA THEATRE TRUST
TRADING AS THEATRE BY THE LAKE
ANNUAL REPORT – CHAIR'S REPORT

For the year ended 31 March 2025

In 2024/25 we celebrated our 25th anniversary, using this opportunity to deepen engagement with our audiences, connect with our communities and raise the profile of our work.

The theatre opened its doors in 1999 and over the last quarter century has built a strong reputation in our local community and more widely. But we are eager to do more. We want more people to know about and enjoy what we do, and that means continuing to produce excellent work in Keswick that we can tour more widely across Cumbria and beyond.

We've marked our anniversary in multiple ways that celebrate the past and look to the future:

- **We Are 25** comprised of two exhibitions running in our main building throughout the year. The first celebrated our productions over the last 25 years with a memory-prompting display of pictures, photos and props. The second was a stunning photo exhibition of 25 portraits of people who have been involved with the theatre over the last 25 years alongside artists, volunteers, young people and associates who represent the diverse aspects of our impact. Choosing a representative list of only 25 from the huge number of people who have contributed to our success was challenging, but we had a fantastic exhibition representing past, present and future.
- We've established **Company 25**, an ambitious cohort of 27 young people aged 14-18 who are developing a broad range of theatre-making and life skills with us across four terms. The scheme is integrated with our professional programme and will culminate in a public sharing of their work in 2025.
- We established **Community 25** as a wide-ranging group of 25 people from across Cumbria, working with us in an advisory capacity to ensure representation of diverse local voices and perspectives in our decision-making.
- Furthering our commitment to developing local talent, we staged the inaugural edition of **CumbriaFest,** a festival of new works and development opportunities by and for local artists from our Cumbrian Creatives network.

Lastly, in September we hosted a celebratory birthday party for many long-standing supporters and many others who have worked with us over the years.

Of course, the major focus of the year has been the work that we produce.

We have continued to present a wide variety of work to appeal to different sectors of our audience, and to attract new people to what we do. Over the course of the year, we welcomed 80,104 audience members to the theatre, a 12.5% increase on 2023/24. We continued to grow our local audience base, with over 2,000 Cumbrians booking with us for the first time.

We have continued to enhance our artistic quality with shows receiving strong reviews from audiences and critics alike. We repeated our presentation of a family-friendly production at Easter with the musical show **Little Shop of Horrors**; we have produced few musicals in the past, not least because of their higher costs, and the co-production model enabled us to do this with great success. **Northanger Abbey** provided balance in the programme and tested appetite for a classic literary title.

Brassed Off, directed by Liz Stevenson, was a hugely successful production (5* The Stage). It was a show that had a rare balance of humour, entertainment, relevance and depth. We're grateful to

Penrith Town Band, whose performances in the show affirmed our links into the local community. Brassed Off was a commercial success, at TBTL and co-producing venues, as was **The Hound of the Baskervilles,** which succeeded in its aim of being a fun family night out for local and visitor audiences alike.

Romeo and Juliet, a collaboration with Graeae and Shakespeare North Playhouse, featured a cast of Deaf, disabled and neurodivergent actors and integrated BSL, captioning and audio description. The production was warmly received by those who saw it, but ticket sales were modest. However, we were proud to bring this innovative production to Cumbria, and the experience has helped to inform and shape our inclusive practice. Beyond Romeo and Juliet, we continued our commitment to making our theatre more accessible, staging a further 20 access performances across the programme.

One show, though, deserves a special focus. **Steel** is a new commission that has been three years in development and demonstrates how we can achieve our aim of producing nationally relevant theatre rooted in our place. Set in Workington and written by West Cumbrian playwright, Lee Mattinson, the play explores themes of industrial decline and identity. From its inception, Steel was developed in consultation with local communities ensuring an authentic connection with place. This extended to the formation of the Steel Community Choir in Workington, who co-created an original song to feature in the production and sang live at 3 performances.

Travelling to community venues across Cumbria and culminating at Carnegie in Workington, the production marked the further development of our community touring model and served to underline the importance of taking work with a profound sense of place into the heart of local communities. The extraordinary impact of Steel has been clear to see, not only in its progression to a national tour in 2025, but in captivating audiences at community venues across Cumbria.

The Jungle Book was well received by our family audiences at Christmas and was enjoyed by 74 schools over the course of the run.

Deepening our educational relationships, we launched our inaugural schools partnership scheme with 6 Cumbrian schools. We also partnered with the Centre for Leadership and Performance to deliver 450 hours of work experience for 15 young people.

Our building continues to be a hub for local people to come together and be creative. Throughout the year we provided 433 hours of in-kind support for local artists and staged 28 performances by 11 community groups, including Keswick Amateur Operatic Society, Cumbria Young Farmers, Keswick Theatre Club and Keswick Rotary Club.

We want to do more locally inspired work, but it takes considerable time to find, commission and develop (Steel's three years is by no means out of the ordinary). The costs are also substantial. We could not do it without dedicated financial support that extends beyond our usual budgets. As I noted in last year's report, our long-term financial challenges remain significant. We continue to maximise ticket yield where we can, while committing to accessible price bands and concessions. We had two financially successful shows this year, the likes of which cannot be guaranteed in the long-term.

CUMBRIA THEATRE TRUST
TRADING AS THEATRE BY THE LAKE
ANNUAL REPORT – CHAIR'S REPORT

For the year ended 31 March 2025

Arts Council England are a core funder and we continue to be a proud member of their National Portfolio. We are very grateful to ACE for their continued endorsement. This funding continues to be crucial for us, although it represents a declining proportion of our income as the amount awarded has remained largely unchanged for over 10 years. The financial challenge of achieving the ticket sales we need while navigating rising costs and a real-terms reduction in subsidy remains a problem common to many regional theatres across the country.

We continue to be immensely grateful to those who support us, both through buying tickets and through donations. The organisations and major donors who support us are set out in the Directors' report. Fundraising is a vital part of our financial model and the donations from our supporters are vital to us. I would like particularly to thank the Askew family. The late Jim Askew, a long-time associate and steadfast supporter of TBTL, left an immensely generous legacy to the Theatre, without which we would not have been able to produce **Steel** and progress our strategy to develop our place-based vision and community touring model.

Lastly, I must thank all our volunteers, our staff and my fellow Trustees. Our 150 volunteers continue to be mainstays of the theatre and always provide a warm welcome to our visitors, donating over 7000 hours of their time in 2024/25. Our staff team work incredibly hard to deliver delight to our audiences, and are ably led by Simon Stephens, our Executive Director, and Liz Stevenson, our Artistic Director. I give huge thanks to them all, as I do to my fellow Trustees for all their help.

It has been a celebratory and successful year. We look forward with optimism to this year and beyond.

Charles Carter
Chair of Trustees

CUMBRIA THEATRE TRUST
TRADING AS THEATRE BY THE LAKE
TRUSTEES' AND DIRECTORS' ANNUAL REPORT

For the year ended 31 March 2025

The Trustees present their report and the audited financial statements of the charity for the year ended 31 March 2025. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" in preparing the annual report and financial statements of the charity.

TRUSTEES OF THE CHARITY

The directors of the charitable company are its Trustees for the purposes of charity law. The Trustees who have served during the year and since the year end are detailed on page 1.

OBJECTIVES AND ACTIVITIES

CHARITABLE OBJECTIVES

The charitable objectives of Cumbria Theatre Trust (CTT) are to:

- promote and advance the arts and in particular the performing arts for the benefit of the public; and
- promote and advance education through the development and delivery of creative learning programmes for people of all ages.

OUR STRATEGY

The theatre has had great success since its opening in 1999, but nevertheless we want to develop and evolve to be sure that we continue to present excellent work for our longstanding regular supporters, as well as attracting and developing new audiences.

Over the last few years we have developed a new approach to our work with a refined vision and mission to meet this need. This provides a framework that we continue to develop and which we use to guide our annual and longer-term planning.

OUR VISION AND MISSION

Our approach (or business model), while still developing, remains true to our charitable objectives summarised above. It also responds to our location and environment by moving us strongly to a place-based model that is more relevant and accessible to our local communities. Our vision and mission summarises this:

VISION

Theatre enriches the lives of everyone in Cumbria, and theatre made in Cumbria is celebrated on the national stage.

MISSION

In our venue and out across Cumbria, we make and share great theatre that tells stories, builds communities & celebrates our place.

BRAND ESSENCE

Theatre made with passion in an extraordinary place.

OUR RELEVANCE TO ARTS AND CULTURE IN CUMBRIA

Our direction acknowledges our current position and the arts in Cumbria. As a regional arts and education charity based in Keswick, Cumbria, CTT owns Theatre by the Lake (TBTL), and is the only midscale producing theatre between Glasgow, Newcastle & Lancaster. We serve communities across the vast county of Cumbria and visitors to the Lake District.

TBTL is an essential creative hub in an area of comparatively limited cultural provision. We operate in England's second largest and second least populated county with 70% of settlements comprising under 200 people. As a producing theatre, the work we create, commission and share is critical to levelling up access to high quality arts for rural and isolated communities, particularly children and young people, and developing local talent.

We use strategic, creative partnerships to increase our impact and reach. We partner with small to large-scale producers, creating work for diverse audiences from across Cumbria and the UK, in Keswick and on rural and national tours.

OUR PLANS

We develop our annual and long-term plans in line with our vision and mission while acknowledging our importance to the arts in Cumbria. Our objectives for the next year are summarised later in this Trustees' report.

Our plans include activities where the results are uncertain, so we use trial and experiment to develop our approach and manage our risk. We have been testing, and continue to test, different aspects of what we do. These include, for example, more extensive use of a co-production model with other producing theatres to provide increased availability of shows we could not afford to make on our own; trialing different types of visiting work that progress our overall strategic intent while attracting a wide range of customers; developing our work with young people and, perhaps most exciting given our rural heritage, starting to develop a touring model where work developed in Keswick is taken to communities in Cumbria and further afield.

We accept that elements of our approach are uncertain, not least because of continuing concerns about our financial health given the impact on our costs during a period of high inflation, and challenges for our audiences given the consequential impact of the cost of living.

The changes needed to transition from our historical model to our new approach were embedded in our application to remain part of the Arts Council England (ACE) National Portfolio for 2023-2026. ACE strongly endorse our approach and approved our application to remain a National Portfolio Organisation (NPO) within the new portfolio that is funded from the start of this financial year. The funding which ACE provides is a core element of our finances for the NPO period.

A new Government in 2024 and associated scrutiny of arts funding, has led ACE to change their approach to the National Portfolio beyond 2026. We have applied for a one year extension through to 2027 but the situation beyond that remains unclear.

PUBLIC BENEFIT STATEMENT

The Trustees are aware of the Charity Commission guidance on public benefit and have taken this into account when making a decision to which the guidance is relevant.

ACHIEVEMENTS AND PERFORMANCE

IN HOUSE PRODUCTIONS

As Cumbria's producing theatre, our principal achievements over the reporting year have been based around delivering a wide range of home-produced and co-produced shows on our stages, many of which incorporated wrap-around activity for our community. Our in-house productions were:

- **Little Shop of Horrors** (a co-production with Bolton Octagon, New Wolsey Ipswich and Hull Truck), was a fun, accessible, popular musical that took advantage of the Easter holiday opportunity. This show built on our experience last year with **Around the World in 80** Days that had proved the attraction of a 'family-friendly' show at Easter. It gave us the opportunity to test the appeal of a well-known musical. We were confident it would have popular appeal based on our learning from recent years, even though we have produced only a handful musicals to date. LSOH was a strong production, well-received by audiences, that delivered against its aims.

- **Northanger Abbey** (co-produced with The Orange Tree, Bolton Octagon and Stephen Joseph Theatre) presented the opportunity to co-produce with a London partner, provide balance in the programme, test appetite for a classic literary title, and present work by a great female playwright, for minimal financial risk. This was a less successful production for us and, while our full evaluation mechanisms were not in place at the time, we learned valuable lessons about this style of production.

- **Brassed Off** (a co-production, led by TBTL, with Bolton Octagon and Stephen Joseph Theatre). Directed by Liz Stevenson, this was a hugely successful production that was well-received by audiences and critics (5* in *The Stage* and 4* in *The Guardian*). People with experiences of the mining industry felt deeply moved by the production, and many who knew and loved the film said they enjoyed the live theatre experience. It had a rare balance of humour, entertainment, relevance and depth. The show incorporated Penrith Town Band, which exacerbated the huge logistical challenge for everyone involved to deliver it successfully, a challenge which our team met fantastically well.

- **The Hound of the Baskervilles** (a solo production by TBTL) was intended as a intended to be a fun night out for all the family: a fast, high-energy comedy delivered by a highly skilled

team. It was well received, although with more mixed reactions than received by Brassed Off, probably a function of taste. It delivered strong ticket sales.

- **Romeo and Juliet** (in association with Graeae and Shakespeare North Playhouse) was generally well received by those who saw it, but had disappointing sales. Of note, the response from attending schools was overwhelmingly positive. It has caused us to look further at the role of Shakespeare and the traditional theatre canon in our programme and was formative with regard to developing our inclusive practice.

- **Steel** (a world premiere and a sole TBTL production) This play has been part of our thinking since pre-Covid, and has been three years in development. This show was a clear demonstration of how we can achieve our aims successfully. It was artistically strong; it has a strong sense of place (being based on the West Coast of Cumbria); it used local creative talent (a local writer and one of the principle actors); and it engaged the community, in particular the 'Steel Choir' who wrote and performed the show's key song. After opening in the TBTL Studio, it toured local smaller venues, culminating in two nights at the Carnegie in Workington. Sharing our work across Cumbria via community touring remains a key strategic objective for the organization.

  The effort required to create and mount this sort of show like this is substantial and financially we are not able to undertake such work like this without extensive additional funding. This is acknowledged elsewhere in this report.

- **The Jungle Book** This was a Christmas show that brought skill, a sense of adventure, and humour and energy to the stage. It was a show that was less thought-provoking than some more recent Christmas shows, but that did not prevent it being widely enjoyed and praised. We continue to welcome many school parties to our Christmas shows, often in designated performances, and we think it is vital to work to continue this in times of limited artistic provision, an aim supported by audience members in the associated fundraising campaign.

The artistic quality has continued to be high for all these productions in terms of press coverage, peer review and audience reaction. Our new audience evaluation tool explores how each show meets the aims that set for it, and gathers both positive and more critical reactions that we can use to inform future programming and production decisions.

CumbriaFest

In October, we launched our inaugural local artist festival **CumbriaFest,** which aimed to shine a light on our progress in artist development as part of our 25th anniversary year.

The current climate for artists is extremely challenging and we know that these challenges are exacerbated by our remote location and lack of provision in Cumbria. As a result, developing local talent is one of our key artistic aims.

We engaged with artists we have from our Cumbrian Creatives network, who have often appeared at one of our Open Space scratch nights, checking in on progress with various different pieces of

work in development. From this, we curated a festival of workshops, one-nighters and short performance runs. This involved:

- **Steel** – as described above, as a flagship TBTL production showcasing Cumbrian talent and a Cumbrian story
- **Dreamtime Fellrunner** by Julie Carter - Julie's first play started at Open Space and was supported by TBTL. It also toured theatres and village halls across the north.
- **Shanty for an Atomic Town** by Obscura Theatre – which originated in Open Space 2021 which we organized during lockdown
- **Nancy's Orange** by Grace Kirkby – participant in Open Space 2022 and currently one of the mentored writers on Tour the Writer programme with Paines Plough (described further below)
- **The Butterfly Collector** by Peter Macqueen – Peter's latest play, having developed work at TBTL over last 20 years and which continue to tour to this day
- **Open Space** – the second scratch night for local artists in 2024. We have now committed to two Open Space nights a year
- **Foresttelling** – creative storytelling workshops that took place outdoors in nature surrounding the theatre, led by Melina Barnett, who started her journey with us as the Community Engagement Associate on Jacaranda (2022), became an Associate Artist, was the Associate Director on A Little Princess (2023).
- **Introduction to playwriting for semi-autobiographical work** with Lekhani Chirwa– Lekhani performed her first play Can I Touch Your Hair? as part of Trailer Story with ETT on Crow Park in 2021, and later in our studio in 2022. She is currently one of our mentored writers on Tour the Writer
- **Making Theatre: The Moonlighters Collective** – Physical theatre and movement workshop led by two Cumbrian artists who we have followed and supported over the last few years
- **Big Fish** – A comedy show by Cumbrian performer Steph Bradshaw

VISTING PROGRAMME

As well as the work in which we had a producing role, either solely or jointly, we also presented a wide range of visiting work on our stages. We are endeavouring to curate our programme of visiting work to enable us to test what is attractive to existing and new audiences, although we are in part dependent on shows that are available (which continue to be limited as the theatre and arts world recovers from Covid). Our visiting programme included:

- For children and families:
    - **Tinsel** (Wrongsemble)
    - **A Big Egg** (People's Theatre Company)

- Film, literature, music and comedy:
    - **The Pitmen Poets**
    - **Herman's Hermits**
    - **Dom Joly**

  We were also delighted to welcome back ***Words by the Water*** in March 2025.

- Theatre:
  - **Spitfire Girls** (Tilted Wig & MAST Mayflower Studios)

- Community productions supported by TBTL
  - **The Sound of Music** (Keswick Amateur Operatic Society – KAOS)
  - **It's a Wonderful Life** (Keswick Theatre Club)
  - **The Jive Aces** (an evening for Rotary Club of Keswick)
  - **Bye Bye Baby** (in support of Keswick Cricket Club)
  - **Committed2Rock** (Community choir)

As last year, financially, we are not yet achieving the financial resilience that we need from the work on our stages. Although we had two shows that out-achieved target by a considerable margin we have found that, in common with all regional theatres, audiences have been slow to return to post-Covid levels. They are also booking later with a consequential adverse effect on cashflow.

Community Activities and Talent Development

Alongside our work on stage, we continue to rebuild our work with local communities, including:

- Supporting local companies (Keswick Amateur Opera Society, Keswick Theatre Club, Cumbria Young Farmers) with presenting work on our stages, much of which is summarised above.

- Providing professional support and connections though our artist network, Cumbrian Creatives. This includes our annual scratch nights on our stages, Open Space, where local performers are invited to perform and are supported to develop their work further.

- Continuing our partnership with Paines Plough to deliver the 'Tour the Writer' development programme for local writers.

- Continuing to improve communication with all schools to increase engagement outside of Christmas and increase Christmas bookings (74 schools booked for The Jungle Book compared to 64 for A Little Princess)

- Maintaining our secondary schools partnership scheme (currently 7 schools engaged) and now focusing on developing relationships with SEN schools

- Continuing to build relationships with access groups, building on the success of our new relationship with Cumbria Deaf Association, with a focus now on developing visually impaired audiences

- Continuing partnership with The Centre for Leadership Performance to deliver work experience

- Continuing summer masterclasses for 3 weeks over the summer holidays. These will again be supported by the HAF scheme, balancing a more commercial offer with the desire to make our work accessible to those who face barriers

Our 25th Anniversary

Lastly, we have celebrated our 25th anniversary over course of the year with a number of "25" related activities:

- We have formed **Company 25**, a group of young theatre-makers, and are supporting them to co-create a production
- We have formed **Community 25**, a group of 25 local people that can provide consultation and stronger links for us in to a wide range of communities

- We have had two long-running exhibitions, **We Are 25** that comprise:
    - A stunning photo exhibition of portraits taken by Amy Bateman, a renowned local photographer, that highlights examples of people who have created and supported the theatre over the last 25 years alongside people who have worked with us more recently who represent where we are heading in the future.
    - An exhibition of photos, costumes and props from productions since the theatre opened in 1999.

- We also had a celebratory birthday party in the Summer, to which we invited many who have been involved in and supported the theatre, that include a performance from the **Steel** community choir.

FINANCIAL REVIEW

OVERALL

For the financial year ended 31 March 2025, the Group realised a surplus on unrestricted funds after transfers of £392,729. The statement of financial activities (SOFA), balance sheet, cash flow statement and notes are set out from page 25 onwards.

FINANCIAL SUPPORT

ARTS COUNCIL ENGLAND

After ticket sales, the most substantial part (20%) of CTT's funding comes from Arts Council England (ACE). Cumbria Theatre Trust has been a member of the ACE National Portfolio Organisation (NPO) funding programme for many years. This funding is awarded for multi-year tranches of which the most recent was a three-year award (2023/24-2025/26). We have been successful in our application for the extension year 2026/27). We are immensely grateful to ACE for this continued support.

In common with many organisations, CTT has received ACE funding at a similar level for many years which in real terms, this represents a decline in ACE funding.

LOCAL AUTHORITY AND GRANT MAKERS

We have received significant support from local Councils and grant-makers, much of which is focused on meeting specific needs:

- **UK Shared Prosperity Funding** Cumberland Council and Copeland Community Foundation have generously provided two tranches of transformative capital investment in essential technical upgrades and accessibility infrastructure

- **Cumberland Council** provided a Holiday Activity and Food Programme 2024 grant to subsidise the visits of local families in hardship to **The Jungle Book.** The Council also continued to support CTT through the award of a funding grant for National Portfolio Organisations in Cumbria

- **Hadfield Trust** generously provided a grant supporting 25th anniversary activity

- Keswick Town Council continues to support as well.

INDIVIDUALS

Alongside these generous grants, we recognize that we could not survive without extensive support from individuals.

This year we are particularly grateful to:

- The Estate of Jim Askew, and also to his wife Audrey. Jim was a long-time supporter of the theatre, as was Audrey, who continues to support us from her home in Northumberland. Jim left an immensely generous legacy, which, among other things has enabled us to produce **Steel** and progress our strategy to develop rural touring.

- Sue and David Thomas, long -standing supporters, who also contributed substantially to **Steel**

- Chris Wadsworth, who incredibly generously mounted an exhibition of Percy Kelly paintings and drawings at the theatre, making a significant donation to us from the proceeds. We were also delighted that Chris entertained us with a lecture and unseen footage about Percy.

Alongside this, we are also grateful to the many individuals who support us through donations, including to the Play a Part anniversary campaign, as well as other direct donations, additions to ticket sales, and becoming a member.

TRADING

CTT operates a subsidiary company, TBTL Services Ltd (TBTLS) for trading activities which might fall outside its charitable objectives, including bars and catering, ice creams, merchandise and programmes. The provision of bars and catering services has been outsourced since the opening of the Lakeside café six years ago. In 2022/23 TBTLS reviewed closely the operation of these services and considered a number of options, including bringing all these services in house. It was decided that the services should be re-tendered and after an extensive process supported by an experienced consultant, the contract was re-awarded to BaxterStorey for a five year period from the beginning of

2023/24. The contract for these services was signed in May 2023. TBTLS donates its profits to CTT through Gift Aid.

CTT's financial statements for the year ended 31 March 2025 are consolidated with the profit and loss account of TBTL Services Limited. TBTL Services Limited made a net profit of £117,012, which was donated to the Charity (see also note 27).

Reserves Policy

The Trustees have reviewed closely the level of reserves, taking into account the risks that the Trust faces (including, for example, the slow return of audiences, the prevailing economic situation, and the need to cope with unforeseen emergencies) while recognising the need to invest for the future (including, for example, the need to reach new audiences).

After the review, the Trustees have concluded that in the coming year a minimum level of undesignated free reserves of £500,000 would be satisfactory. Nevertheless, senior management and the Trustees continue to monitor the position regularly alongside the monitoring of risk and will take any necessary steps to maintain a satisfactory financial position. The Trustees review the reserves position formally at the end of the financial year in the light of prevailing conditions and experience.

The unrestricted reserves of the Trust are £2,701,619. The Trust also has restricted reserves of £2,762,975 not available for the general purposes of the charity at the end of the year. Reserves are further analaysed in notes 18 and 19.

Undesignated free reserves of the Trust were £636,303 at the year end (2024: £489,863).

At 31 March 2025 cash reserves stood at £1,377,320, including cash representing restricted fund balances (£14,000) and deferred income and third party resources (£306,296).

Financial Risk Management

The Finance Committee considers the financial risks to which CTT may be exposed, assesses their potential impact on the organisation and identifies strategies to mitigate their effect, should those risks materialise.

Cumbria Theatre Trust's risk management strategy comprises:

- regular review of the principal risks and uncertainties faced by the group;
- the establishment of policies, systems and procedures to mitigate those risks;
- the implementation of procedures to minimise or manage any potential impact on the organisation, should those risks materialise.

The charity's most significant risk would be the loss of Arts Council England funding or change of its conditions. If these risks were to materialise, it would adversely affect the charity's ability to operate. Provided Arts Council England continue with the current arrangements, and given reserves balance held, Trustees are confident that the charity can be sustained in its current form.

PLANS FOR FUTURE PERIODS

Our plan for 2025/26 has been agreed by the Board and by ACE as our principal funder. It sets out the activities that we propose to undertake, and our adherence to a set of investment principles set out by ACE. These investment principles are intended to ensure we develop work of sufficient ambition and quality, that we are inclusive and relevant throughout our organisation, that we are dynamic and respond quickly to changes in our circumstances, and that we are environmentally responsible.

Overall, the plan is intended to move us further towards meeting our vision and mission as set out earlier. Our plan includes:

- Staging a minimum of 5 home produced or co-produced shows.
- Continuing to develop a show based on Cumbria and farming themes, although this will not be staged before later in 2026.
- Staging multi-arts events, including Cumbriafest 2025. We expect this to be different to 2024, as it will respond to the prevailing interests/direction of local artists.
- Continuing to facilitate community shows on our stages
- A programme of theatre for children, young people and families
- Working with young people and emerging talent, and building closer links to local schools
- Developing Community 25, our wider group to work with the community.
- Diversifying and developing revenue streams to increase financial resilience

STRUCTURE, GOVERNANCE AND MANAGEMENT

GOVERNING DOCUMENTS

CTT is a company limited by guarantee, governed by its Memorandum and Articles of Association dated 4 December 1984 with subsequent minor updates in 2007 and 2018. It is registered with the Charity Commission.

CTT established a wholly owned trading subsidiary company for the benefit of the charity, TBTL Services Limited, a private company limited by shares, governed by its Memorandum and Articles of Association dated 22 June 2009.

CUMBRIA THEATRE TRUST
TRADING AS THEATRE BY THE LAKE
TRUSTEES' AND DIRECTORS' ANNUAL REPORT

For the year ended 31 March 2025

ORGANISATION

The governing body of CTT is the Board of Trustees whose members are non-executive and unpaid. The Board meets at least four times a year and retains full and effective control over the Company. The board delegates the management and artistic operation of the company to the Executive Director and Artistic Director who are joint Chief Executives. They attend meetings of the Board, together with other senior staff, as appropriate. All staff who attend board meetings do so as non-voting participants.

The Board of Trustees takes responsibility for appointing the Executive Director and Artistic Director and will determine the contract of employment and monitor the performance of individuals undertaking these roles. The responsibility for the appointment of other staff would normally be delegated to the Executive Director and Artistic Director.

Keswick Town Council are entitled to nominate one member to the Board. Cumberland Council (formally Allerdale Borough Council) is also entitled to nominate one member to the Board. Neither organisation has nominated such a member for the last 4 years.

Trustee Appointment

The Articles of Association specify that the number of members of the board is not less than five and not more than fifteen, including Trustees nominated by external bodies currently designated in the board rules.

Elected directors would normally retire at the end of their term of office (up to 4 years) but may seek re-election for a second term, except the Chair who may serve a third term.

The Board of Trustees regularly reviews its needs in terms of skills and recruits new Trustees in areas where it is considered necessary or helpful. Trustees are usually recruited through open advertisement, with selection being made by existing Trustees against pre-agreed criteria. New Trustees are provided with extensive background material and are encouraged to gain a thorough knowledge of the organisation by meeting members of staff and other Trustees. Trustee training is organised in relevant areas as needed.

Volunteers

Recruitment, induction and training of volunteers represents a vital element of CTT's staffing strategy, with approximately 150 dedicated front of house staff 'on the books'. The audience experience is hugely supported by our volunteers, who offer a unique welcome to theatre customers.

FUNDS AND FUNDRAISING

CTT generates income from its activities: ticket sales, ancillary trading, contracts for services, grants for specific projects, fundraising. The balance of regular income is made up of grants.

Our annual core funding from Arts Council England (ACE) supports the full range of artistic activity. The Trust is immensely grateful for this funding.

We are also grateful to Cumberland Council for their support of the Trust through their award of a funding grant for National Portfolio Organisations in Cumbria, and Keswick Town Council for their continued project-based funding.

The Trustees place great importance on relationships with donors and supporters and are committed to ensuring best practice through ethical, sustainable fundraising. The charity is not currently registered with a regulatory body but follows the principles of the Fundraising Regulator's voluntary regulation scheme. We used the support of Tarnside, a consultancy firm, to establish research in future fundraising activities, and contracted Freckle Fundraising to develop our strategy

ETHICAL FUNDRAISING POLICY

CTT are committed to upholding the highest ethical standards as set forth by the Chartered Institute of Fundraising (CIoF) Code of Fundraising Practice (the Code). Ethical fundraising builds trust with donors, strengthens reputation, and enables work to have a deeper impact.

CORE VALUES guiding fundraising activities:
Transparency - open about fundraising practices, finances, and how donations are used.
Accountability - accountable to donors, beneficiaries, and the public for the funds raised.
Respect - treat all donors with respect, regardless of the size of their donation.
Integrity - uphold the highest ethical standards in all fundraising activities.

FUNDRAISING PRACTICES to be followed:

- **Compliance with the Law:** all relevant laws and regulations governing fundraising in the UK.
- **Donor Consent:** only raise funds with the informed consent of donors.
- **Truthful Communication:** communicate with donors in a truthful and accurate manner. All fundraising materials will be clear, concise, and avoid misleading statements.
- **Privacy:** respect the privacy of donors and adhere to all data protection regulations.
- **Vulnerable Donors:** special care not to exploit vulnerable individuals and mindful of the potential for undue pressure.
- **Fundraising Costs:** transparent about the costs associated with fundraising and strive to ensure that a high percentage of donations go directly towards our mission.
- **Due Diligence:** conduct reasonable due diligence on potential donors, particularly for large donations, to ensure the funds are compatible with our mission and values.
- **Gifts-in-Kind:** clear policies regarding the acceptance of gifts-in-kind
- **Legacy Giving:** provide accurate and unbiased information about legacy giving options and will not pressure individuals to leave a bequest.
- **Fundraising Activities:** ensure all fundraising activities are conducted in a professional and respectful manner.

- **Complaints:** clear and accessible complaints procedure for addressing concerns raised by donors

DISCLOSURE OF INFORMATION TO THE 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.

In approving the Trustees' Annual Report, we also approve the Strategic Report included therein, in our capacity as company directors.

On behalf of the board

CH Carter

Charles Carter, Trustee

Date 4 October 2025

CUMBRIA THEATRE TRUST
TRADING AS THEATRE BY THE LAKE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

For the year ended 31 March 2025

The trustees, who are also the directors of Cumbria Theatre Trust for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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

- select suitable accounting policies and then apply them consistently;

- observe the methods and principles in the Charities SORP;

- make judgements and estimates that are reasonable and prudent; and

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity 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 charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CUMBRIA THEATRE TRUST
TRADING AS THEATRE BY THE LAKE
INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF CUMBRIA THEATRE TRUST

Opinion
We have audited the financial statements of Cumbria Theatre Trust (the 'charity') for the year ended 31 March 2025 which comprise the statement of financial activities, the balance sheet, the 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 charitable company's affairs as at 31 March 2025 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity 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 charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of our audit:
- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees' 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 charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; 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 trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees
As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 charity'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 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
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.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

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 of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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. Our audit work has been undertaken so that we might state to the charitable company's members 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, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services

Susanna Cassey (Senior Statutory Auditor)
for and on behalf of Azets Audit Services

10 October '25

Chartered Accountants
Statutory Auditor

Fleet House
New Road
Lancaster
United Kingdom
LA1 1EZ

CUMBRIA THEATRE TRUST
TRADING AS THEATRE BY THE LAKE
STATEMENT OF FINANCIAL ACTIVITIES
(incorporating Income & Expenditure Account)

For the year ended 31 March 2025

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2025 £	Total 2024 £
INCOME					
Donations	2	1,153,725	147,376	**1,301,101**	913,044
Charitable activities	3	2,107,309	-	**2,107,309**	1,580,750
Other trading activities	4	255,861	-	**255,861**	313,233
Investment income	5	26,302	-	**26,302**	12,727
Other income		282,131	-	**282,131**	167,186
TOTAL INCOME		**3,825,328**	**147,376**	**3,972,704**	**2,986,940**
EXPENDITURE					
Costs of generating funds	6	83,595	-	**83,595**	74,306
Costs of charitable activities	7	3,348,429	295,566	**3,643,995**	2,845,903
TOTAL		**3,432,024**	**295,566**	**3,727,590**	**2,920,209**
Net (expenditure) / income before transfers / taxation		393,304	(148,190)	**245,114**	66,731
Transfers	19	-	-	**-**	-
Tax on profit	22	(575)	-	**(575)**	-
Net movement in funds (net income after taxation)		392,729	(148,190)	**244,539**	66,731
Reconciliation of funds					
Total funds brought forward	19	2,308,890	2,911,165	**5,220,055**	5,153,324
Total funds carried forward	19	2,701,619	2,762,975	**5,464,594**	5,220,055

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derives from continuing activities.

The notes on pages 25 to 41 form an integral part of these financial statements.

CUMBRIA THEATRE TRUST
TRADING AS THEATRE BY THE LAKE
BALANCE SHEET

As at 31 March 2025

	Notes	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
FIXED ASSETS					
Tangible assets	11	4,157,550	4,151,074	4,147,068	4,138,141
Intangible assets	12	1,560	9,880	1,560	9,880
Investments	13	-	-	100	100
Total Fixed Assets		4,159,110	4,160,954	4,148,728	4,148,121
CURRENT ASSETS					
Stocks	14	5,016	3,638	-	-
Debtors	15	499,416	559,113	806,631	783,220
Cash at bank and in hand		1,377,320	1,095,523	1,077,745	861,926
Total Current Assets		1,881,752	1,658,274	1,884,376	1,645,146
CREDITORS					
Amounts falling due within one year	16	(576,268)	(599,173)	(568,510)	(573,212)
NET CURRENT ASSETS		1,305,484	1,059,101	1,315,866	1,071,934
TOTAL ASSETS LESS CURRENT LIABILITIES		5,464,594	5,220,055	5,464,594	5,220,055
TOTAL NET ASSETS		5,464,594	5,220,055	5,464,594	5,220,055
FUNDS					
Unrestricted Funds	19	2,701,619	2,308,890	2,701,619	2,308,890
Restricted Funds	19	2,762,975	2,911,165	2,762,975	2,911,165
		5,464,594	5,220,055	5,464,594	5,220,055

The financial statements were approved by the Board of Trustees and authorised for issue on 1 October 2025 and signed on their behalf by:

GH Carter

Charles Carter, Chair

Kate McLaughlin-Flynn, Vice-Chair

Registered Company number: 1874868
Registered Charity number: 516673

The notes on pages 26 to 42 form an integral part of these financial statements.

CUMBRIA THEATRE TRUST
TRADING AS THEATRE BY THE LAKE
CASH FLOW STATEMENT

For the year ended 31 March 2025

	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
Cash flows from operating activities				
Net cash provided by (used in) operating activities	**473,203**	162,697	**406,408**	82,282
Cash flows from investing activities:				
Bank Interest	**26,302**	12,727	**25,828**	12,727
Purchase of property plant and equipment	**(217,708)**	(77,386)	**(216,417)**	(69,241)
Website	**-**	-	**-**	-
Net cash (used in) investing activities	**(191,406)**	(64,659)	**(190,589)**	(56,514)
Change in cash and cash equivalents in the year	**281,797**	98,038	**215,819**	25,768
Cash and cash equivalents at the start of the year	**1,095,523**	997,485	**861,926**	836,158
Cash and cash equivalents at the end of the year	**1,377,320**	1,095,523	**1,077,745**	861,926

Reconciliation of net income/(expenditure) to net cashflow from operating activities				
Net (expenditure) per the SoFA	**244,539**	66,731	**244,539**	66,732
Adjustments for:				
Depreciation charges	**211,232**	196,316	**207,489**	193,683
Amortisation charges	**8,320**	8,320	**8,320**	8,320
Dividends and interest from investments	**(26,302)**	(12,727)	**(25,828)**	(12,727)
(Increase)/decrease in stocks	**(1,378)**	(865)	**-**	-
(Increase)/decrease in debtors	**59,697**	(116,899)	**(23,410)**	(183,016)
Increase/(decrease) in creditors	**(22,905)**	21,821	**(4,702)**	9,290
Net cash provided by (used in) operating activities	**473,203**	**162,697**	**406,408**	**82,282**

Analysis of cash and cash equivalents				
Cash in hand	**1,377,320**	1,095,523	**1,077,745**	861,926
Total cash and cash equivalents	**1,377,320**	1,095,523	**1,077,745**	861,926

1 Accounting policies

Charity information

Theatre By The Lake is a private charitable company limited by guarantee and is incorporated and domiciled in England and Wales. The address of the registered office is Theatre by the Lake, Lakeside, Keswick, Cumbria, CA12 5DJ.

The nature of its operations and its principal activities are detailed in the trustees report attached to these financial statements.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's articles of association and memorandum, the Charities Act 2011 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 (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Designated fund are funds set aside by Trustees for specific objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Income in respect of productions is recognised in the period in which the production occurs.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1 **Accounting policies**

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is assured. If the amount is not known, the legacy is treated as a contingent asset.

Income from Government and other grants, whether capital grants or revenue grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be reliably measured.

Income received in advance of a theatrical performance or provision of other specified service is deferred until the criteria for income recognition are met.

Other trading income is recognised on a receivable basis.

Investment income is recognised in the Statement of Financial Activities in the year in which it is receivable.

1.5 Expenditure

Expenditure is recognised once there is a constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be reliably measured. Expenditure includes any VAT which cannot be fully recovered and is reported as part of the expenditure to which it relates.

Expenditure on charitable activities comprises those costs incurred by the charity in the delivery of its activities and services. It includes both costs that can be allocated directly to those activities and those of an indirect nature necessary to support them.

Where performances of a production straddle the year-end, payroll, rehearsal and audition costs are recognised in the year in which they arise. Production costs (e.g. scenery/costumes) and creative team fees are apportioned between the periods on the number of performances in each period and included in accruals or prepayments.

Support costs relate to those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the Charity's programmes and activities. These costs have been allocated between costs of raising funds and expenditure on charitable activities. Support costs are apportioned on an appropriate basis eg floor area, per capita or estimated usage.

1.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Website costs	5 year straight line basis

1 Accounting policies

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	Buildings: 50 years straight line; Land: Not depreciated
Theatre equipment	10-20% straight line
Fixtures and fittings	10% straight line
Office equipment and software	20% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.9 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.10 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.11 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1 Accounting policies

1.12 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.13 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.15 Theatre tax credit

Where the trading subsidiary incurs qualifying losses in respect of theatre productions these are surrendered for a cash payment under HMRC Theatre Tax Relief regime. Where receipt of these tax credits is virtually certain they are included in the accounts in the year in which the qualifying losses occurred.

1 Accounting policies

1.16 Group financial statements

These financial statements consolidate the results of the Charity and its wholly owned subsidiary. A separate Statement of Financial Activities for the charity is not included as it has taken advantage of the exemption afforded by s408 of the Companies Act 2006.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

2 DONATIONS

	2025			2024		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Core grants						
Arts Council England - NPO	615,182	-	**615,182**	615,182	-	**615,182**
Cumberland Council - UKSPF	-	147,376	**147,376**	-	-	**-**
Cumberland Council	10,000	-	**10,000**	10,000	-	**10,000**
Other grants	18,951		**18,951**	2,000	-	**2,000**
Donations						**-**
Other donations (incl Gift Aid)	182,592	-	**182,592**	74,763	-	**74,763**
Legacies	327,000	-	**327,000**	211,099	-	**211,099**
	1,153,725	147,376	**1,301,101**	913,044		**913,044**

3 INCOME FROM CHARITABLE ACTIVITIES

Theatre Performances	2,107,309	-	**2,107,309**	1,576,823	-	**1,576,823**
Education & Participation	-	-	**-**	3,927	-	**3,927**
	2,107,309	-	**2,107,309**	1,580,750	-	**1,580,750**

The movement in deferred box office income is shown in note 17.

4 INCOME FROM OTHER TRADING ACTIVITIES

	2025			2024		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Fundraising						
Room hires	27,390	-	**27,390**	38,294	-	**38,294**
Total fundraising activities	27,390	-	**27,390**	38,294	-	38,294
Trading subsidiary						
Turnover & other income	228,471	-	**228,471**	274,939	-	**274,939**
Total subsidiary activities	228,471	-	**228,471**	274,939	-	274,939
Total income from other activities	255,861	-	**255,861**	313,233	-	313,233

5 INVESTMENT INCOME

	2025	2024
	£	
Bank interest received	26,302	12,727
	26,302	12,727

Bank interest is receivable on cash balances held in appropriate interest bearing deposits.

6 COSTS OF GENERATING FUNDS

	2025			2024		
	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Generating donations & grants						
Direct costs	-	-	-	-	-	-
Support costs	8,768	-	8,768	6,878	-	6,878
Governance costs	422	-	422	396	-	396
Charged to restricted funds	-	-	-	-	-	-
	9,190	-	9,190	7,274	-	7,274
Fundraising						
Direct costs	258	-	258	1,044	-	1,044
Support costs	8,768	-	8,768	6,878	-	6,878
Governance costs	422	-	422	397	-	397
Charged to restricted funds	-	-	-	-	-	-
	9,448	-	9,448	8,319	-	8,319
Trading subsidiary						
Direct costs	34,385	-	34,385	36,867	-	36,867
Support costs	30,572	-	30,572	21,846	-	21,846
Total subsidiary activities	64,957	-	64,957	58,713	-	58,713
Total expenditure on other activities	83,595	-	83,595	74,306	-	74,306

7 COSTS OF CHARITABLE ACTIVITIES

Costs of theatre operations and performances (including touring)

	2025			2024		
	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
In-house productions: actors	271,963	-	271,963	218,450	-	218,450
In-house productions: creative	475,471	-	475,471	313,442	-	313,442
Other direct costs	1,725,571	-	1,725,571	1,334,601	-	1,334,601
Incoming work: direct costs	-	-	-	-	-	-
Box office and house management	-	-	-	-	-	-
Marketing and publicity	86,072	-	86,072	114,532	-	114,532
Support costs	960,958	-	960,958	774,059	-	774,059
Governance costs	39,699	-	39,699	37,232	-	37,232
Charged to restricted funds	(295,566)	295,566	-	(149,454)	149,454	-
	3,264,168	295,566	3,559,734	2,642,862	149,454	2,792,316
Education and participation						
Direct costs	44,425	-	44,425	21,445	-	21,445
Support costs	38,147	-	38,147	30,558	-	30,558
Governance costs	1,689	-	1,689	1,584	-	1,584
Charged to restricted funds		-	-		-	-
	84,261	-	84,261	53,587	-	53,587
	3,348,429	295,566	3,643,995	2,696,449	149,454	2,845,903

8 SUPPORT AND GOVERNANCE COSTS

	2025			2024		
	General Support	Governance	Total	Support	Governance	Total
	£	£	£	£	£	£
Salaries and related costs	229,794	18,919	**248,713**	204,243	18,214	**222,457**
Direct governance costs	-	-	**-**	-	-	**-**
Premises	288,976	3,145	**292,121**	247,887	2,354	**250,241**
General office	251,383	2,029	**253,412**	127,224	1,238	**128,462**
Financial	23,889	17,084	**40,973**	23,427	16,793	**40,220**
Consultancy and development	42,997	-	**42,997**	36,446	-	**36,446**
Depreciation	210,175	1,056	**211,232**	200,993	1,010	**202,003**
	1,047,213	42,234	**1,089,447**	840,220	39,609	879,829
Apportioned as:						
Generating grants and donations	8,768	422	**9,190**	6,878	396	**7,274**
Theatre performances	960,959	39,700	**1,000,658**	774,060	37,233	**811,293**
Participation and outreach	38,147	1,689	**39,836**	30,558	1,584	**32,142**
Fundraising activities	8,768	422	**9,190**	6,878	396	**7,274**
Trading subsidiary	30,572	-	**30,572**	21,846	-	**21,846**
	1,047,213	42,234	**1,089,447**	840,220	39,609	879,829

Analysis of governance costs

	2025	2024
	£	£
External audit	**16,869**	16,581
Costs of Trustee meetings, travel, administration etc.	**-**	-
Apportionment of staff costs	**16,597**	16,150
Apportionment of support costs	**8,768**	6,878
	42,234	39,609

Allocation of support costs

The following bases of allocation are used:

- Premises (utilities, repairs etc):	Management review of space usage
- General office (stationery, postage, telephone, IT etc):	Management review of staff time
- Financial (bank charges, loss on disposal of assets etc):	Management review of staff time
- Depreciation:	Management review of staff time

9 Trustee and staff information

a) Trustee information

The trustees are all volunteers and were not paid or received any benefits from employment with the Trust or its subsidiary in the year (2024: £nil); they were reimbursed expenses during the year of £776 (2024: £352). One trustee received payment for professional or other services supplied to the charity £1,142 (2024: £nil) before their appointment as a Trustee. Directors and Officers liability insurance costing £1,160 (2024: £1,043) was taken out during the year.

b) Staff information

	2025	2024
Actors and Freelance Stage Managers	£	£
Fees	**212,348**	175,681
Pension contributions	**10,471**	7,024
Employer's NI contributions	**-**	-
	222,819	182,705

In line with HMRC guidance, most artists engaged under Equity contracts are treated as self-employed earners for both tax and NI purposes. Payments to such people are disclosed above as actors' and stage managers' fees.

In accordance with the collective agreement between Equity and UK Theatre, Cumbria Theatre Trust made pension contributions of 5% of fees paid to actors or stage managers enrolled in the Equity Pension Scheme, provided that the members made a contribution of 3%.

The average monthly number of full-time equivalent artists engaged under Equity contracts during the year was 11 (2024: 8).

	2025	2024
Employees	£	£
Wages and salaries	**824,880**	744,752
Employer's NI contributions	**79,078**	69,144
Employer's pension contributions	**18,515**	16,743
	922,473	830,639

No employee earned more than £60,000 excluding employer's national insurance and pension contributions.

In accordance with current legislation, the company operates a defined contributions pension scheme provided by NOW: Pensions Limited which meets its auto-enrolment obligations. The company contributes the minimum requirement of 3%.

The average monthly headcount was 29 staff (2024: 29). The average number of full-time equivalent employees, actors and stage managers was 38 (2024: 37).

Key management

In addition to the Board of Trustees, the Charity considers its Executive Director, Artistic Director and the other members of the senior management team, as set out on page 1, to be Key Management Personnel for the purposes of the SORP. Remuneration and benefits (salary and pension contributions) received by these employees amounted to £251,725 in the year (2024: £268,518).

10 Net movement in total funds for the year

	2025	2024
This is stated after charging:	£	£
Auditor's remuneration (for parent and subsidiary)	**12,640**	**11,700**
Remuneration to auditors for other services	**3,560**	**3,300**
Depreciation and amortisation	**219,552**	**202,003**
Payments under operating leases	**10,037**	**9,000**
Trustees' expenses	**352**	**352**

11 TANGIBLE FIXED ASSETS

Group	Long Leasehold Land & Buildings	Fixtures & Fittings	Theatre Equipment	Office Equipment & Software	Total
Cost	£	£	£	£	£
As at 1 April 2024	6,778,620	502,373	802,468	98,346	8,181,807
Additions	-	26,319	185,278	6,111	217,708
Disposals	-	(47,184)	(62,663)	(1,346)	(111,193)
As at 31 March 2025	6,778,620	481,508	925,083	103,111	8,288,322
Depreciation					
As at 1 April 2024	2,761,669	410,284	788,503	70,277	4,030,733
Provided	132,342	36,775	30,314	11,801	211,232
Disposals	-	(47,184)	(62,663)	(1,346)	(111,193)
As at 31 March 2025	2,894,011	399,875	756,154	80,732	4,130,772
Net Book Value					
As at 31 March 2025	**3,884,609**	**81,633**	**168,929**	**22,379**	**4,157,550**
As at 1 April 2024	**4,016,951**	**92,089**	**13,965**	**28,069**	**4,151,074**

Charity	Long Leasehold Land & Buildings	Fixtures & Fittings	Theatre Equipment	Office Equipment & Software	Total
Cost	£	£	£	£	£
As at 1 April 2024	6,778,620	484,951	802,468	98,346	8,164,385
Additions	-	25,028	185,278	6,111	216,417
Disposals	-	(47,184)	(62,663)	(1,346)	(111,193)
As at 31 March 2025	6,778,620	462,795	925,083	103,111	8,269,609
Depreciation					
As at 1 April 2024	2,761,669	405,796	788,503	70,277	4,026,244
Provided	132,342	33,032	30,314	11,801	207,489
Disposals	-	(47,184)	(62,663)	(1,346)	(111,193)
As at 31 March 2025	2,894,011	391,644	756,154	80,732	4,122,541
Net Book Value					
As at 31 March 2025	**3,884,609**	**71,151**	**168,929**	**22,379**	**4,147,068**
As at 1 April 2024	**4,016,951**	**79,155**	**13,965**	**28,069**	**4,138,141**

12 INTANGIBLE FIXED ASSETS

Group & Charity	Website	Total
	£	£
Cost		
As at 1 April 2024	41,600	41,600
Additions	-	-
Disposals	-	-
As at 31 March 2025	41,600	41,600
Amortisation		
As at 1 April 2024	31,720	31,720
Provided	8,320	8,320
Disposals	-	-
As at 31 March 2025	40,040	40,040
Net Book Value		
As at 31 March 2025	**1,560**	**1,560**
As at 1 April 2024	**9,880**	**9,880**

13 FIXED ASSET INVESTMENTS

	Group 2025	Group 2024	Charity 2025	Charity 2024
	£	£	£	£
Shares in subsidiary undertakings	-	-	100	100
	-	-	100	100

TBTL Services Limited (registered company number 06946177) is wholly owned by the charity and operates certain trading activities. The accounts of the subsidiary are consolidated in these financial statements (see note 28). The subsidiary company is incorporated in England and Wales and their registered office is the same as that of Cumbria Theatre Trust (the parent company).

		Group 2025	Group 2024	Charity 2025	Charity 2024
14 STOCKS		£	£	£	£
Consumable items		5,016	3,638	-	-
		5,016	3,638	-	-
15 DEBTORS					
Trade debtors		50,547	117,030	13,419	82
Other debtors		20,754	25,851	18,859	22,571
Inter-company balances		-	-	347,809	346,923
Theatre tax credit recoverable		313,930	206,686	313,930	206,686
Prepayments		114,185	209,546	112,614	206,958
		499,416	559,113	806,631	783,220
16 CREDITORS: amounts falling due within one year					
Trade creditors		62,868	109,566	60,394	89,516
Taxation and social security		26,398	16,591	26,398	16,591
Deferred income - advance bookings	17	306,296	341,569	306,296	341,569
Customer credits		39,452	57,842	39,452	57,842
Other creditors		16,807	11,130	16,807	11,130
Accruals		123,872	62,475	119,164	56,564
Corporation tax		575	-	-	-
		576,268	599,173	568,510	573,212

17 MOVEMENTS IN DEFERRED INCOME

	2025	2024
	£	£
Deferred income brought forward	341,569	259,296
Released in the year	(341,569)	(259,296)
Deferred in the year	306,296	341,569
Deferred income carried forward	306,296	341,569

18 Statement of Funds

	2023/2024					2024/2025				
	Income £	Expenditure £	Tax £	Transfer £	Balance b/f and c/f 31 Mar 2024 £	Income £	Expenditure £	Tax £	Transfer £	Balance 31 Mar 2025 £
Unrestricted Funds:										
General fund	2,986,940	(2,770,755)	-	(519,225)	***1,762,965***	3,825,328	(3,432,024)	(575)	(98,956)	**2,056,738**
Designated fund	-	-	-	519,225	***545,925***	-	-	-	98,956	**644,881**
	2,986,940	(2,770,755)	-	-	***2,308,890***	3,825,328	(3,432,024)	(575)	-	**2,701,619**
Restricted Funds:										
Revenue:										
Cultural Recovery Fund	-	(1,264)	-	-	-	-	-	-	-	-
Legacy	-	(7,000)	-	-	***21,000***	-	(7,000)	-	-	**14,000**
Cumberland Council - UKSPF	-	-	-	-	-	147,376	(147,376)	-	-	-
Capital:										
Capital grants & donations received	-	-	-	-	-	-		-	-	-
Capital grants & donations expended	-	(141,190)	-	-	***2,890,165***	-	(141,190)	-	-	**2,748,975**
	-	(149,454)	-	-	***2,911,165***	147,376	(295,566)	-	-	**2,762,975**
Total Funds	2,986,940	(2,920,209)	-	-	***5,220,055***	3,972,704	(3,727,590)	(575)	-	**5,464,594**

18 STATEMENT OF FUNDS (continued)

Restricted fund balances at the year end are held for the following purposes.

Cultural Recovery Fund

To enable the theatre to meet the challenges of the pandemic and relaunch its activities in a Covid secure way whilst managing the financial risk.

Legacy

Cumbria Theatre Trust received a legacy of £35,000 which will be released over the next five years to support the employment of new talent

UKSPF

Shared Prosperity Funding was received which enabled the theatre to upgrade their equipment.

Capital grants & donations expended

This records the expenditure on capital assets funded by capital grants where there are continuing restrictions on the assets, and provides a fund against which depreciation can be charged in future periods. Depreciation of £141,190 has been charged to this fund this year.

Restrictions relate both to funds given for the construction and fitting out of Theatre by the Lake and its continued use by the Charity as a theatre, and also to the redevelopment of the Lakeside Café.

With the exception of where detailed above the trust plans to utilise all remaining restricted revenue reserves within the next financial year. Funds are transferred to 'capital grants & donations expended' if used to purchase capital equipment.

	At 31 March 2024	Funds designated	At 31 March 2025
Designated funds:			
Participation	18,000	(18,000)	-
Legacy	84,000	(84,000)	-
Development	15,000	(10,000)	**5,000**
Capital spending	428,925	(115,155)	**313,770**
Community Engagement	-	12,500	**12,500**
Artist Development	-	12,300	**12,300**
Branding	-	1,311	**1,311**
Organisational Development	-	300,000	**300,000**
	545,925	98,956	644,881

Participation

Planned works which due to staff capacity were not completed until 24/25

Legacy

Additional legacy received in 23/24 released in 24/25.

Development

Development spend c/f is underspend 24/25 to be spent in 25/26

Community Engagement

Community engagement underspend 24/25 to be spent in 25/26

Artist Development

Artist development underspend 24/25 to be spent in 25/26

Branding

Branding underspend 24/25 to be spent in 25/26

Organisational Development

Planned three year release 25/26 - 27/28.

19 ANALYSIS OF CHARITY FUNDS

	Group Unrestricted Funds £	Group Restricted Funds £	Group Total Funds £	Charity Unrestricted Funds £	Charity Restricted Funds £	Charity Total Funds £
As at March 31 2025						
Total Funds	2,701,619	2,762,975	5,464,594	2,701,619	2,762,975	5,464,594
Less:						
Net Fixed Assets & Restricted Funds	*(4,159,110)*	*(2,762,975)*	(6,922,085)	*(4,148,728)*	*(2,762,975)*	(6,911,703)
Associated capital grants	*2,748,975*	-	*2,748,975*	*2,748,975*	-	*2,748,975*
Fixed Assets net of associated capital grants	(1,410,135)	(2,762,975)	(4,173,110)	(1,399,753)	(2,762,975)	(4,162,728)
Designated capital spend	(313,770)	-	(313,770)	(313,770)	-	(313,770)
Other designated funds	(331,111)	-	(331,111)	(331,111)	-	(331,111)
Operating lease commitments due within one year	(10,300)	-	(10,300)	(10,300)	-	(10,300)
Undesignated free reserves	636,303	-	**636,303**	646,685	-	**646,685**
As at March 31 2024						
Total Funds	2,308,890	2,911,165	5,220,055	2,308,890	2,911,165	5,220,055
Less:						
Net Fixed Assets & Restricted Funds	*(4,160,954)*	*(2,911,165)*	(7,072,119)	*(4,148,121)*	*(2,911,165)*	(7,059,286)
Associated capital grants	*2,890,165*	-	*2,890,165*	*2,890,165*	-	*2,890,165*
Fixed Assets net of associated capital grants	(1,270,789)	(2,911,165)	(4,161,954)	(1,257,956)	(2,911,165)	(4,169,121)
Designated capital spend	(428,925)	-	(428,925)	(428,925)	-	(428,925)
Other designated funds	(117,000)	-	(117,000)	(117,000)	-	(117,000)
Operating lease commitments due within one year	(2,313)	-	(2,313)	(2,313)	-	(2,313)
Undesignated free reserves	489,863	-	**489,863**	502,696	-	**502,696**

20 CONSTITUTION

The company is limited by guarantee and does not have a share capital. In the event of winding up, the members are liable to contribute £1 each. The number of members at 31 March 2025 was 8 (2024: 8).

The company is controlled by its members in general meeting. No individual member or group of members has overall control of the company.

21 TAXATION

The company is a registered charity and is entitled to claim annual exemption from UK Corporation Tax.

The trading subsidiary TBTL Services Limited paid £575 of corporation tax in the year (2024: £Nil).

22 CAPITAL COMMITMENTS

At 31 March 2025 the charity had capital commitments which are contracted for but not provided for in the financial statements of £Nil (2024: £Nil).

23 CONTINGENT LIABILITIES

The Arts Council of England provided a grant of £4,685,704 to fund the construction of the theatre. A number of conditions were attached to this grant with consequences for non-compliance, including the possible need to repay the grant. These conditions have now expired and written confirmation has been received.

We understand that simular conditions applied to past capital grants from Cumbria County Council (£282,500), European Regional Development Funds (£200,00) and Northern Rock Foundation (£200,000) that, given the elapsed time, may also have expired. Written confirmation will be sought.

Regardless, of the above position the Trustees do not expect these liabilities to crystallise.

24 RELATED PARTY TRANSACTIONS

Keswick Town Council is also entitled to nominate one member to the Board. A grant of £2,000 (2024: £2,000) was received from Keswick Town Council towards our education and participation work in Keswick and the surrounding area.

Cumberland Council is also entitled to nominate one member to the Board. The group received £157,376 (2024: £10,000) in grants from Cumberland Council during the year.

Donations totalling £1,089 were received in aggregate from trustees during the year (2024: £194).

There were no other outstanding balances with related parties at the end of the year (2024: Nil) and no other transactions with charity trustees during the year.

25 OPERATING LEASE COMMITMENTS

At 31 March 2025 the company had the following commitments under non-cancellable operating leases:

	2025 Property £	2025 Others £	2024 Property £	2024 Others £
Minimum amounts payable:				
within one year	10,300	-	2,313	-
within two to five years	41,200	-		-
later than five years	43,655	-	-	-
Total	**95,155**	-	2,313	-

26 Parent charity - Statement of Financial Activities

	Unrestricted Funds £	Restricted Funds £	Total 2025 £	Total 2024 £
Total incoming resources	3,759,220	147,376	**3,906,596**	2,928,228
Total resources expended	3,366,491	295,566	**3,662,057**	2,861,496
Net (expenditure) / income for the year before transfers	392,729	(148,190)	**244,539**	66,732

27 Subsidiary undertaking - commercial and trading activities

A summary of the results and closing balances of the subsidiary, TBTL Services Ltd, is shown below.

		2025		2024 £
Turnover		**228,472**		274,939
Intercompany adjustments		**-**		-
Activities for generating funds: trading operations		**228,472**		274,939
Cost of sales	**34,386**		36,867	
Administration & premises expenses	**76,973**		21,846	
Management charge	**-**		-	
Cost of trading operations		**111,359**		58,713
		117,113		216,226
Other income		**474**		-
Taxation charge		**(575)**		-
Net profit for the year reported by TBTL Services Ltd		**117,012**		216,226
Gift Aid		**(117,012)**		(216,226)
Retained in the subsidiary		**-**		-

As at the balance sheet date, the assets and liabilities of the subsidiary were:

Non current assets	**10,482**	12,933
Current assets	**345,185**	360,049
Creditors: amounts due within one year	**(355,567)**	(368,627)
	100	4,355
Represented by:		
Aggregate share capital and reserves	**100**	100
Profit and Loss Account	**-**	-
	100	100

CUMBRIA THEATRE TRUST

England & Wales - Charity number 516673

Accounts

Charity Registration No. 516673

Company Registration No. 1874868 (England and Wales)

CUMBRIA THEATRE TRUST

TRADING AS THEATRE BY THE LAKE

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

CUMBRIA THEATRE TRUST
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FOR THE YEAR ENDED 31 MARCH 2024

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CUMBRIA THEATRE TRUST
TRADING AS THEATRE BY THE LAKE
Company Information

PRESIDENT	Dame Judi Dench
FOUNDING PRESIDENTS	Graham Lamont Vicky Robinson MBE
VICE PRESIDENTS	Nigel Illman
PATRONS	Lord Bragg of Wigton Sir Tony Cunningham Hunter Davies OBE Dame Patricia Routledge OBE Eric Robson OBE Richard Wilson OBE
DIRECTORS AND TRUSTEES	Charles Carter * Kate McLaughlin-Flynn * Steve Freeman ** Elizabeth Freestone ** Janaki Fryer-Spedding * ** Fiona Lowry* Philip Moorhouse* Jenna Omeltschenko ** * Member of Finance Committee ** Member of Artistic Committee
SECRETARY	Amanda Leader
JOINT CEO	Simon Stephens – Executive Director Liz Stevenson – Artistic Director
EXECUTIVE DIRECTOR	Simon Stephens
ARTISTIC DIRECTOR	Liz Stevenson
KEY MANAGEMENT PERSONNEL	David Jane – General Manager (resigned 13/03/2024) Amanda Leader – Head of Finance & Operations Amy Clewes – Producer (maternity leave) Victoria Rope – (maternity cover) Shelly Ramsdale – Head of Marketing and Communications (appointed 19/07/2023)
REGISTERED OFFICE	Theatre by the Lake Lakeside Keswick Cumbria CA12 5DJ
AUDITORS	Azets Audit Services Fleet House New Road Lancaster LA1 1EZ
MAIN BANKERS	Barclays Bank plc Market Square Keswick Cumbria CA12 5BE
COMPANY NUMBER	1874868
CHARITY NUMBER	516673
TELEPHONE	017687 72282
WEBSITE	www.theatrebythelake.com

CUMBRIA THEATRE TRUST
TRADING AS THEATRE BY THE LAKE
ANNUAL REPORT – CHAIR'S REPORT

For the year ended 31 March 2024

Over the last year, we have lived in an increasingly troubled world with economic uncertainty affecting many of us through high inflation and the resulting pressures on the cost of living. Despite some of these financial pressures directly affecting us at TBTL, it's been vital that we continue to develop excellent theatre to delight, entertain and challenge our audiences. Through this, we continue to support their well-being through sometimes difficult times and enrich lives across Cumbria. We can do this best through the work that we do; by producing excellent work and endeavouring to make sure it reaches deeply into our communities. Doing this has been the story of our year.

The work on our stages this year has been fantastic and has built on the enhanced artistic quality that we saw last year. We have produced or co-produced the family-friendly productions of ***Around the World in 80 Days*** and the world premiere of ***The Lost Spells***, both of which received strongly positive audience and critical responses, as did our Christmas production of ***A Little Princess***, another premiere. These productions started to contribute to our wider objectives of being place-based (with the environmental focus of ***The Lost Spells***) and involving our communities (with an outstanding community cast of children in ***A Little Princess***). We welcomed the return of large audiences over the summer with ***The Blonde Bombshells of 1943*** and ***The 39 Steps***, both of which gave us hope that it's possible to rebuild significant audiences to pre-Covid levels, albeit booking later with the consequent risks to sales and cashflow.

Perhaps the most notable production of the year was ***Every Brilliant Thing,*** which demonstrated our ability to deliver social impact through work which is highly relevant to our place. The play covers the difficult subject of suicide, which is sadly a particular concern in Cumbria, where rates are significantly above the national average. We developed a hugely well-regarded production on our main stage and partnered with local mental health charities to amplify our impact. The production was enhanced with multiple and varied wrap-around activities. Following the initial run at TBTL, the show toured to community venues across Cumbria, reaching new audiences and breaking down barriers to engagement. The show's success was noted by a nomination for Community Project of the Year at the prestigious annual **'The Stage Awards'.** We want to do more of this community-focused work in the future, although affordability is a major challenge.

"As somebody who has struggled with mental health issues for many years, ***Every Brilliant Thing*** *has not only resonated with me on a personal level helping me to accept some of my own issues, but it has also helped my family understand my feelings more which has helped with everyday life".*

Audience testimony from community tour performance of Every Brilliant Thing – October 2023

This varied range of home and co-produced work, together with a more focused programme of visiting work, has enabled us to increase our understanding of our audience. This insight is increasingly used to inform a responsive approach to programming allowing us to entertain, challenge and invigorate the communities we serve. We want to play an active part in dismantling barriers that we know exist within Cumbria and we are now starting to do this by bringing our work to a wide range of communities; by working with people from a wide range of backgrounds; and by telling compelling and relevant stories on stage.

We have continued to champion Cumbrian creativity through our talent development activity. 2023/24 was the inaugural year of our Tour the Writer partnership with Paines Plough. This

nationally significant multi-year programme, in association with 'England's National Theatre of New Writing', provides high quality professional development and networking opportunities for emerging local writers.

Cumbrian Creatives, TBTL's network for local artists, has continued to grow. In 2023/24, we provided over 800 hours of support-in-kind for emerging artists, and staged our annual scratch night, Open Space to showcase new work. A highlight from the previous year's Open Space, Dreamtime Fellrunner by Julie Carter, underwent further development in the Studio before securing ACE project funding for a regional tour.

We continue to provide vital support local for local performing arts societies and community groups, welcoming back Keswick Amateur Operatic Society and Keswick Theatre Club to our stages, as well as providing regular space for writing groups.

Financially, audiences are our principal source of revenue. Our two summer productions did extremely well, and this meant that we ended the year in a stronger financial position than we had imagined at its start. But the long-term financial challenges remain significant. As mentioned at the outset, our costs have increased substantially, and we have not yet been able to sustain ticket prices and sales to match. So, for example, we have not been in a financial position this year to be able to mount our own shows in the Studio, although we are able to show visiting work there and it remains a key space for early years and artist development.

Arts Council England are a core funder and we continue to be a proud member of their National Portfolio. We are very grateful to ACE for their continued strong support. This funding continues to be crucial for us, although it is a declining proportion of our income as the amount awarded has remained largely unchanged for over 10 years. The financial challenges of achieving the ticket sales we need, rising costs and a real-terms reduction in subsidy remain a common problem for all mid-scale theatres in the country.

We continue to be immensely grateful to those who support us, both through buying tickets and through donations. Fundraising is a vital part of our financial model and the donations from our supporters are vital to us. I particularly note the generous legacy from Hilary Young. Hilary was closely involved with TBTL's precursor, Century Theatre (the Blue Box) and he subsequently became a Trustee and continued as a long-term supporter of the theatre. This legacy has helped us to ride through difficult economic times and to start to develop in areas that we would otherwise have been unable to. I would like to acknowledge the many years of encouragement, support and help that we received from our Vice President Doreen Wilkinson who sadly died this year.

Lastly, I must thank all our volunteers, our staff and my fellow Trustees. Our 180 volunteers continue to be a mainstay of the theatre and always provide a warm welcome to our visitors, donating over 8000 hours of their time in 2023/24. Our staff team work incredibly hard to deliver delight to our audiences, and are ably led by Simon Stephens, our Executive Director, and Liz Stevenson, our Artistic Director. I give huge thanks to them all, as I do to my fellow Trustees for all their help.

2024 marks our 25th year since opening in 1999, and we will celebrate with a series of exhibitions, events and initiatives. It has been an incredible twenty-five years since we opened, and we look

forward with continued optimism to the next twenty-five. We will undoubtedly be different, but we hope to be even more successful.

Charles Carter
Chair of Trustees

The Trustees present their report and the audited financial statements of the charity for the year ended 31 March 2024. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" in preparing the annual report and financial statements of the charity.

TRUSTEES OF THE CHARITY

The directors of the charitable company are its Trustees for the purposes of charity law. The Trustees who have served during the year and since the year end are detailed on page 1.

OBJECTIVES AND ACTIVITIES

Charitable objectives

The charitable objectives of Cumbria Theatre Trust (CTT) are to:

- promote and advance the arts and in particular the performing arts for the benefit of the public; and
- promote and advance education through the development and delivery of creative learning programmes for people of all ages.

Developing our strategy

The theatre has had great success since its opening in 1999, but it was increasingly clear pre-Covid that our business model was becoming unsustainable because we could not afford to sustain the historical quality of our work. After 25 successful years, we needed to revitalise our organisation.

Over the Covid period and since, we have therefore developed a new approach to our work with a refined vision and mission that addresses these concerns. It provides a framework that we continue to develop and which we use to guide our annual and longer-term planning.

Our vision and mission

Our new business model, while still developing, remains true to our charitable objectives summarised above. It also responds to our location and environment by moving us strongly to a place-based model that is more relevant and accessible to our local communities. Our vision and mission summarises this:

Vision

Theatre enriches the lives of everyone in Cumbria, and theatre made in Cumbria is celebrated on the national stage.

Mission

In our venue and out across Cumbria, we make and share great theatre that tells stories, builds communities & celebrates our place.

Our relevance to the arts in Cumbria

Our direction acknowledges our current position and the arts in Cumbria. As a regional arts and education charity based in Keswick, Cumbria, CTT owns Theatre by the Lake (TBTL), and is the only midscale producing theatre between Glasgow, Newcastle & Lancaster. We serve communities across Cumbria and visitors to the Lake District.

TBTL is an essential creative hub in an area of comparatively limited cultural provision. We operate in England's second largest and second least populated county with 70% of settlements comprising under 200 people. As a producing theatre, the work we create, commission and share is critical to levelling up access to high quality arts for rural and isolated communities, particularly children and young people, and developing local talent.

We use strategic, creative partnerships to increase our impact and reach. We partner with small to large-scale producers, creating work for diverse audiences from across Cumbria and the UK, in Keswick and on rural and national tours.

Our plans

We develop our annual and long-term plans in line with our vision and mission while acknowledging our importance to the arts in Cumbria. Our objectives for the next year are summarised later in this Trustees' report.

We recognise the need to test different elements of our approach over the next few years and adapt accordingly. We are also continuing to develop in more detail how we are going to pursue aspects of our strategy, particularly increasing our community reach. During the year, the management team has been actively working on how we deepen our relationships with our audiences and communities, using a 'theory of change' model and extensive work on audience segmentation. The results of this work are guiding our activities in 2024/25.

We accept that elements of our approach are uncertain, not least because of continuing concerns about our financial health given the impact on our costs during a period of high inflation, and challenges for our audiences given the consequential impact of inflation on the cost of living.

The changes needed to transition from our historical model to our new approach were embedded in our application to remain part of the Arts Council England (ACE) National Portfolio for 2023-2026. ACE strongly support our approach and approved our application to remain a National Portfolio Organisation (NPO) within the new portfolio that is funded from the start of this financial year. The funding which ACE provides is a core element of our finances for the NPO period.

Public benefit statement

The Trustees are aware of the Charity Commission guidance on public benefit and have taken this into account when making a decision to which the guidance is relevant.

ACHIEVEMENTS AND PERFORMANCE

Activities on our stages – in-house productions

Our principal achievements over the reporting year have been based around delivering a wide range of home-produced and co-produced productions on our stages, many of which incorporated wrap-around activity for our community. Our in-house productions were:

- ***Around the World in 80 Days*** (a co-production with Hull Truck Theatre), a family-friendly production to appeal to locals and tourists at a busy time of year. This brought in a large number of first-time bookers and received excellent local press and a 4* review from the *Guardian*. We used this production, in part, to test the attraction of a 'family-friendly' show over Easter.

- ***The Lost Spells*** (a world premiere co-produced with Goblin Theatre, Watford Palace Theatre and Polka Theatre) received positive audience and critical response. This show, with its themes of nature and environmental responsibility, resonated with our place-based ambition. It also helped to develop our family audience and aimed to increase school attendance outside Christmas. We also established a range of wrap-around activities to engage and capture audiences.

- ***Tuning In*** (a co-production with disability-led companies Miles-Wildin and Ng, and Graeae). We had supported the early development of this one-person show that focused on the insights and experiences of someone with Tourette's syndrome. The show and wrap-around activities were well received, but with modest audiences. While it enabled us to test our reach into less-served audiences in Cumbria, it highlighted some of the challenges with cost and ease of access.

- ***The Blonde Bombshells of 1943*** (a co-production with Octagon Theatre Bolton and Stephen Joseph Theatre), a well-executed 'feel good' production with live music. This received overwhelmingly positive reviews and achieved well in excess of financial target.

- ***The 39 Steps*** (a co-production with Stephen Joseph Theatre), which also received great reviews, a strong positive audience response and was a great financial success.

  These two shows together demonstrated the success and financial importance of programming some shows with strong appeal to tourist market and local audiences alike, recognising that they may not meet all our broader ambitions. Both were successful in reengaging lapsed audiences who had not visited the theatre since pre-COVID.

- ***Every Brilliant Thing***. This show was programmed to enable us to test many aspects of our vision, and it succeeded beyond most of our expectations. The integration of community engagement across every aspect of the production, from partnerships to the participatory exhibition and rural touring provides a model for future ways of working. Although financial performance didn't meet target, the success of the show was multidimensional. The subsequent evaluation was testimony to its social impact across Cumbria. The production achieved critical acclaim, with a 4* review in the Guardian

  Notably, the community aspects of this production were recognised nationally with a nomination for the Community Project of the Year at the prestigious annual **'The Stage Awards'.**

- ***A Little Princess.*** Our Christmas show, a premiere of a new adaptation of the well-known book, was the first TBTL commission brought to production since the Artistic Director joined TBTL. It was a large and all-consuming production, due to the integration of a youth cast and it being a newly-written play. It received strong reviews locally and in the national press, with 4* reviews from both *The Stage* and the *Guardian.*

The artistic quality has been high for all these productions in terms of press coverage, peer review and audience reaction. This is reinforced by preliminary analysis from a new audience evaluation tool that we are now starting to use.

<u>Activities on our stages – visiting work</u>

As well as the work in which we had a producing role, either solely or jointly, we also presented a wide range of visiting work on our stages. For the first time, we are endeavouring to curate our programme of visiting work to enable us to test what is attractive to our audiences and potential audiences, although we are in part dependent on shows that are available (which continue to be limited as the theatre and arts world recovers from Covid). Our visiting programme included:

- For children and families:
  - ***Hey Diddle Diddle (Kitchen Zoo)***
  - ***Pirate Bonnie (Fidget Theatre)***
  - ***Seedheart (Indigo Moon)***
  - ***Wolf (Kitchen Zoo)***
  - ***Nest (M6)***

  together with further productions staged for 1 or 2 nights

- Film, literature and music:
  - ***Kathryn Tickell***
  - ***The Manfreds***
  - ***Ralph McTell***
  - ***Alan Johnson***

- Theatre:
  - ***Quality Street (Northern Broadsides)***
  - ***Sizwe Banzi is Dead (Mast Mayflower Studios)***
  - ***The School for Scandal (Tilted Wig)***
  - ***One of Them Ones (Pentabus)***

  together with further productions staged for 1 or 2 nights

- Community productions supported by TBTL
  - ***Sister Act, The Musical*** (Keswick Amateur Operatic Society – KAOS)
  - ***The Lakers*** (Wordsworth Grasmere)
  - ***Beyond the Abyss*** (Keswick Peace & Human Rights Group)
  - ***84 Charing Cross Road*** and ***Miss Roach's War*** (Keswick Theatre Club)
  - ***Behind the Mask*** (an evening for Rotary Club of Keswick)
  - ***The La'al Big Band*** (in support of Keswick Cricket Club)
  - ***Committed2Rock*** (Community choir)

Financially, we are not yet achieving the financial resilience that we need from the work on our stages. Although we had two shows that out-achieved target by a considerable margin we have found that, in common with all regional theatres, audiences have been slow to return to post-Covid levels. They are also booking later with a consequential adverse effect on cashflow.

Community activities and Talent Development

Alongside our work on stage, we continue to rebuild our work with local communities, including:

- Supporting local companies (Keswick Amateur Opera Society, Keswick Theatre Club, Young Farmers) with presenting work on our stages, much of which is summarised above.

- Providing professional support and connections though our artist network, Cumbrian Creatives. This includes our annual scratch nights on our stages, Open Space, where local performers are invited to perform and are supported to develop their work further.

- Partnering with Paines Plough to deliver the 'Tour the Writer' development programme for local writers.

- Working with leading accessible theatre company, Graeae, to help four deaf, disabled or neurodivergent writers bring short plays to stage at the scratch night, *Crips with Chips*

- Continuing to work with Cumbrian writer, Lee Mattinson, to develop his new play, ***Steel***, which will be staged in 2024.

We were also delighted to host Anti Racist Cumbria, an organisation with which we have been building strong links in recent years, who held their annual summit in our building.

FINANCIAL REVIEW

For the financial year ended 31 March 2024, the Group realised a surplus on unrestricted funds after transfers of £216,185. The statement of financial activities (SOFA), balance sheet, cash flow statement and notes are set out from page 19 onwards.

After ticket sales, the most substantial part of CTT's funding comes from Arts Council England (ACE). Cumbria Theatre Trust has been a member of the ACE National Portfolio Organisation (NPO) funding programme for many years. This funding is awarded for multi-year tranches of which the most recent was a four-year award (2017/18-2021/22) which was extended by a further year (2022/23) as a consequence of the Covid pandemic. During 2022, CTT applied for the next round of funding for the period 2023/24 – 2025/26. This application was successful and CTT is grateful to ACE for this continued support. In common with many organisations, CTT will receive ACE funding for each of the three years at the same level as in the previous NPO round. In real terms, this represents a decline in ACE funding.

Cumbria County Council continued to support CTT through the award of a funding grant for National Portfolio Organisations in Cumbria, and Keswick Town Council continues to support as well.

Additionally, CTT receives substantial support from individuals who donate to the theatre. This year, the theatre received a substantial legacy from the estate of Hilary Young, and two smaller legacies from other long-standing and active supporters. The theatre is immensely grateful to them for these donations, which are crucial to our continuing survival.

CTT operates a subsidiary company, TBTL Services Ltd (TBTLS) for trading activities which might fall outside its charitable objectives, including bars and catering, ice creams, merchandise and programmes. The provision of bars and catering services has been outsourced since the opening of the Lakeside café six years ago. In 2022/23 TBTLS reviewed closely the operation of these services and considered a number of options, including bringing all these services in house. It was decided that the services should be re-tendered and after an extensive process supported by an experienced consultant, the contract was re-awarded to BaxterStorey for a five year period from the beginning of 2023/24. The contract for these services was signed in May 2023. TBTLS donates its profits to CTT through Gift Aid.

Our second subsidiary company, Theatre by the Lake Productions Limited, a Special Purpose Vehicle company which was set up to prepare productions for presentation at TBTL and other venues, was dissolved in 2023 as a separate legal entity is now no longer needed.

CTT's financial statements for the year ended 31 March 2024 are consolidated with the profit and loss account of TBTL Services Limited. TBTL Services Limited made a net profit of £216,226, which was donated to the Charity (see also note 28).

Reserves Policy

The unrestricted reserves of the Trust are £2,308.890. The Trust also has restricted reserves of £2,911,165 not available for the general purposes of the charity at the end of the year. Reserves are further analysed in notes 27 and 30.

Free reserves, of the Trust, were £1,038,101 at the year-end (2023: £835,857). We have designated £438,925 of these reserves for capital expenditure, which will meet in part the costs of our capital project plan for the next three financial years (2023: £nil).

At 31 March 2024 cash reserves stood at £1,095,523 including cash representing restricted fund balances (£21,000) and deferred income and third party resources (£341,569).

The Trustees have reviewed closely the level of reserves, taking into account the risks that the Trust faces (including, for example, the slow return of audiences, the prevailing economic situation, and the need to cope with unforeseen emergencies) while recognising the need to invest for the future (including, for example, the need to reach new audiences).

After this review, the Trustees have concluded that in the coming year a minimum level of free reserves of £500,000 would be satisfactory. Nevertheless, senior management and the Trustees continue to monitor the position regularly alongside the monitoring of risk and will take any necessary steps to maintain a satisfactory financial position. The Trustees will review the reserves position formally at the end of the financial year in the light of prevailing conditions and experience.

Financial Risk Management

The Finance Committee considers the financial risks to which CTT may be exposed, assesses their potential impact on the organisation and identifies strategies to mitigate their effect, should those risks materialise.

Cumbria Theatre Trust's risk management strategy comprises:

- regular review of the principal risks and uncertainties faced by the group;
- the establishment of policies, systems and procedures to mitigate those risks;
- the implementation of procedures to minimise or manage any potential impact on the organisation, should those risks materialise.

The charity's most significant risk would be the loss of Arts Council England funding or change of its conditions. If these risks were to materialise, it would adversely affect the charity's ability to operate. Provided Arts Council England continue with the current arrangements, and given reserves balance held, Trustees are confident that the charity can be sustained in its current form.

PLANS FOR FUTURE PERIODS

Our plan for 2024/25 has been agreed by the Board and by ACE as our principal funder. It sets out the activities that we propose to undertake, and our adherence to a set of investment principles set out by ACE. These investment principles are intended to ensure we develop work of sufficient ambition and quality, that we are inclusive and relevant throughout our organisation, that we are dynamic and respond quickly to changes in our circumstances, and that we are environmentally responsible.

Overall, the plan is intended to move us further towards meeting our vision and mission as set out earlier. Our plan includes:

- Staging a minimum of 5 home produced or co-produced shows. This will include two place-based plays and a place-based new writing festival. We will also build partnerships with rural touring schemes and community venues to help us to spread our work further.
- Staging a play written by a local artist, with strong community involvement and engagement
- Staging a multi-arts event
- Celebrating 25 years since our opening with a celebration including:
    - An exhibition of our history
    - Commissioning 25 portraits of those who have helped, and will continue to help, our development
    - Building links into 25 community groups
- Continuing to facilitiate community shows on our stages
- A programme of theatre for children, young people and families
- Working with young people and emerging talent, and building closer links to local schools

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Documents

CTT is a company limited by guarantee, governed by its Memorandum and Articles of Association dated 4 December 1984 with subsequent minor updates in 2007 and 2018. It is registered with the Charity Commission.

CTT established a wholly owned trading subsidiary company for the benefit of the charity, TBTL Services Limited, a private company limited by shares, governed by its Memorandum and Articles of Association dated 22 June 2009.

Organisation

The governing body of CTT is the board of Trustees whose members are non-executive and unpaid. The board meets at least four times a year and retains full and effective control over the Company. The board delegates the management and artistic operation of the company to the Executive Director and Artistic Director who are joint Chief Executives. They attend meetings of the board, together with other senior staff, as appropriate. All staff who attend board meetings do so as non-voting participants.

The board of Trustees takes responsibility for appointing the Executive Director and Artistic Director and will determine the contract of employment and monitor the performance of individuals undertaking these roles. The responsibility for the appointment of other staff would normally be delegated to the Executive Director and Artistic Director.

Keswick Town Council are entitled to nominate one member to the Board. Cumberland Council (formally Allerdale Borough Council) is also entitled to nominate one member to the Board. Neither organisation has nominated such a member for the last 4 years.

Trustee Appointment

The Articles of Association specify that the number of members of the board is not less than five and not more than fifteen, including Trustees nominated by external bodies currently designated in the board rules.

Elected directors would normally retire at the end of their term of office (up to 4 years) but may seek re- election for a second term.

The Board of Trustees regularly reviews its needs in terms of skills and recruits new Trustees in areas where it is considered necessary or helpful. Trustees are usually recruited through open advertisement, with selection being made by existing Trustees against pre-agreed criteria. New Trustees are provided with extensive background material and are encouraged to gain a thorough knowledge of the organisation by meeting members of staff and other Trustees. Trustee training is organized in relevant areas as needed.

Volunteers

Recruitment, induction and training of volunteers represents a vital element of CTT's staffing strategy, with approximately 180 dedicated front of house staff 'on the books'. The theatre experience is hugely supported by our volunteers, who offer a unique welcome to theatre customers.

FUNDS AND FUNDRAISING

CTT generates income from its activities; ticket sales, ancillary trading, contracts for services, grants for specific projects, fundraising. The balance of regular income is made up of grants.

Our annual core funding from Arts Council England (ACE), which supports the full range of artistic activity. The Trust is immensely grateful for this funding.

We are also grateful to Cumberland Council for their support of the Trust through their award of a funding grant for National Portfolio Organisations in Cumbria, and Keswick Town Council for their continued project based funding.

The Trustees place great importance on relationships with donors and supporters and are committed to ensuring best practice through ethical, sustainable fundraising. The charity is not currently registered with a regulatory body but follows the principles of the Fundraising Regulator's voluntary regulation scheme. We used the support of Tarnside, a consultancy firm, to establish research in future fundraising activities, and contracted Freckle Fundraising to develop our strategy

DISCLOSURE OF INFORMATION TO THE 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.

In approving the Trustees' Annual Report, we also approve the Strategic Report included therein, in our capacity as company directors.

On behalf of the board

Charles Carter, Trustee

Date 7 Sept 2024

CUMBRIA THEATRE TRUST
TRADING AS THEATRE BY THE LAKE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

For the year ended 31 March 2024

The trustees, who are also the directors of Cumbria Theatre Trust for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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

- select suitable accounting policies and then apply them consistently;

- observe the methods and principles in the Charities SORP;

- make judgements and estimates that are reasonable and prudent; and

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity 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 charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CUMBRIA THEATRE TRUST
TRADING AS THEATRE BY THE LAKE
INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF CUMBRIA THEATRE TRUST

Opinion

We have audited the financial statements of Cumbria Theatre Trust (the 'charity') for the year ended 31 March 2024 which comprise the statement of financial activities, the balance sheet, the 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 charitable company's affairs as at 31 March 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity 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 charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees' 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 charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; 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 trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 charity'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 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

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.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

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 of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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. Our audit work has been undertaken so that we might state to the charitable company's members 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, for our audit work, for this report, or for the opinions we have formed.

Susanna Cassey (Senior Statutory Auditor)
for and on behalf of Azets Audit Services .....

Chartered Accountants
Statutory Auditor

Fleet House
New Road
Lancaster
United Kingdom
LA1 1EZ

CUMBRIA THEATRE TRUST
TRADING AS THEATRE BY THE LAKE
STATEMENT OF FINANCIAL ACTIVITIES
(incorporating Income & Expenditure Account)

For the year ended 31 March 2024

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2024 £	*Total 2023 £*
INCOME					
Donations	2	913,044	-	913,044	*1,001,808*
Charitable activities	3	1,580,750	-	1,580,750	*1,211,845*
Other trading activities	4	313,233	-	313,233	*234,227*
Investment income	5	12,727	-	12,727	*1,723*
Other income		167,186	-	167,186	*295,741*
TOTAL INCOME		2,986,940	-	2,986,940	*2,745,344*
EXPENDITURE					
Costs of generating funds	6	74,306	-	74,306	*101,495*
Costs of charitable activities	7	2,696,449	149,454	2,845,903	*2,939,773*
TOTAL		2,770,755	149,454	2,920,209	*3,041,268*
Net (expenditure) / income before transfers / taxation		216,185	(149,454)	66,731	*(295,924)*
Transfers	19	-	-	-	-
Net movement in funds (net income after taxation)		216,185	(149,454)	66,731	*(295,924)*
Reconciliation of funds					
Total funds brought forward	19	2,092,705	3,060,619	5,153,324	*5,449,248*
Total funds carried forward	19	2,308,890	2,911,165	5,220,055	*5,153,324*

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derives from continuing activities.

The notes on pages 20 to 37 form an integral part of these financial statements.

CUMBRIA THEATRE TRUST
TRADING AS THEATRE BY THE LAKE
BALANCE SHEET

As at 31 March 2024

	Notes	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
FIXED ASSETS					
Tangible assets	11	4,151,074	4,270,003	4,138,141	4,262,583
Intangible assets	12	9,880	18,200	9,880	18,200
Investments	13	-	-	100	200
Total Fixed Assets		4,160,954	4,288,203	4,148,121	4,280,983
CURRENT ASSETS					
Stocks	14	3,638	2,773	-	-
Debtors	15	559,113	442,215	783,220	600,105
Cash at bank and in hand		1,095,523	997,485	861,926	836,158
Total Current Assets		1,658,274	1,442,473	1,645,146	1,436,263
CREDITORS					
Amounts falling due within one year	16	(599,173)	(577,352)	(573,212)	(563,922)
NET CURRENT ASSETS		1,059,101	865,121	1,071,934	872,341
TOTAL ASSETS LESS CURRENT LIABILITIES		5,220,055	5,153,324	5,220,055	5,153,324
TOTAL NET ASSETS		5,220,055	5,153,324	5,220,055	5,153,324
FUNDS					
Unrestricted Funds	19	2,308,890	2,092,705	2,308,890	2,092,705
Restricted Funds	19	2,911,165	3,060,619	2,911,165	3,060,619
		5,220,055	5,153,324	5,220,055	5,153,324

The financial statements were approved by the Board of Trustees and authorised for issue on 7 Sept 2024 and signed on their behalf by:

Charles Carter, Chair

Kate McLaughlin-Flynn, Vice-Chair

Registered Company number: 1874868
Registered Charity number: 516673

The notes on pages 16 to 32 form an integral part of these financial statements.

CUMBRIA THEATRE TRUST
TRADING AS THEATRE BY THE LAKE
CASH FLOW STATEMENT

For the year ended 31 March 2024

	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Cash flows from operating activities				
Net cash provided by (used in) operating activities	162,697	(370,328)	82,282	(444,136)
Cash flows from tax credits:				
Theatre tax credit received	-	-	-	-
Cash flows from investing activities:				
Bank Interest	12,727	1,723	12,727	1,723
Purchase of property plant and equipment	(77,386)	(35,638)	(69,241)	(26,361)
Website	-	-	-	-
Net cash (used in) investing activities	(64,659)	(33,915)	(56,514)	(24,638)
Change in cash and cash equivalents in the year	98,038	(404,243)	25,768	(468,774)
Cash and cash equivalents at the start of the year	997,485	1,401,728	836,158	1,304,932
Cash and cash equivalents at the end of the year	1,095,523	997,485	861,926	836,158
Reconciliation of net income/(expenditure) to net cashflow from operating activities				
Net (expenditure) per the SoFA	66,731	(295,924)	66,732	(295,924)
Adjustments for:				
Depreciation charges	196,316	187,823	193,683	185,966
Amortisation charges	8,320	8,320	8,320	8,320
Dividends and interest from investments	(12,727)	(1,723)	(12,727)	(1,723)
(Increase)/decrease in stocks	(865)	78	-	-
(Increase)/decrease in debtors	(116,899)	(264,741)	(183,016)	(338,971)
Increase/(decrease) in creditors	21,821	(4,161)	9,290	(1,805)
Net cash provided by (used in) operating activities	162,697	(370,328)	82,282	(444,136)
Analysis of cash and cash equivalents				
Cash in hand	1,095,523	997,485	861,926	836,158
Total cash and cash equivalents	1,095,523	997,485	861,926	836,158

1 Accounting policies

Charity information

Theatre By The Lake is a private charitable company limited by guarantee and is incorporated and domiciled in England and Wales. The address of the registered office is Theatre by the Lake, Lakeside, Keswick, Cumbria, CA12 5DJ.

The nature of the its operations and its principal activities are detailed in the trustees report attached to these financial statements.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's articles of association and memorandum, the Charities Act 2011 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 (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Income in respect of productions is recognised in the period in which the production occurs.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1 Accounting policies

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Income from Government and other grants, whether capital grants or revenue grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be reliably measured.

Income received in advance of a theatrical performance or provision of other specified service is deferred until the criteria for income recognition are met.

Other trading income is recognised on a receivable basis.

Investment income is recognised in the Statement of Financial Activities in the year in which it is receivable.

1.5 Expenditure

Expenditure is recognised once there is a constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be reliably measured. Expenditure includes any VAT which cannot be fully recovered and is reported as part of the expenditure to which it relates.

Expenditure on charitable activities comprises those costs incurred by the charity in the delivery of its activities and services. It includes both costs that can be allocated directly to those activities and those of an indirect nature necessary to support them.

Where performances of a production straddle the year-end, payroll, rehearsal and audition costs are recognised in the year in which they arise. Production costs (e.g. scenery/costumes) and creative team fees are apportioned between the periods on the number of performances in each period and included in accruals or prepayments.

Support costs relate to those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the Charity's programmes and activities. These costs have been allocated between costs of raising funds and expenditure on charitable activities. Support costs are apportioned on an appropriate basis eg floor area, per capita or estimated usage.

1.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Website costs	5 year straight line basis

1 Accounting policies

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	Buildings: 50 years straight line; Land: Not depreciated
Theatre equipment	10-20% straight line
Fixtures and fittings	10% straight line
Office equipment and software	20% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.9 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.10 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.11 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1 Accounting policies

1.12 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.13 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.15 Theatre tax credit

Where the trading subsidiary incurs qualifying losses in respect of theatre productions these are surrendered for a cash payment under HMRC Theatre Tax Relief regime. Where receipt of these tax credits is virtually certain they are included in the accounts in the year in which the qualifying losses occurred.

1 Accounting policies

1.16 Group financial statements

These financial statements consolidate the results of the Charity and its wholly owned subsidiaries. A separate Statement of Financial Activities for the charity is not included as it has taken advantage of the exemption afforded by s408 of the Companies Act 2006.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

2 DONATIONS

	2024			2023		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Core grants						
Arts Council England - NPO	615,182	-	615,182	*615,182*	-	*615,182*
ACE - emergency funding	-	-	-	-	-	-
ACE - CRF1	-	-	-	-	-	-
ACE - CRF2	-	-	-	-	-	-
ACE - CRF3	-	-	-	-	-	-
Cumbria County Council	10,000	-	10,000	*10,000*	-	*10,000*
Allerdale BC - covid support grants	-	-	-	-	-	-
HMRC - CJRS (furlough)	-	-	-	-	-	-
Other grants	2,000		2,000	*2,500*	*29,511*	*32,011*
Donations						
Friends of Theatre by the Lake	-	-	-	*5,500*	-	*5,500*
Other donations (incl Gift Aid)	74,763	-	74,763	*76,366*	-	*76,366*
Legacies	211,099	-	211,099	*262,749*	-	*262,749*
	913,044	-	913,044	*972,297*	*29,511*	*1,001,808*

3 INCOME FROM CHARITABLE ACTIVITIES

Theatre Performances	1,576,823	-	1,576,823	*1,199,756*	-	*1,199,756*
Education & Participation	3,927	-	3,927	*12,089*	-	*12,089*
	1,580,750	-	1,580,750	*1,211,845*	-	*1,211,845*

The movement in deferred box office income is shown in note 19.

4 INCOME FROM OTHER TRADING ACTIVITIES

	2023			2023		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Fundraising						
Business partnerships	-	-	-	-	-	-
Equipment & costume hire etc	-	-	-	-	-	-
Room hires	38,294	-	38,294	*11,127*	-	*11,127*
Total fundraising activities	38,294	-	38,294	*11,127*	-	*11,127*
Trading subsidiary						
Turnover & other income	274,939	-	274,939	*223,100*	-	*223,100*
Total subsidiary activities	274,939	-	274,939	*223,100*	-	*223,100*
Total income from other activities	313,233	-	313,233	*234,227*	-	*234,227*

5 INVESTMENT INCOME

	2024	2023
	£	
Bank interest received	12,727	*1,723*
	12,727	*1,723*

Bank interest is receivable on cash balances held in appropriate interest bearing deposits.

6 COSTS OF GENERATING FUNDS

	2024			2023		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Generating donations & grants						
Direct costs	-	-	-	-	-	-
Support costs	6,878	-	6,878	*6,688*	-	*6,688*
Governance costs	396	-	396	*332*	-	*332*
Charged to restricted funds	-	-	-	-	-	-
	7,274	-	7,274	*7,020*	-	*7,020*
Fundraising						
Direct costs	1,044	-	1,044	*259*	-	*259*
Support costs	6,878	-	6,878	*6,688*	-	*6,688*
Governance costs	397	-	397	*332*	-	*332*
Charged to restricted funds	-	-	-	-	-	-
	8,319	-	8,319	*7,279*	-	*7,279*
Trading subsidiary						
Direct costs	36,867	-	36,867	*22,341*	-	*22,341*
Support costs	21,846	-	21,846	*64,855*	-	*64,855*
Total subsidiary activities	58,713	-	58,713	*87,196*	-	*87,196*
Total expenditure on other activities	74,306	-	74,306	*101,495*	-	*101,495*

7 COSTS OF CHARITABLE ACTIVITIES

Costs of theatre operations and performances (including touring)

	2024			2023		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
In-house productions: actors	218,450	-	218,450	*267,052*	-	*267,052*
In-house productions: creative	313,442	-	313,442	*445,255*	-	*445,255*
Other direct costs	1,334,601	-	1,334,601	*1,249,270*	-	*1,249,270*
Incoming work: direct costs	-	-	-	-	-	-
Box office and house management	-	-	-	-	-	-
Marketing and publicity	114,532	-	114,532	*140,488*	-	*140,488*
Support costs	774,059	-	774,059	*746,785*	-	*746,785*
Governance costs	37,232	-	37,232	*31,199*	-	*31,199*
Charged to restricted funds	(149,454)	149,454	-	*(215,064)*	*215,064*	-
	2,642,862	149,454	2,792,316	*2,664,985*	*215,064*	*2,880,049*
Education and participation						
Direct costs	21,445	-	21,445	*30,722*	-	*30,722*
Support costs	30,558	-	30,558	*27,674*	-	*27,674*
Governance costs	1,584	-	1,584	*1,328*	-	*1,328*
Charged to restricted funds	-	-	-	-	-	-
	53,587	-	53,587	*59,724*	-	*59,724*
	2,696,449	149,454	2,845,903	*2,724,709*	*215,064*	*2,939,773*

8 SUPPORT AND GOVERNANCE COSTS

	2024			2023		
	General Support	Governance	Total	General Support	Governance	Total
	£	£	£	£	£	£
Salaries and related costs	204,243	18,214	222,457	176,967	12,316	189,283
Direct governance costs	-	-	-	-	-	-
Premises	247,887	2,354	250,241	302,862	2,587	305,449
General office	127,224	1,238	128,462	129,828	1,145	130,973
Financial	23,427	16,793	40,220	21,110	16,172	37,282
Consultancy and development	36,446	-	36,446	28,609	-	28,609
Depreciation	200,993	1,010	202,003	193,314	971	194,285
	840,220	39,609	879,829	852,690	33,191	885,881
Apportioned as:						
Generating grants and donations	6,878	396	7,274	6,688	332	7,020
Theatre performances	774,060	37,233	811,293	746,785	31,199	777,984
Participation and outreach	30,558	1,584	32,142	27,674	1,328	29,002
Fundraising activities	6,878	396	7,274	6,688	332	7,020
Trading subsidiary	21,846	-	21,846	64,855	-	64,855
	840,220	39,609	879,829	852,690	33,191	885,881

Analysis of governance costs

	2024	2023
	£	£
External audit	16,581	15,976
Costs of Trustee meetings, travel, administration etc.	-	-
Apportionment of staff costs	16,150	10,527
Apportionment of support costs	6,878	6,688
	39,609	33,191

Allocation of support costs

The following bases of allocation are used:

- Premises (utilities, repairs etc):	Management review of space usage
- General office (stationery, postage, telephone, IT etc):	Management review of staff time
- Financial (bank charges, loss on disposal of assets etc):	Management review of staff time
- Depreciation:	Management review of staff time

9 Trustee and staff information

a) Trustee information

The trustees are all volunteers and were not paid or received any benefits from employment with the Trust or its subsidiary in the year (2023: £nil); they were reimbursed expenses during the year of £352 (2023: £599). No charity trustee received payment for professional or other services supplied to the charity (2023: £nil). Directors and Officers liability insurance costing £1,043 (2023: £964) was taken out during the year.

b) Staff information

	2024	2023
Actors and Freelance Stage Managers	£	£
Fees	175,681	246,629
Pension contributions	7,024	5,946
Employer's NI contributions	-	-
	182,705	252,575

In line with HMRC guidance, most artists engaged under Equity contracts are treated as self-employed earners for both tax and NI purposes. Payments to such people are disclosed above as actors' and stage managers' fees.

In accordance with the collective agreement between Equity and UK Theatre, Cumbria Theatre Trust made pension contributions of 5% of fees paid to actors or stage managers enrolled in the Equity Pension Scheme, provided that the members made a contribution of 3%.

The average monthly number of full-time equivalent artists engaged under Equity contracts during the year was 8 (2023: 11).

	2024	2023
Employees	£	£
Wages and salaries	744,752	686,103
Employer's NI contributions	69,144	57,328
Employer's pension contributions	16,743	15,042
	830,639	758,473

No employee earned more than £60,000 excluding employer's national insurance and pension contributions.

In accordance with current legislation, the company operates a defined contributions pension scheme provided by NOW: Pensions Limited which meets its auto-enrolment obligations. The company contributes the minimum requirement of 3%.

The average monthly headcount was 29 staff (2023: 29). The average number of full-time equivalent employees, actors and stage managers was 37 (2023: 40).

Key management

In addition to the Board of Trustees, the Charity considers its Executive Director, Artistic Director and the other members of the senior management team, as set out on page 1, to be Key Management Personnel for the purposes of the SORP. Remuneration and benefits (salary and pension contributions) received by these employees amounted to £ 268,518 in the year (2023: £212,959).

10 Net movement in total funds for the year

This is stated after charging:	2024	2023
	£	£
Auditor's remuneration (for parent and subsidiary)	11,700	12,500
Remuneration to auditors for other services	3,300	5,750
Depreciation and amortisation	202,003	194,285
Payments under operating leases	9,000	9,000
Trustees' remuneration	-	-
Trustees' expenses	352	599

11 TANGIBLE FIXED ASSETS

Group	Long Leasehold Land & Buildings	Fixtures & Fittings	Theatre Equipment	Office Equipment & Software	Total
Cost	£	£	£	£	£
As at 1 April 2023	6,778,620	507,053	801,460	215,404	8,302,537
Additions	-	62,504	1,008	13,874	77,386
Disposals	-	(67,184)	-	(130,932)	(198,116)
As at 31 March 2024	6,778,620	502,373	802,468	98,346	8,181,807
Depreciation					
As at 1 April 2023	2,627,088	442,777	775,070	187,598	4,032,533
Provided	134,581	34,691	13,433	13,611	196,316
Disposals	-	(67,184)	-	(130,932)	(198,116)
As at 31 March 2024	2,761,669	410,284	788,503	70,277	4,030,733
Net Book Value					
As at 31 March 2024	**4,016,951**	**92,089**	**13,965**	**28,069**	**4,151,074**
As at 1 April 2023	*4,151,532*	*64,276*	*26,390*	*27,806*	*4,270,003*

Charity	Long Leasehold Land & Buildings	Fixtures & Fittings	Theatre Equipment	Office Equipment & Software	Total
Cost	£	£	£	£	£
As at 1 April 2023	6,778,620	497,776	801,460	215,404	8,293,260
Additions	-	54,359	1,008	13,874	69,241
Disposals	-	(67,184)	-	(130,932)	(198,116)
As at 31 March 2024	6,778,620	484,951	802,468	98,346	8,164,385
Depreciation					
As at 1 April 2023	2,627,088	440,922	775,070	187,598	4,030,677
Provided	134,581	32,058	13,433	13,611	193,683
Disposals	-	(67,184)	-	(130,932)	(198,116)
As at 31 March 2024	2,761,669	405,796	788,503	70,277	4,026,244
Net Book Value					
As at 31 March 2024	**4,016,951**	**79,155**	**13,965**	**28,069**	**4,138,141**
As at 1 April 2023	*4,151,532*	*56,854*	*26,390*	*27,806*	*4,262,583*

12 INTANGIBLE FIXED ASSETS

Group & Charity	Website	Total
	£	£
Cost		
As at 1 April 2023	41,600	41,600
Additions	-	-
Disposals	-	-
As at 31 March 2024	41,600	41,600
Amortisation		
As at 1 April 2023	23,400	23,400
Provided	8,320	8,320
Disposals	-	-
As at 31 March 2023	31,720	31,720
Net Book Value		
As at 31 March 2024	**9,880**	**9,880**
As at 1 April 2023	*18,200*	*18,200*

13 FIXED ASSET INVESTMENTS

	Group 2024	Group *2023*	Charity 2024	Charity *2023*
	£	£	£	£
Shares in subsidiary undertakings	-	-	**100**	*200*
	-	-	**100**	*200*

TBTL Services Limited (registered company number 06946177) is wholly owned by the charity and operates certain trading activities. Theatre by the Lake Productions Limited (registered company number 09259767) is wholly owned by the charity which was disolved on 26 December 2023. The accounts of both subsidiaries are consolidated in these financial statements (see also notes 28 and 29). Both subsidiary companies are incorporated in England and Wales and their registered office is the same as that of Cumbria Theatre Trust (the parent company).

		Group 2024	Group 2023	Charity 2024	Charity 2023
14 STOCKS		£	£	£	£
Consumable items		3,638	2,773	-	-
		3,638	2,773	-	-
15 DEBTORS					
Trade debtors		117,030	54,946	82	17,547
VAT refund due		-	-	-	2,411
Other debtors		25,851	8,112	22,571	8,047
Inter-company balances		-	-	346,923	194,963
Theatre tax credit recoverable		206,686	255,275	206,686	255,275
Prepayments		209,546	123,882	206,958	121,862
		559,113	442,215	783,220	600,105
16 CREDITORS: amounts falling due within one year					
Trade creditors		109,566	119,980	89,516	114,738
Taxation and social security		16,591	24,802	16,591	21,264
Deferred income - advance bookings	17	341,569	259,296	341,569	259,296
Customer credits		57,842	73,429	57,842	73,429
Third party resources	18	-	-	-	-
Other creditors		11,130	13,976	11,130	13,976
Accruals		62,475	85,869	56,564	81,219
		599,173	577,352	573,212	563,922

17 MOVEMENTS IN DEFERRED INCOME

	2024	2023
	£	£
Deferred income brought forward	259,296	190,240
Released in the year	(259,296)	(190,240)
Deferred in the year	341,569	259,296
Deferred income carried forward	341,569	259,296

18 THIRD PARTY RESOURCES

	2024	2023
	£	£
Balance brought forward	-	73,160
Receipts in the year	-	11,012
Withheld for theatre hire and other charges	-	-
Forwarded to hiring organisations or refunded to their customers	-	(84,172)
Balance carried forward	-	-

Third party resources refers to tickets sold by Cumbria Theatre Trust as agent for organisations which have hired Theatre by the Lake for their own presentations.

19 Statement of Funds

	2022/2023				Balance b/f and c/f	2023/2024				Balance
	Income	Expenditure	TTR	Transfer	31 Mar 2023	Income	Expenditure	TTR	Transfer	31 Mar 2024
	£	£	£	£	£	£	£	£	£	£
Unrestricted Funds:										
General fund	2,715,833	(2,826,204)	-	273,351	*2,066,005*	2,986,940	(2,770,755)	-	(519,225)	**1,762,965**
Designated fund				(273,351)	*26,700*				519,225	**545,925**
	2,715,833	(2,826,204)	-	-	*2,092,705*	2,986,940	(2,770,755)	-	-	**2,308,890**
Restricted Funds:										
Revenue:										
Cultural Recovery Fund	-	(1,263)	-	-	*1,264*	-	(1,264)	-	-	-
Legacy	-	(7,000)	-	-	*28,000*	-	(7,000)	-	-	**21,000**
Skills Development	-	(2,100)	-	-	-	-		-	-	-
2022/23 projects	-	(22,000)	-	-	-	-		-	-	-
Friends of Theatre by the Lake	-	(12,000)	-	-	-	-		-	-	-
Kickstarter	17,767	(17,767)	-	-	-	-		-	-	-
Youth Theatre	11,744	(11,744)	-	-	-	-		-	-	-
Capital:										
Capital grants & donations received	-	-	-	-	-	-		-	-	-
Capital grants & donations expended	-	(141,190)	-	-	*3,031,355*	-	(141,190)	-	-	**2,890,165**
	29,511	(215,064)	-	-	*3,060,619*	-	(149,454)	-	-	**2,911,165**
Total Funds	2,745,344	(3,041,268)	-	-	*5,153,324*	2,986,940	(2,920,209)	-	-	**5,220,055**

19 STATEMENT OF FUNDS (continued)

Restricted fund balances at the year end are held for the following purposes.

Cultural Recovery Fund 1, 2 & 3

To enable the theatre to meet the challenges of the pandemic and relaunch its activities in a Covid secure way whilst managing the financial risk.

Legacy

Cumbria Theatre Trust received a legacy of £35,000 which will be released over the next five years to support the employment of new talent

Capital grants & donations expended

This records the expenditure on capital assets funded by capital grants where there are continuing restrictions on the assets, and provides a fund against which depreciation can be charged in future periods. Depreciation of £141,190 has been charged to this fund this year.

Restrictions relate both to funds given for the construction and fitting out of Theatre by the Lake and its continued use by the Charity as a theatre, and also to the redevelopment of the Lakeside Café.

With the exception of where detailed above the trust plans to utilise all remaining restricted revenue reserves within the next financial year. Funds are transferred to 'capital grants & donations expended' if used to purchase capital equipment.

20 ANALYSIS OF CHARITY FUNDS

As at March 31 2024	Group Unrestricted Funds	Group Restricted Funds	Group Total	Charity Unrestricted Funds	Charity Restricted Funds	Charity Total
	£	£	£	£	£	£
Fixed assets	1,270,789	2,890,165	**4,160,954**	1,257,956	2,890,165	**4,148,121**
Net Current assets	1,038,101	21,000	**1,059,101**	1,050,934	21,000	**1,071,934**
	2,308,890	2,911,165	**5,220,055**	2,308,890	2,911,165	**5,220,055**
As at March 31 2023						
Fixed assets	*1,256,848*	*3,031,355*	***4,288,203***	*1,249,628*	*3,031,355*	***4,280,983***
Net Current assets	*835,857*	*29,264*	***865,121***	*843,077*	*29,264*	***872,341***
	2,092,705	*3,060,619*	***5,153,324***	*2,092,705*	*3,060,619*	***5,153,324***

21 CONSTITUTION

The company is limited by guarantee and does not have a share capital. In the event of winding up, the members are liable to contribute £1 each. The number of members at 31 March 2024 was 8 (2023: 8).

The company is controlled by its members in general meeting. No individual member or group of members has overall control of the company.

22 TAXATION

The company is a registered charity and is entitled to claim annual exemption from UK Corporation Tax.

23 CAPITAL COMMITMENTS

At 31 March 2024 the charity had capital commitments which are contracted for but not provided for in the financial statements of £Nil (2023: £Nil).

24 CONTINGENT LIABILITIES

The Arts Council of England lottery award (£4,685,704) is repayable in the event of the company being wound up. The written consent of the grantor is required before the theatre can be disposed of.

Similar conditions apply to past capital grants from Cumbria County Council (£282,500), European Regional Development Fund (£200,000) and Northern Rock Foundation (£200,000).

Should the company face an insolvent winding up, ACE is entitled to the title of the building.

The Trustees do not expect these liabilities to crystallise.

25 RELATED PARTY TRANSACTIONS

Friends of Theatre by the Lake was an independent charity (now dissolved), which had the right to nominate one member to the Board of Cumbria Theatre Trust as detailed in the Trustees' Report. Donations totalling £Nil (2023 - £5,500) were received from Friends of Theatre by the Lake during the year.

Keswick Town Council is also entitled to nominate one member to the Board. A grant of £2,000 (2023: £2,500) was received from Keswick Town Council towards our education and participation work in Keswick and the surrounding area.

Allerdale Borough Council is also entitled to nominate one member to the Board. The group received £Nil (2023: £Nil) in business support grants from Allerdale Borough Council during the year.

Donations totalling £194 were received in aggregate from trustees during the year (2023: £48).

There were no other outstanding balances with related parties at the end of the year (2023: Nil) and no other transactions with charity trustees during the year.

26 OPERATING LEASE COMMITMENTS

At 31 March 2024 the company had the following commitments under non-cancellable operating leases:

	2024 Property £	2024 Others £	*2023 Property £*	*2023 Others £*
Minimum amounts payable:				
within one year	2,313	-	*9,250*	-
within two to five years	-	-	*2,313*	-
Total	2,313	-	*11,563*	-

27 Parent charity - Statement of Financial Activities

	Unrestricted Funds £	Restricted Funds £	Total 2024 £	*Total 2023 £*
Total incoming resources	2,928,228	-	2,928,228	*2,658,148*
Total resources expended	2,712,042	149,454	2,861,496	*2,954,072*
Net (expenditure) / income for the year before transfers	216,186	(149,454)	66,732	*(295,924)*

28 Subsidiary undertaking - commercial and trading activities

A summary of the results and closing balances of the subsidiary, TBTL Services Ltd, is shown below.

		2024		*2023 £*
Turnover		274,939		*223,100*
Intercompany adjustments		-		*-*
Activities for generating funds: trading operations		274,939		*223,100*
Cost of sales	36,867		*22,341*	
Administration & premises expenses	21,846		*64,855*	
Management charge	-		*-*	
Cost of trading operations		58,713		*87,196*
		216,226		135,904
Other income		-		*-*
Net profit reported in consolidated accounts		216,226		*135,904*
Add back intercompany adjustments		-		*-*
Net profit for the year reported by TBTL Services Ltd		216,226		*135,904*
Gift Aid		(216,226)		*(135,904)*
Retained in the subsidiary		-		*-*
As at the balance sheet date, the assets and liabilities of the subsidiary were:				
Non current assets		12,933		*7,422*
Current assets		360,049		*203,581*
Creditors: amounts due within one year		(368,627)		*(210,903)*
		4,355		*100*
Represented by:				
Aggregate share capital and reserves		100		*100*
Profit and Loss Account		-		*-*
		100		*100*

29 Subsidiary undertaking - production activities

A summary of the results and closing balances of the subsidiary, Theatre by the Lake Productions Ltd, is shown below. The subsidiary was dissolved during the year.

	2024	2023
	£	£
Turnover	-	-
Intercompany adjustments	-	-
Activities for generating funds: trading operations	-	-
Cost of sales	-	-
Intercompany adjustments	-	-
Administration & premises expenses	-	-
Cost of trading operations	-	-
Net loss reported in consolidated accounts	-	-
Add back intercompany adjustments	-	-
Net loss for the year reported by Theatre by the Lake Productions Ltd	-	-
Tax Claim	-	-
Retained in the subsidiary	-	-

As at the balance sheet date, the assets and liabilities of the subsidiary were:

Current assets	-	*100*
Creditors: amounts due within one year	-	-
	-	*100*
Represented by:		
Aggregate share capital and reserves	-	*100*

Theatre tax credit:

TTR claimable	-	-
Deferred tax asset movement	-	-
Credit in accounts	-	-

30 Designated Funds

	At 31 March 2023	Funds designated	At 31 March 2024
Designated funds:			
Participation	26,700	(8,700)	18,000
Development	-	15,000	15,000
Legacy	-	84,000	84,000
Capital spending	-	428,925	428,925
	26,700	519,225	545,925

Participation
Planned works which due to staff capacity will not be completed until 24/25

Development
Planned works which due to staff capacity will not be completed until 24/25

Legacy
Additional legacy received in 23/24 to be held for 24/25 spend

Capital spending
Planned capital spend over the next three years 24/25-26/27

31 Contingent Asset

The Charity has been bequeathed a significant legacy that will be received in the 24/25 financial year, the value of which is yet to be determined.

CUMBRIA THEATRE TRUST

England & Wales - Charity number 516673

Accounts

Charity Registration No. 516673

Company Registration No. 1874868 (England and Wales)

CUMBRIA THEATRE TRUST

TRADING AS THEATRE BY THE LAKE

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

CUMBRIA THEATRE TRUST
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FOR THE YEAR ENDED 31 MARCH 2023

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CUMBRIA THEATRE TRUST
TRADING AS THEATRE BY THE LAKE
Company Information

PRESIDENT	Dame Judi Dench	
FOUNDING PRESIDENTS	Graham Lamont Vicky Robinson MBE	
VICE PRESIDENTS	Nigel Illman Doreen Wilkinson	
PATRONS	Lord Bragg of Wigton Sir Tony Cunningham Hunter Davies OBE Dame Patricia Routledge OBE Eric Robson OBE Richard Wilson OBE	
DIRECTORS AND TRUSTEES	Charles Carter * Kate McLaughlin-Flynn * Dr Jim Cox OBE * Steve Freeman ** Elizabeth Freestone ** Janaki Fryer-Spedding * ** Fiona Lowry* Philip Moorhouse* Jenna Omeltschenko	(Resigned 3/9/2022)
	* Member of Finance Committee ** Member of Artistic Committee	
SECRETARY	Amanda Leader	
JOINT CEO (from 13/3/2023)	Simon Stephens (Executive Director) Liz Stevenson (Artistic Director)	
EXECUTIVE DIRECTOR	James Cobbold Simon Stephens	(Resigned 28/9/2022) (Appointed 13/3/2023)
ARTISTIC DIRECTOR	Liz Stevenson	
KEY MANAGEMENT PERSONNEL	David Jane – General Manager Amanda Leader – Head of Finance Rachel Swift – Head of Communications (Resigned 31/3/2023) Amy Clewes – Producer Shelly Ramsdale – Head of Marketing and Communications (appointed 19/7/2023)	
REGISTERED OFFICE	Theatre by the Lake Lakeside Keswick Cumbria CA12 5DJ	
AUDITORS	Azets Audit Services Fleet House New Road Lancaster LA1 1EZ	
MAIN BANKERS	Barclays Bank plc Market Square Keswick Cumbria CA12 5BE	
COMPANY NUMBER	1874868	
CHARITY NUMBER	516673	
TELEPHONE	017687 72282	
WEBSITE	www.theatrebythelake.com	

CUMBRIA THEATRE TRUST
TRADING AS THEATRE BY THE LAKE
ANNUAL REPORT – CHAIR'S REPORT

For the year ended 31 March 2023

After three years of writing a Chair's report dominated by the impact of the pandemic, it is a delight to present a summary of the year where Covid has been a lesser concern and is, we hope, receding into the past.

We have emerged from Covid with a new and exciting approach to the future. Our overarching intent as an organisation is to become more rooted in our place: Cumbria and the Lakes. We really believe in the value of culture to the health and wellbeing of everyone and TBTL is an essential creative hub in an area of comparatively limited cultural provision. We want to extend our reach much more effectively into our rural and socially isolated communities, while continuing to serve our hugely valued long-term and supportive audiences and, of course, visitors to the area.

In many ways, this has been a year of experiment. We have moved away from our traditional summer repertory programme to sequential productions spread over the year, often co-produced with other theatres of similar size. This has enabled is to offer the opportunity to offer a range of shows with larger and more varied casts than in recent years, and with a wide range of subject matter. We have seen plays that have included the remarkable ***Kes*** which rightly resulted in a UK Theatre award for Nishla Smith, with her mesmerising performance as the bird itself; a world premiere with ***The Climbers***; the very funny and accomplished ***One Man, Two Guvnors***; and the sometime chilling ***The Beauty Queen of Leenane*** . Overall, the artistic quality has been recognised as being better than for many years.

Away from our stages, we are also starting to develop our work in the community, although more slowly than we would like. ***Swim,*** a well-received co-production dealing with grief, toured Cumbria and more widely. We have built stronger links with Cumbria Creatives. We are working with local playwrights, both to commission work (an exciting new production rooted in Workington is in development) and to help to develop and train aspiring disabled playwrights through a collaboration with Graeae, a remarkable theatre company for Deaf and disabled.

Financially, audiences are our principal source of revenue. However, they have been slow to return and have been booking much later than was historically the case. While the financial return from our 2021 Christmas production of ***Tom's Midnight Garden*** was satisfactory, audiences then dropped through Spring and Summer. The 2022 Christmas production of ***The Borrowers*** did well, matching the performance of many prior Christmas shows. Audiences for other shows have been slower to return, although the early signs for 2023 show an improvement. Overall, we've not yet returned to pre-pandemic sales levels, but things are getting better. We are not alone in this, as regional theatres across the country are showing similar results.

Arts Council England are a core funder and we have been a proud member of their National Portfolio for many years. Their funding is awarded in multi-year tranches and I am delighted that we have been awarded funding for the next period, 2023/4 – 2025/6, and we are very grateful to ACE for their continued strong support. This funding continues to be crucial for us, although it is a declining proportion of our income as the amount awarded will remain largely unchanged for over 10 years. Again, this is common across the sector.

CUMBRIA THEATRE TRUST
TRADING AS THEATRE BY THE LAKE
ANNUAL REPORT – CHAIR'S REPORT

For the year ended 31 March 2023

We continue to be immensely grateful to those who support us, both through buying tickets and through donations. Fundraising is a vital part of our financial model and the donations from our supporters are vital to us. I give particular thanks to the late Elizabeth Barraclough and her partner, the late Dorothy Hind. Both were long-time supporters of the theatre and Elizabeth, a one time Trustee, left a hugely generous legacy to us which has been crucial to our survival through this immediate post pandemic period.

Away from the stages and the community we have been busy. We have been looking closely at our catering and bars arrangements and, having considered closely the possibility of bringing the facilities in-house, we again decided to outsource them and ran a comprehensive tendering process before re-awarding the contract to BaxterStorey at the end of the financial year.

Lastly, I must thank all of our volunteers, our staff and my fellow Trustees. Our volunteers continue to be a mainstay of the theatre and always provide a cheery welcome to our visitors. Our full-time staff have done a magnificent job. As we have resurfaced from the pandemic, we are operating on much smaller numbers than before and everyone's role has changed. This has been difficult and one of the challenges for the year ahead is to address this. And thank you, too, to my fellow Trustees who make a significant contribution to the success of this marvelous organisation.

In September, James Cobbold left us after over 20 years at the theatre. We were sorry to see him go but are delighted to welcome Simon Stephens as our new Executive Director. Simon joined in March this year. I would particularly like to thank Liz Stevenson and our management team for running the business in the interim.

We look forward to the coming year with continued huge optimism. Our newly published programme is exciting and our ideas for working with community equally so.

Charles Carter
Chair of Trustees

CUMBRIA THEATRE TRUST
TRADING AS THEATRE BY THE LAKE
TRUSTEES' AND DIRECTORS' ANNUAL REPORT

For the year ended 31 March 2023

The Trustees present their report and the audited financial statements of the charity for the year ended 31 March 2023. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" in preparing the annual report and financial statements of the charity.

TRUSTEES OF THE CHARITY

The directors of the charitable company are its trustees for the purposes of charity law. The trustees who have served during the year and since the year end are detailed on page 1.

OBJECTIVES AND ACTIVITIES

Charitable objectives

The charitable objectives of Cumbria Theatre Trust (CTT) are to:

- promote and advance the arts and in particular the performing arts for the benefit of the public; and
- promote and advance education through the development and delivery of creative learning programmes for people of all ages.

Developing a new strategy

The theatre has had great success since its opening in 1999, but it was increasingly clear pre-Covid that our business model was becoming unsustainable. In particular, the long summer repertory season which formed the core of our model was declining in terms of both artistic quality and financial resilience.

We took the opportunity of Covid, when the theatre was forcibly closed, to start the process of looking at how we might build on our success while doing things in a different way and maintaining our position as a strong producing theatre. We are grateful to DCMS and Arts Council England (ACE) for providing some of the funding to underpin this work.

As we have emerged from Covid, we have continued this thinking and now have a clear framework for how we want to move forward, recognising that we will need to test different elements of this approach over the next few years. The changes needed were embedded in our application to remain part of the ACE National Portfolio for 2023-26. ACE have strongly supported our approach and subsequently approved our application to remain a National Portfolio Organisation (NPO) early in 2023, which underpins our funding for the NPO period.

Our relevance to the arts in Cumbria

Our direction recognises our current position and the arts in Cumbria. As a regional arts and education charity based in Keswick, Cumbria, Cumbria Theatre Trust (CTT) owns Theatre by the Lake (TBTL), and is the only midscale producing theatre between Glasgow, Newcastle & Lancaster. We serve communities across Cumbria and visitors to the Lake District. TBTL is an essential creative hub in an area of comparatively limited cultural provision. We operate in England's second largest and second least populated county with 70% of settlements comprising under 200 people. As a producing theatre, the work we create, commission and share is critical to levelling up access to high quality arts for rural and isolated communities, particularly children and young people, and developing local talent.

Our new approach

Our emerging model remains true to our charitable objectives summarised above, while responding to our location and environment by moving us strongly to a place-based model that is more relevant and accessible to our local communities. Our vision and mission summarises this:

Vision

Theatre enriches the lives of everyone in Cumbria, and theatre made in Cumbria is celebrated on the national stage.

Mission

In our venue and out across Cumbria, we make and share great theatre that tells stories, builds communities & celebrates our place.

Our model depends upon strategic, creative partnerships to increase our impact and reach. We partner with small to large-scale producers, creating work for diverse audiences from across Cumbria and the UK, in Keswick and on rural and national tours.

Public benefit statement

The Trustees are aware of the Charity Commission guidance on public benefit and have taken this into account when making a decision to which the guidance is relevant.

ACHIEVEMENTS AND PERFORMANCE

Activities on our stages

Our principal achievements over the reporting year have been based around delivering a wide range of home-produced and co-produced productions on our stages, and supplementing this with a wide range of visiting work. Our in-house productions were:

- ***Kes*** (a co-production with Octagon Theatre Bolton), an acclaimed production with excellent reviews in the national press and one actor receiving a national award. This production was notable for attracting a high number of first-time attendees.

- ***Swim***, a production in our studio where we collaborated with co-producers and artists to make relevant work of place, and where we supported, connected and engaged Cumbrian artists and communities around the work. It went on to perform to Cumbrian and national audiences in a variety of settings.

- ***The Climbers***, a world premiere of a play that tapped into local mountain culture and resonated with our sense of place.

- ***One Man Two Guvnors*** (a co-production with Octagon Theatre Bolton and Liverpool Everyman), which was aimed at the Summer visitor audience and was well received by them and by critics.

- ***Brief Encounter*** (a co-production with Stephen Joseph Theatre and Liverpool Everyman), which was well received nationally and popular with our traditional audiences.

- ***The Beauty Queen of Leenane***, was a more challenging play than usually presented in our main house. It received excellent national press coverage and brought in new audiences with over one third being first-time visitors.

- ***The Borrowers***, our Christmas production, received overwhelmingly positive local reviews. It was marked by a strong return of bookings from local schools. The production included a youth cast working alongside the professional actors which the participants very much enjoyed.

Notable across all these productions is that artistic quality has been high. We are putting in place more explicit measures of this, but in terms of press coverage, peer review and audience reaction, the programme has been well received.

Financially, we are not yet achieving the financial resilience that we need. In common with all regional theatres, audiences have been slow to return post-covid. They are also booking later with a consequential adverse affect on cashflow.

This programme was necessarily experimental as we transition away from the repertory approach, and we were able to test and learn from the attractiveness of different types of play, different approaches to production and different ways of working, not least in the balance between permanent and freelance staff. We will use the lessons we have learned in the future.

Alongside this in house programme, we also had a significant range of visiting work including plays for all age groups, music and spoken word. Sadly, our Spring Festival "Words by the Water" has ceased because its producer has gone into administration.

Community activities

Alongside our work on stage, we have also started to rebuild our work with local communities. This has included:

- Supporting local companies (Keswick Amateur Opera Society, Keswick Theatre Club, Young Farmers) with presenting work on our stages.
- Working with young people, including our Youth Theatre and hosting NT Connections, a national programme.
- Supporting scratch nights on our stages, where local performers are invited to present their work and are supported to develop their work further.
- Working with national charity Graeae to run a playwriting course for local deaf and disabled early career writers.
- Working with a local writer to develop his play about growing up in Workington by holding workshops in a range of schools and colleges, and using facilities provided by the National Theatre to help to develop the work, which we hope will reach our stage in 2024 .

FINANCIAL REVIEW

For the financial year ended 31 March 2023, the Group realised a deficit on unrestricted funds after transfers of £295,924. The statement of financial activities (SOFA), balance sheet, cash flow statement and notes are set out from page 12 onwards.

After ticket sales, the most substantial part of CTT's funding comes from Arts Council England (ACE). Cumbria Theatre Trust has been a member of the ACE National Portfolio Organisation (NPO) funding programme for many years. This funding is awarded for multi-year tranches of which the most recent was a four-year award (2017/18-2021/22) which was extended by a further year (2022/23) as a consequence of the Covid pandemic. During 2022, CTT applied for the next round of funding for the period 2023/24 – 2025/26. This application was successful and CTT is grateful to ACE for this continued support. In common with many organisations, CTT will receive ACE funding for each of the three years at the same level as in the previous NPO round. In real terms, this represents a decline in ACE funding.

Cumbria County Council continued to support CTT through the award of a funding grant for National Portfolio Organisations in Cumbria, and Keswick Town Council continues to support with project-based funding.

Additionally, CTT receives substantial support from individuals who donate to the theatre. Elizabeth Barraclough and Dorothy Hind, long time supporters of the theatre left a generous legacy for which we are most grateful.

A further donation of £5,500 was received in 2022/23 being funds raised through the Friends 600 Club. The Trust is immensely grateful to the Friends for their support of theatre over many years. The 600 Club scheme will be brought in-house during 2023/24.

CTT operates a subsidiary company, TBTL Services Ltd (TBTLS) for trading activities which might fall outside its charitable objectives, including bars and catering, ice creams, merchandise and programmes. The provision of bars and catering services has been outsourced since the opening of the Lakeside café six years ago. In 2022/23 TBTLS reviewed closely the operation of these services and considered a number of options, including bringing all these services in house. It was decided that the services should be re-tendered and after an extensive process supported by an experienced consultant, the contract was re-awarded to BaxterStorey for a five year period from the beginning of 2023/24. The contract for these services was signed in May 2023. TBTL Services Limited donates its profits to CTT through Gift Aid.

Our second subsidiary company, Theatre by the Lake Productions Limited, is a dormant company.

CTT's financial statements for the year ended 31 March 2023 are consolidated with the profit and loss accounts of TBTL Services Limited and Theatre by the Lake Productions Limited. TBTL Services Limited made a net profit of £135,904, which was donated to the Charity (see also note 28). Theatre by the Lake Productions Limited made a loss of £Nil (see also note 29).

Reserves Policy

The unrestricted reserves of the Trust are £2,092,705. The Trust also has restricted reserves of £3,060,619 not available for the general purposes of the charity at the end of the year. Reserves are further analysed in notes 27 and 30.

Free reserves, of the Trust, were £835,857 at the year-end (2021: £926,913).

At 31 March 2023 cash reserves stood at £997,485 including cash representing restricted fund balances of £29,264 and deferred income and third party resources of £259,296.

The trustees have reviewed closely the level of reserves, taking into account the risks that the Trust faces (including, for example, the slow return of audiences, the prevailing economic situation, and the need to cope with unforeseen emergencies) while recognising the need to invest for the future (including, for example, the need to reach new audiences).

After this review, the Trustees have concluded that in the longer term a minimum level of free reserves of £500,000 would be satisfactory. Nevertheless, senior management and the Trustees continue to monitor the position regularly alongside the monitoring of risk and will take any necessary steps to maintain a satisfactory financial position. The Trustees will review the reserves position formally at the end of the financial year in the light of prevailing conditions and experience.

The Trustees have designated reserves of £27k for additional artist development and community engagement work to be completed in 2023/24.

Financial Risk Management

The Finance Committee considers the financial risks to which CTT may be exposed, assesses their potential impact on the organisation and identifies strategies to mitigate their effect, should those risks materialise.

Cumbria Theatre Trust's risk management strategy comprises:

- regular review of the principal risks and uncertainties faced by the group;
- the establishment of policies, systems and procedures to mitigate those risks;
- the implementation of procedures to minimise or manage any potential impact on the organisation, should those risks materialise.

The charity's most significant risk would be the loss of Arts Council England funding or change of its conditions. If these risks were to materialise, it would adversely affect the charity's ability to operate. Provided Arts Council England continue with the current arrangements, and given reserves balance held, trustees are confident that the charity can be sustained in its current form.

PLANS FOR FUTURE PERIODS

Our plan for 2023-24 has been agreed by the Board and by ACE as our principal funder. It sets out the activities that we propose to undertake, and our adherence to a set of investment principles set out by ACE. These investment principles are intended to ensure we develop work of sufficient ambition and quality, that we are inclusive and relevant throughout our organisation, that we are dynamic and respond quickly to changes in our circumstances, and that we are environmentally responsible.

Overall, the plan is intended to move us further towards meeting our vision and mission as set out earlier. Our plan includes:

- Staging a minimum of 5 home produced or co-produced shows. Our programme already published for the balance of this calendar year has an interesting and exciting mix of productions that largely meet this aim
- Staging a multi-arts event
- Facilitiating community shows on our stages
- A programme of theatre for children, young people and families
- Working with young people and emerging talent

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Documents

CTT is a company limited by guarantee, governed by its Memorandum and Articles of Association dated 4 December 1984 with subsequent minor updates in 2007 and 2018. It is registered with the Charity Commission.

CTT established a wholly owned trading subsidiary company for the benefit of the charity, TBTL Services Limited, a private company limited by shares, governed by its Memorandum and Articles of Association dated 22 June 2009.

Theatre by the Lake Productions Limited is a dormant subsidiary. It is a private company limited by shares and governed by its Articles of Association dated 13 October 2014.

Organisation

The governing body of CTT is the board of trustees whose members are non-executive and unpaid. The board meets at least four times a year and retains full and effective control over the Company. The board delegates the management and artistic operation of the company to the Executive Director and Artistic Director. They attend meetings of the board, together with other senior staff, as appropriate. All staff who attend board meetings do so as non-voting participants.

The board of trustees takes responsibility for appointing the Executive Director and Artistic Director and will determine the contract of employment and monitor the performance of individuals undertaking these roles. The responsibility for the appointment of other staff would normally be delegated to the Executive Director and Artistic Director.

Keswick Town Council are entitled to nominate one member to the Board. Cumberland Council (formally Allerdale Borough Council) is also entitled to nominate one member to the Board. Neither organisation has nominated such a member for the last 4 years.

Trustee Appointment

The Articles of Association specify that the number of members of the board is not less than five and not more than fifteen, including trustees nominated by external bodies currently designated in the board rules.

Elected directors would normally retire at the end of their term of office (up to 4 years) but may seek re-election for a second term.

The Board of Trustees regularly reviews its needs in terms of skills and recruits new Trustees in areas where it is considered necessary or helpful. Trustees are usually recruited through open advertisement,

with selection being made by existing Trustees against pre-agreed criteria. New Trustees are provided with extensive background material and are encouraged to gain a thorough knowledge of the organisation by meeting members of staff and other Trustees. Trustee training is organized in relevant areas as needed.

Volunteers

Recruitment, induction and training of volunteers represents a vital element of CTT's staffing strategy, with approximately 180 dedicated front of house staff 'on the books'. The theatre experience is hugely supported by our volunteers, who offer a unique welcome to theatre customers.

FUNDS AND FUNDRAISING

CTT generates income from its activities; ticket sales, ancillary trading, contracts for services, grants for specific projects, fundraising. The balance of regular income is made up of grants.

Our annual core grant funding from Arts Council England (ACE), which supports the full range of artistic activity.

We are also grateful to Cumbria County Council for their support of the Trust through their award of a funding grant for National Portfolio Organisations in Cumbria, and Keswick Town Council for their continued project based funding.

The trustees place great importance on relationships with donors and supporters and are committed to ensuring best practice through ethical, sustainable fundraising. The charity is not currently registered with a regulatory body but follows the principles of the Fundraising Regulator's voluntary regulation scheme. We used the support of Tarnside, a consultancy firm, to establish research in future fundraising activities.

DISCLOSURE OF INFORMATION TO THE 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.

In approving the Trustees' Annual Report, we also approve the Strategic Report included therein, in our capacity as company directors.

On behalf of the board

C H Carter

Charles Carter, Trustee

Date 25 September 2023

CUMBRIA THEATRE TRUST
TRADING AS THEATRE BY THE LAKE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

For the year ended 31 March 2023

The trustees, who are also the directors of Cumbria Theatre Trust for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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

- select suitable accounting policies and then apply them consistently;

- observe the methods and principles in the Charities SORP;

- make judgements and estimates that are reasonable and prudent; and

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity 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 charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CUMBRIA THEATRE TRUST
TRADING AS THEATRE BY THE LAKE
INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF CUMBRIA THEATRE TRUST

Opinion

We have audited the financial statements of Cumbria Theatre Trust (the 'charity') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the 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 FRS 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 charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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 charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

TO THE TRUSTEES OF CUMBRIA THEATRE TRUST

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; 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 trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 charity'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 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

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.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

TO THE TRUSTEES OF CUMBRIA THEATRE TRUST

Extent to which the audit was considered capable of detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

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 of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services

Susanna Cassey (Senior Statutory Auditor)
for and on behalf of Azets Audit Services

11 Sept '23

Chartered Accountants
Statutory Auditor

Fleet House
New Road
Lancaster
United Kingdom
LA1 1EZ

CUMBRIA THEATRE TRUST
TRADING AS THEATRE BY THE LAKE
STATEMENT OF FINANCIAL ACTIVITIES
(incorporating Income & Expenditure Account)

For the year ended 31 March 2023

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2023 £	*Total 2022 £*
INCOME					
Donations	2	972,297	29,511	**1,001,808**	*1,064,866*
Charitable activities	3	1,211,845	-	**1,211,845**	*407,815*
Other trading activities	4	234,227	-	**234,227**	*156,705*
Investment income	5	1,723	-	**1,723**	*132*
Other income		295,741	-	**295,741**	*48,701*
TOTAL INCOME		2,715,833	29,511	**2,745,344**	*1,678,219*
EXPENDITURE					
Costs of generating funds	6	101,495	-	**101,495**	*98,877*
Costs of charitable activities	7	2,724,709	215,064	**2,939,773**	*1,731,529*
TOTAL		2,826,204	215,064	**3,041,268**	*1,830,406*
Net (expenditure) / income before transfers / taxation		(110,371)	(185,553)	**(295,924)**	*(152,187)*
Transfers	19	-	-	-	-
Net movement in funds (net income after taxation)		(110,371)	(185,553)	**(295,924)**	*(152,187)*
Reconciliation of funds					
Total funds brought forward	19	2,203,076	3,246,172	**5,449,248**	*5,601,435*
Total funds carried forward	19	2,092,705	3,060,619	**5,153,324**	*5,449,248*

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derives from continuing activities.

The notes on pages 15 to 31 form an integral part of these financial statements.

CUMBRIA THEATRE TRUST
TRADING AS THEATRE BY THE LAKE
BALANCE SHEET

As at 31 March 2023

	Notes	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
FIXED ASSETS					
Tangible assets	11	4,270,003	4,422,188	4,262,583	4,422,188
Intangible assets	12	18,200	26,520	18,200	26,520
Investments	13	-	-	200	200
Total Fixed Assets		4,288,203	4,448,708	4,280,983	4,448,908
CURRENT ASSETS					
Stocks	14	2,773	2,850	-	-
Debtors	15	442,216	177,475	600,105	261,135
Cash at bank and in hand		997,486	1,401,728	836,158	1,304,932
Total Current Assets		1,442,473	1,582,053	1,436,263	1,566,067
CREDITORS					
Amounts falling due within one year	16	(577,352)	(581,513)	(563,922)	(565,727)
NET CURRENT ASSETS		865,121	1,000,540	872,341	1,000,340
TOTAL ASSETS LESS CURRENT LIABILITIES		5,153,324	5,449,248	5,153,324	5,449,248
TOTAL NET ASSETS		5,153,324	5,449,248	5,153,324	5,449,248
FUNDS					
Unrestricted Funds	19	2,092,705	2,203,076	2,092,705	2,203,076
Restricted Funds	19	3,060,619	3,246,172	3,060,619	3,246,172
		5,153,324	5,449,248	5,153,324	5,449,248

The financial statements were approved by the Board of Trustees and authorised for issue on 2/9/2023 2023 and signed on their behalf by:

CH Carter

Charles Carter, Chair

Kate McLaughlin-Flynn, Vice-Chair

Registered Company number: 1874868
Registered Charity number: 516673

The notes on pages 18 to 32 form an integral part of these financial statements.

CUMBRIA THEATRE TRUST
TRADING AS THEATRE BY THE LAKE
CASH FLOW STATEMENT

For the year ended 31 March 2023

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Cash flows from operating activities				
Net cash provided by (used in) operating activities	(370,328)	159,841	(444,136)	86,127
Cash flows from tax credits:				
Theatre tax credit received	-	-	-	-
Cash flows from investing activities:				
Bank Interest	1,723	132	1,723	132
Purchase of property plant and equipment	(35,638)	(27,598)	(26,361)	(27,598)
Website	-	(7,800)	-	(7,800)
Net cash (used in) investing activities	(33,915)	(35,266)	(24,638)	(35,266)
Change in cash and cash equivalents in the year	(404,243)	124,575	(468,774)	50,861
Cash and cash equivalents at the start of the year	1,401,728	1,277,153	1,304,932	1,254,071
Cash and cash equivalents at the end of the year	997,485	1,401,728	836,158	1,304,932
Reconciliation of net income/(expenditure) to net cashflow from operating activities				
Net (expenditure) per the SoFA	(295,924)	(152,187)	(295,924)	(152,187)
Adjustments for:				
Depreciation charges	187,823	185,418	185,966	185,418
Amortisation charges	8,320	8,320	8,320	8,320
Dividends and interest from investments	(1,723)	(132)	(1,723)	(131)
(Increase)/decrease in stocks	78	(462)	-	2,387
(Increase)/decrease in debtors	(264,741)	(23,934)	(338,971)	(91,878)
Increase/(decrease) in creditors	(4,161)	142,818	(1,805)	134,198
Net cash provided by (used in) operating activities	(370,328)	159,841	(444,136)	86,127
Analysis of cash and cash equivalents				
Cash in hand	997,485	1,401,728	836,158	1,304,932
Total cash and cash equivalents	997,485	1,401,728	836,158	1,304,932
	-		-	

1 Accounting policies

Charity information

Theatre By The Lake is a private charitable company limited by guarantee and is incorporated and domiciled in England and Wales. The address of the registered office is Theatre by the Lake, Lakeside, Keswick, Cumbria, CA12 5DJ.

The nature of the its operations and its principal activities are detailed in the trustees report attached to these financial statements.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's articles of association and memorandum, the Charities Act 2011 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 (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Income in respect of productions is recognised in the period in which the production occurs.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1 Accounting policies

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Income from Government and other grants, whether capital grants or revenue grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be reliably measured.

Income received in advance of a theatrical performance or provision of other specified service is deferred until the criteria for income recognition are met.

Other trading income is recognised on a receivable basis.

Investment income is recognised in the Statement of Financial Activities in the year in which it is receivable.

1.5 Expenditure

Expenditure is recognised once there is a constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be reliably measured. Expenditure includes any VAT which cannot be fully recovered and is reported as part of the expenditure to which it relates.

Expenditure on charitable activities comprises those costs incurred by the charity in the delivery of its activities and services. It includes both costs that can be allocated directly to those activities and those of an indirect nature necessary to support them.

Where performances of a production straddle the year-end, payroll, rehearsal and audition costs are recognised in the year in which they arise. Production costs (e.g. scenery/costumes) and creative team fees are apportioned between the periods on the number of performances in each period and included in accruals or prepayments.

Support costs relate to those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the Charity's programmes and activities. These costs have been allocated between costs of raising funds and expenditure on charitable activities. Support costs are apportioned on an appropriate basis eg floor area, per capita or estimated usage.

1.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Website costs	5 year straight line basis

1 Accounting policies

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	Buildings: 50 years straight line; Land: Not depreciated
Theatre equipment	10-20% straight line
Fixtures and fittings	10% straight line
Office equipment and software	20% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.9 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.10 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.11 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1 Accounting policies

1.12 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.13 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.15 Theatre tax credit

Where the trading subsidiary incurs qualifying losses in respect of theatre productions these are surrendered for a cash payment under HMRC Theatre Tax Relief regime. Where receipt of these tax credits is virtually certain they are included in the accounts in the year in which the qualifying losses occurred.

1 Accounting policies

1.16 Group financial statements

These financial statements consolidate the results of the Charity and its wholly owned subsidiaries. A separate Statement of Financial Activities for the charity is not included as it has taken advantage of the exemption afforded by s408 of the Companies Act 2006.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

2 DONATIONS

	2023			2022		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Core grants						
Arts Council England - NPO	615,182	-	**615,182**	*615,182*	-	***615,182***
ACE - emergency funding	-	-	-	-	-	-
ACE - CRF1	-	-	-	-	-	-
ACE - CRF2	-	-	-	-	*87,699*	***87,699***
ACE - CRF3	-	-	-	-	*135,000*	***135,000***
Cumbria County Council	10,000	-	**10,000**	*25,000*	-	***25,000***
Allerdale BC - covid support grants	-	-	-	*40,000*	-	***40,000***
HMRC - CJRS (furlough)	-	-	-	-	-	-
Other grants	2,500	29,511	**32,011**	*5,500*	-	***5,500***
Donations						
Friends of Theatre by the Lake	5,500	-	**5,500**	*29,432*	*12,000*	***41,432***
Other donations (incl Gift Aid)	76,366	-	**76,366**	*93,053*	*22,000*	***115,053***
Legacies	262,749	-	**262,749**			
	972,297	29,511	**1,001,808**	*808,167*	*256,699*	***1,064,866***

3 INCOME FROM CHARITABLE ACTIVITIES

Theatre Performances	1,199,756	-	**1,199,756**	*395,966*	-	***395,966***
Education & Participation	12,089	-	**12,089**	*11,849*	-	***11,849***
	1,211,845	-	**1,211,845**	*407,815*	-	***407,815***

The movement in deferred box office income is shown in note 19.

4 INCOME FROM OTHER TRADING ACTIVITIES

	2023			2022		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Fundraising						
Business partnerships	-	-	-	-	-	-
Equipment & costume hire etc	-	-	-	-	-	-
Room hires	11,127	-	**11,127**	*6,000*	-	***6,000***
Total fundraising activities	11,127	-	**11,127**	*6,000*	-	***6,000***
Trading subsidiary						
Turnover & other income	223,100	-	**223,100**	*150,705*	-	*150,705*
Total subsidiary activities	223,100	-	**223,100**	*150,705*	-	***150,705***
Total income from other activities	234,227	-	**234,227**	*156,705*	-	***156,705***

5 INVESTMENT INCOME

	2023	2022
	£	£
Bank interest received	1,723	*132*
	1,723	*132*

Bank interest is receivable on cash balances held in appropriate interest bearing deposits.

6 COSTS OF GENERATING FUNDS

	2023			2022		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Generating donations & grants						
Direct costs	-	-	-	846	-	**846**
Support costs	6,688	-	**6,688**	5,313	-	**5,313**
Governance costs	332	-	**332**	302	-	**302**
Charged to restricted funds	-	-	-	-	-	-
	7,020	-	**7,020**	6,461	-	**6,461**
Fundraising						
Direct costs	259	-	**259**	6,204	-	**6,204**
Support costs	6,688	-	**6,688**	5,313	-	**5,313**
Governance costs	332	-	**332**	302	-	**302**
Charged to restricted funds	-	-	-	-	-	-
	7,279	-	**7,279**	11,819	-	**11,819**
Trading subsidiary						
Direct costs	22,341	-	**22,341**	2,823	-	**2,823**
Support costs	64,855	-	**64,855**	77,774	-	**77,774**
Total subsidiary activities	87,196	-	**87,196**	80,597	-	**80,597**
Total expenditure on other activities	101,495	-	**101,495**	98,877	-	**98,877**

7 COSTS OF CHARITABLE ACTIVITIES

Costs of theatre operations and performances (including touring)

	2023			2022		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
In-house productions: actors	267,052	-	**267,052**	89,330	-	89,330
In-house productions: creative	445,255	-	**445,255**	252,529	-	252,529
Other direct costs	1,249,270	-	**1,249,270**	646,111	-	646,111
Incoming work: direct costs	-	-	-	-	-	-
Box office and house management	-	-	-	-	-	-
Marketing and publicity	140,488	-	**140,488**	55,148	-	55,148
Support costs	746,785	-	**746,785**	616,691	-	616,691
Governance costs	31,199	-	**31,199**	28,390	-	28,390
Charged to restricted funds	(215,064)	215,064	-	(740,986)	740,986	-
	2,664,985	215,064	**2,880,049**	947,213	740,986	1,688,199
Education and participation						
Direct costs	30,722	-	**30,722**	18,820	-	18,820
Support costs	27,674	-	**27,674**	23,302	-	23,302
Governance costs	1,328	-	**1,328**	1,208	-	1,208
Charged to restricted funds		-	-	(34,486)	34,486	-
	59,724	-	**59,724**	8,844	34,486	43,330
	2,724,709	215,064	**2,939,773**	956,057	775,472	**1,731,529**

8 SUPPORT AND GOVERNANCE COSTS

	2023			2022		
	General Support	Governance	Total	General Support	Governance	Total
	£	£	£	£	£	£
Salaries and related costs	176,967	12,316	**189,283**	*152,800*	*11,949*	***164,748***
Direct governance costs	-	-	**-**	-	-	**-**
Premises	302,862	2,587	**305,449**	*198,614*	*1,525*	***200,139***
General office	129,828	1,145	**130,973**	*140,471*	*1,142*	***141,613***
Financial	21,110	16,172	**37,282**	*15,965*	*14,617*	***30,582***
Consultancy and development	28,609	-	**28,609**	*27,773*	-	***27,773***
Depreciation	193,314	971	**194,285**	*192,771*	*969*	***193,740***
	852,690	33,191	**885,881**	*728,394*	*30,201*	***758,595***
Apportioned as:						
Generating grants and donations	6,688	332	**7,020**	*5,313*	*302*	***5,615***
Theatre performances	746,785	31,199	**777,984**	*616,691*	*28,390*	***645,081***
Participation and outreach	27,674	1,328	**29,002**	*23,302*	*1,208*	***24,510***
Fundraising activities	6,688	332	**7,020**	*5,313*	*302*	***5,615***
Trading subsidiary	64,855	-	**64,855**	*77,774*	-	***77,774***
	852,690	33,191	**885,881**	*728,393*	*30,202*	***758,595***

Analysis of governance costs	2023	2022
	£	£
External audit	**15,975**	*14,484*
Costs of Trustee meetings, travel, administration etc.	**-**	*-*
Apportionment of staff costs	**10,527**	*10,405*
Apportionment of support costs	**6,688**	*5,313*
	33,191	*30,201*

Allocation of support costs

The following bases of allocation are used:

- Premises (utilities, repairs etc):	Management review of space usage
- General office (stationery, postage, telephone, IT etc):	Management review of staff time
- Financial (bank charges, loss on disposal of assets etc):	Management review of staff time
- Depreciation:	Management review of staff time

9 Trustee and staff information

a) Trustee information

The trustees are all volunteers and were not paid or received any benefits from employment with the Trust or its subsidiary in the year (2022: £nil); they were reimbursed expenses during the year of £599 (2022: £769). No charity trustee received payment for professional or other services supplied to the charity (2022: £nil). Directors and Officers liability insurance costing £964 (2022 : £1,340) was taken out during the year.

b) Staff information

	2023	2022
Actors and Freelance Stage Managers	£	£
Fees	**246,629**	*82,357*
Pension contributions	**5,946**	*3,985*
Employer's NI contributions	**-**	*-*
	252,575	*86,342*

In line with HMRC guidance, most artists engaged under Equity contracts are treated as self-employed earners for both tax and NI purposes. Payments to such people are disclosed above as actors' and stage managers' fees.

In accordance with the collective agreement between Equity and UK Theatre, Cumbria Theatre Trust made pension contributions of 5% of fees paid to actors or stage managers enrolled in the Equity Pension Scheme, provided that the members made a contribution of 3%.

The average monthly number of full-time equivalent artists engaged under Equity contracts during the year was 11 (2022 : 4).

	2023	2022
Employees	£	£
Wages and salaries	**686,103**	*513,148*
Employer's NI contributions	**57,328**	*41,697*
Employer's pension contributions	**15,042**	*11,305*
	758,473	*566,150*

No employee earned more than £60,000 excluding employer's national insurance and pension contributions.

In accordance with current legislation, the company operates a defined contributions pension scheme provided by NOW: Pensions Limited which meets its auto-enrolment obligations. The company contributes the minimum requirement of 3%.

The average monthly headcount was 29 staff (2022: 22). The average number of full-time equivalent employees, actors and stage managers was 40 (2022: 24).

Key management

In addition to the Board of Trustees, the Charity considers its Executive Director, Artistic Director and the other members of the senior management team, as set out on page 1, to be Key Management Personnel for the purposes of the SORP. Remuneration and benefits (salary and pension contributions) received by these employees amounted to £212,959 in the year (2022: £177,399).

10 Net movement in total funds for the year	2023	2022
This is stated after charging:	£	£
Auditor's remuneration (for parent and subsidiary)	**12,500**	*6,750*
Remuneration to auditors for other services	**5,750**	*4,250*
Depreciation and amortisation	**194,285**	*193,740*
Payments under operating leases	**9,000**	*9,000*
Trustees' remuneration	**-**	*-*
Trustees' expenses	**599**	*769*

11 TANGIBLE FIXED ASSETS

Group	Long Leasehold Land & Buildings	Fixtures & Fittings	Theatre Equipment	Office Equipment & Software	Total
Cost	£	£	£	£	£
As at 1 April 2022	6,778,620	568,665	826,807	207,636	8,381,728
Additions	-	13,628	5,496	16,514	35,638
Disposals	-	(75,240)	(30,843)	(8,746)	(114,829)
As at 31 March 2023	6,778,620	507,053	801,460	215,404	8,302,537
Depreciation					
As at 1 April 2022	2,492,507	494,506	787,709	184,818	3,959,540
Provided	134,581	23,511	18,204	11,526	187,823
Disposals	-	(75,240)	(30,843)	(8,746)	(114,829)
As at 31 March 2023	2,627,088	442,777	775,070	187,598	4,032,534
Net Book Value					
As at 31 March 2023	**4,151,532**	**64,276**	**26,390**	**27,806**	**4,270,003**
As at 1 April 2022	*4,286,113*	*74,159*	*39,098*	*22,819*	*4,422,188*

Charity	Long Leasehold Land & Buildings	Fixtures & Fittings	Theatre Equipment	Office Equipment & Software	Total
Cost	£	£	£	£	£
As at 1 April 2022	6,778,620	568,665	826,807	207,636	8,381,728
Additions	-	4,351	5,496	16,514	26,361
Disposals	-	(75,240)	(30,843)	(8,746)	(114,829)
As at 31 March 2023	6,778,620	497,776	801,460	215,404	8,293,260
Depreciation					
As at 1 April 2022	2,492,507	494,506	787,709	184,818	3,959,540
Provided	134,581	21,656	18,204	11,526	185,966
Disposals	-	(75,240)	(30,843)	(8,746)	(114,829)
As at 31 March 2023	2,627,088	440,922	775,070	187,598	4,030,677
Net Book Value					
As at 31 March 2023	**4,151,532**	**56,854**	**26,390**	**27,806**	**4,262,583**
As at 1 April 2022	*4,286,113*	*74,159*	*39,098*	*22,819*	*4,422,188*

12 INTANGIBLE FIXED ASSETS

Group & Charity	Website	Total
Cost	£	£
As at 1 April 2022	41,600	41,600
Additions	-	-
Disposals	-	-
As at 31 March 2023	41,600	41,600
Amortisation		
As at 1 April 2022	15,080	15,080
Provided	8,320	8,320
Disposals	-	-
As at 31 March 2023	23,400	23,400
Net Book Value		
As at 1 April 2023	**18,200**	**18,200**
As at 1 April 2022	*26,520*	*26,520*

13 FIXED ASSET INVESTMENTS

	Group 2023	Group *2022*	Charity 2023	Charity *2022*
	£	£	£	£
Shares in subsidiary undertakings	-	-	**200**	*200*
	-	-	**200**	*200*

TBTL Services Limited (registered company number 06946177) is wholly owned by the charity and operates certain trading activities. Theatre by the Lake Productions Limited (registered company number 09259767) is wholly owned by the charity and produces, runs and closes productions on behalf of the charity. The accounts of both subsidiaries are consolidated in these financial statements (see also notes 28 and 29). Both subsidiary companies are incorporated in England and Wales and their registered office is the same as that of Cumbria Theatre Trust (the parent company).

		Group 2023	Group 2022	Charity 2023	Charity 2022
14 STOCKS		£	£	£	£
Consumable items		2,773	2,850	-	-
		2,773	2,850	-	-
15 DEBTORS					
Trade debtors		54,946	31,134	17,547	2,319
VAT refund due		-	17,666	2,411	17,534
Other debtors		8,112	50,519	8,047	50,519
Inter-company balances		-	-	194,963	112,607
Theatre tax credit recoverable		255,275	42,219	255,275	42,219
Prepayments		123,882	35,937	121,862	35,937
		442,215	177,475	600,105	261,135
16 CREDITORS: amounts falling due within one year					
Trade creditors		119,980	91,214	114,738	84,921
Taxation and social security		24,802	13,984	21,264	13,984
Deferred income - advance bookings	17	259,296	190,240	259,296	190,240
Customer credits		73,429	104,229	73,429	104,229
Third party resources	18	-	73,160	-	73,160
Other creditors		13,976	22,363	13,976	22,363
Accruals		85,869	86,323	81,219	76,830
		577,352	581,513	563,922	565,727

17 MOVEMENTS IN DEFERRED INCOME

	2023	2022
	£	£
Deferred income brought forward	190,240	24,811
Released in the year	(190,240)	(10,402)
Deferred in the year	259,296	175,831
Deferred income carried forward	259,296	190,240

18 THIRD PARTY RESOURCES

	2023	2022
	£	£
Balance brought forward	73,160	47,376
Receipts in the year	11,012	71,434
Withheld for theatre hire and other charges	-	-
Forwarded to hiring organisations or refunded to their customers	(84,172)	(45,650)
Balance carried forward	-	73,160

Third party resources refers to tickets sold by Cumbria Theatre Trust as agent for organisations which have hired Theatre by the Lake for their own presentations.

19 Statement of Funds

	2021/2022				Balance b/f and c/f	2022/2023				
	Income	Expenditure	TTR	Transfer	31 Mar 2022	Income	Expenditure	TTR	Transfer	Balance 31 Mar 2023
	£	£	£	£	£	£	£	£	£	£
Unrestricted Funds:										
General fund	1,421,520	(1,054,934)	-	(300,051)	*1,903,025*	2,715,833	(2,826,204)	-	273,351	**2,066,005**
Designated fund				300,051	*300,051*				(273,351)	**26,700**
	1,421,520	(1,054,934)	4,289	-	*2,203,076*	2,715,833	(2,826,204)	-	-	**2,092,705**
Restricted Funds:										
Revenue:										
Cultural Recovery Fund	222,699	(588,770)	-	-	*2,527*	-	(1,263)	-	-	**1,264**
Changing Culture	-	(12,500)	-	-	-	-	-	-	-	**-**
Education and Participation	-	(19,986)	-	-	-	-	-	-	-	**-**
Legacy	-	-	-	-	*35,000*	-	(7,000)	-	-	**28,000**
Skills Development	-	(2,000)	-	-	*2,100*	-	(2,100)	-	-	**-**
2022/23 projects	22,000	-	-	-	22,000	-	(22,000)	-	-	**-**
Friends of Theatre by the Lake	12,000	-	-	-	12,000	-	(12,000)	-	-	**-**
Kickstarter	-	-	-	-	-	17,767	(17,767)	-	-	**-**
Youth Theatre	-	-	-	-	-	11,744	(11,744)	-	-	**-**
Capital:										
Capital grants & donations received	-	(15,000)	-	-	-	-	-	-	-	**-**
Capital grants & donations expended	-	(141,190)	-	-	*3,172,545*	-	(141,190)	-	-	**3,031,355**
	256,699	(779,446)	-	(127,017)	*3,246,172*	29,511	(215,064)	-	-	**3,060,619**
Total Funds	1,678,219	(1,834,380)	4,289	-	*5,449,248*	2,745,344	(3,041,268)	-	-	**5,153,324**

19 STATEMENT OF FUNDS (continued)

Restricted fund balances at the year end are held for the following purposes.

Cultural Recovery Fund 1, 2 & 3

To enable the theatre to meet the challenges of the pandemic and relaunch its activities in a Covid secure way whilst managing the financial risk.

Donations - 2022/23 Projects

Two significant donations were received in the year to support community engagement and talent development in 2022/23.

Legacy

Cumbria Theatre Trust received a legacy of £35,000 which will be released over the next five years to support the employment of new talent

Capital grants & donations expended

This records the expenditure on capital assets funded by capital grants where there are continuing restrictions on the assets, and provides a fund against which depreciation can be charged in future periods. Depreciation of £141,190 has been charged to this fund this year.

Restrictions relate both to funds given for the construction and fitting out of Theatre by the Lake and its continued use by the Charity as a theatre, and also to the redevelopment of the Lakeside Café.

With the exception of where detailed above the trust plans to utilise all remaining restricted revenue reserves within the next financial year. Funds are transferred to 'capital grants & donations expended' if used to purchase capital equipment.

Friends of Theatre by the Lake

The FOTBTL charity closed in March 2022; a final donation was made to Cumbria Theatre Trust to support the 2022/23 production "The Climbers".

20 ANALYSIS OF CHARITY FUNDS

As at March 31 2023	Group Unrestricted Funds £	Group Restricted Funds £	Group Total £	Charity Unrestricted Funds £	Charity Restricted Funds £	Charity Total £
Fixed assets	1,256,848	3,031,355	**4,288,203**	1,249,628	3,031,355	**4,280,983**
Net Current assets	835,857	29,264	**865,121**	843,077	29,264	**872,341**
	2,092,705	3,060,619	**5,153,324**	2,092,705	3,060,619	**5,153,324**
As at March 31 2022						
Fixed assets	*1,276,163*	*3,172,545*	***4,448,708***	*1,276,363*	*3,172,545*	***4,448,908***
Net Current assets	*926,913*	*73,627*	***1,000,540***	*926,713*	*73,627*	***1,000,340***
	2,203,076	*3,246,172*	***5,449,248***	*2,203,076*	*3,246,172*	***5,449,248***

21 CONSTITUTION

The company is limited by guarantee and does not have a share capital. In the event of winding up, the members are liable to contribute £1 each. The number of members at 31 March 2023 was 8 (2022: 9).

The company is controlled by its members in general meeting. No individual member or group of members has overall control of the company.

22 TAXATION

The company is a registered charity and is entitled to claim annual exemption from UK Corporation Tax.

23 CAPITAL COMMITMENTS

At 31 March 2023 the charity had capital commitments which are contracted for but not provided for in the financial statements of £Nil (2022: £5,000).

24 CONTINGENT LIABILITIES

The Arts Council of England lottery award (£4,685,704) is repayable in the event of the company being wound up. The written consent of the grantor is required before the theatre can be disposed of.

Similar conditions apply to past capital grants from Cumbria County Council (£282,500), European Regional Development Fund (£200,000) and Northern Rock Foundation (£200,000).

Should the company face an insolvent winding up, ACE is entitled to the title of the building.

The Trustees do not expect these liabilities to crystallise.

25 RELATED PARTY TRANSACTIONS

Friends of Theatre by the Lake was an independent charity (now dissolved), which had the right to nominate one member to the Board of Cumbria Theatre Trust as detailed in the Trustees' Report. Donations totalling £5,500 (2022 - £41,432) were received from Friends of Theatre by the Lake during the year.

Keswick Town Council is also entitled to nominate one member to the Board. A grant of £2,500 (2022: £2,500) was received from Keswick Town Council towards our education and participation work in Keswick and the surrounding area.

Allerdale Borough Council is also entitled to nominate one member to the Board. The group received £nil (2022: £40,000) in business support grants from Allerdale Borough Council during the year.

Donations totalling £48 were received in aggregate from trustees during the year (2022: £509).

There were no other outstanding balances with related parties at the end of the year (2022: Nil) and no other transactions with charity trustees during the year.

26 OPERATING LEASE COMMITMENTS

At 31 March 2023 the company had the following commitments under non-cancellable operating leases:

	2023 Property £	2023 Others £	*2022 Property £*	*2022 Others £*
Minimum amounts payable:				
within one year	**9,250**	**-**	*9,250*	*-*
within two to five years	**2,313**	**-**	*11,563*	*-*
Total	**11,563**	**-**	*20,813*	*-*

27 Parent charity - Statement of Financial Activities

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	*Total 2022 £*
Total incoming resources	2,628,637	29,511	**2,658,148**	*1,597,622*
Total resources expended	2,739,008	215,064	**2,954,072**	*1,749,809*
Net (expenditure) / income for the year before transfers	(110,371)	(185,553)	**(295,924)**	*(152,187)*

28 Subsidiary undertaking - commercial and trading activities

A summary of the results and closing balances of the subsidiary, TBTL Services Ltd, is shown below.

		2023 £		*2022 £*
Turnover		**223,100**		*150,705*
Intercompany adjustments		**-**		*-*
Activities for generating funds: trading operations		**223,100**		*150,705*
Cost of sales	**22,341**		*2,823*	
Administration & premises expenses	**64,855**		*77,774*	
Management charge	**-**		*-*	
Cost of trading operations		**87,196**		*80,597*
		135,904		70,107
Other income		**-**		*16,523*
Net profit reported in consolidated accounts		**135,904**		*86,630*
Add back intercompany adjustments		**-**		*-*
Net profit for the year reported by TBTL Services Ltd		**135,904**		*86,630*
Gift Aid		**(135,904)**		*(86,630)*
Retained in the subsidiary		**-**		*-*

As at the balance sheet date, the assets and liabilities of the subsidiary were:

Non current assets		**7,422**		*-*
Current assets		**203,581**		*128,593*
Creditors: amounts due within one year		**(210,903)**		*(128,493)*
		100		*100*
Represented by:				
Aggregate share capital and reserves		**100**		*100*
Profit and Loss Account		**-**		*-*
		100		*100*

29 Subsidiary undertaking - production activities

A summary of the results and closing balances of the subsidiary, Theatre by the Lake Productions Ltd, is shown below.

		2023 £		2022 £
Turnover		-		-
Intercompany adjustments		-		-
Activities for generating funds: trading operations		-		-
Cost of sales	-		-	
Intercompany adjustments	-		-	
Administration & premises expenses	-		-	
Cost of trading operations		-		-
Net loss reported in consolidated accounts		-		-
Add back intercompany adjustments		-		-
Net loss for the year reported by Theatre by the Lake Productions Ltd		-		-
Tax Claim		-		-
Retained in the subsidiary		-		-

As at the balance sheet date, the assets and liabilities of the subsidiary were:

Current assets		**100**		*100*
Creditors: amounts due within one year		-		-
		100		*100*
Represented by:				
Aggregate share capital and reserves		**100**		*100*

Theatre tax credit:

TTR claimable		-		-
Deferred tax asset movement		-		-
Credit in accounts		-		-

30 Designated Funds

	At 31 March 2022	Funds designated	At 31 March 2023
Designated funds:			
Cultural Recovery Fund (1)	2,527	(2,527)	-
Expenditure committed in 21/22, completed in 22/23	25,686	(25,686)	-
Works planned in 21/22, commissioned in 22/23	129,365	(129,365)	-
Strategic initiatives and contingency	145,000	(145,000)	-
Participation	-	26,700	**26,700**
	302,578	(275,878)	26,700

Expenditure committed in 21/22, completed in 22/23
Work committed in 21/22 which due to staff capacity or logistical issues were not completed until early 22/23.

Works planned in 21/22, commissioned in 22/23
Planned works which due to staff capacity or logistical issues were not be completed until 22/23

Strategic initiatives and contingency
These funds were released back to the general fund in 22/23.

Participation
Planned works which due to staff capacity will not be completed until 23/24

CUMBRIA THEATRE TRUST

England & Wales - Charity number 516673

Accounts

Charity Registration No. 516673

Company Registration No. 1874868 (England and Wales)

CUMBRIA THEATRE TRUST

TRADING AS THEATRE BY THE LAKE

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

CUMBRIA THEATRE TRUST
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FOR THE YEAR ENDED 31 MARCH 2022

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CUMBRIA THEATRE TRUST
TRADING AS THEATRE BY THE LAKE
Company Information

PRESIDENT	Dame Judi Dench	
FOUNDING PRESIDENTS	Graham Lamont Vicky Robinson MBE	
VICE PRESIDENTS	Nigel Illman Doreen Wilkinson	
PATRONS	Lord Bragg of Wigton Sir Tony Cunningham Hunter Davies OBE Dame Patricia Routledge OBE Eric Robson OBE Richard Wilson OBE	
DIRECTORS AND TRUSTEES	Charles Carter * Kate McLaughlin-Flynn * Anne Chambers Dr Jim Cox OBE * Steve Freeman ** Elizabeth Freestone ** Janaki Fryer-Spedding * Fiona Lowry* Philip Moorhouse* Jenna Omeltschenko Geoffrey Hall Godfrey Owen	 (Resigned 26/03/2022) (Appointed 06/04/2021) (Appointed 06/04/2021) (Appointed 06/04/2021) (Resigned 25/09/2021) (Resigned 25/09/2021)
	* Member of Finance Committee ** Member of Artistic Committee	
SECRETARY	Amanda Leader	(Appointed 25/09/2021)
CHIEF EXECUTIVE	James Cobbold	
KEY MANAGEMENT PERSONNEL	Liz Stevenson – Artistic Director David Jane – General Manager Rachel Swift – Head of Communications	
REGISTERED OFFICE	Theatre by the Lake Lakeside Keswick Cumbria CA12 5DJ	
AUDITORS	Azets Audit Services Fleet House New Road Lancaster LA1 1EZ	
MAIN BANKERS	Barclays Bank plc Market Square Keswick Cumbria CA12 5BE	
COMPANY NUMBER CHARITY NUMBER	1874868 516673	
TELEPHONE WEBSITE	017687 72282 www.theatrebythelake.com	

CUMBRIA THEATRE TRUST
TRADING AS THEATRE BY THE LAKE
ANNUAL REPORT – CHAIR'S REPORT

For the year ended 31 March 2022

We entered this financial year as the country was starting to emerge from its third lockdown and with the theatre still forcibly closed. We didn't re-open our stages for six months, principally because of the long lead times needed to develop productions, exacerbated by the complexity of the rules around getting people together to rehearse. Despite these challenges and the continuing frustrations posed by the lingering impact and occasional resurgence of Covid, we end the year being able to celebrate much artistic innovation and success.

In the first half of the year, the majority of our artistic work was delivered digitally. Our *Spark* programme of rehearsed play readings, performances, audio programmes, and workshops for creatives attracted over 1,000 attenders and participants. We were able to employ over 70 freelance artists at a time of crisis, with a particular focus on local talent. It also allowed us to develop and test new ideas and ways of working and, crucially, we were able to maintain contact with our existing communities and audiences as well as develop new audiences while we were closed.

In the Summer we were able to move activity into the open air. We ran outdoor workshops and also collaborated with English Touring Theatre and the National Trust to mount *Trailer Story* in Crow Park adjacent to the theatre (over what was probably August's wettest and windiest weekend!).

We re-opened our main building in September after being dark for 18 months. We were well-prepared, with installations of protective screens, changes to our ventilation system, well-designed approaches to people flows and well-trained volunteers to usher theatregoers. We also introduced socially distanced seating which encouraged people to come to the theatre when they might not otherwise have done so.

Other than our much-praised Christmas production of *Tom's Midnight Garden* which was wholly produced by us, all our productions since we re-opened have been co-produced with other theatres and theatre companies. This approach enables us to mount a wider range of productions while reducing our financial risk. Our in house programme has been varied:

- *Home I'm Darling*, a comedy, co-produced with the Stephen Joseph Theatre and Bolton Octagon
- *Jacaranda*, a world premiere, co-produced with Pentabus
- *Glee Club*, a gentle comedy with music, co-produced with Stockroom
- *Swim*, an exploration of overcoming grief, co-produced with its lead performer, Liz Richardson
- *Kes*, an innovative interpretation of the original story, co-produced with Bolton Octagon

Additionally, we have welcomed visiting productions of *Pinocchio,* aimed at families and children, *Committed2Rock,* and *The Ballad of Maria Marten.* We were also delighted to welcome the return of Keswick Mountain Festival and a shortened version of the literary festival *Words by the Water.*

After joining us three years ago, this has been the first opportunity for Liz Stevenson, our Artistic Director, to mount a programme that she has put together, and it was a delight that it opened with her highly acclaimed direction of *Home I'm Darling.*

The spectre of the pandemic has continued throughout the year. We lost performances of most of the productions, particularly *Tom's Midnight Garden*, as cast members succumbed to Covid. Audiences have also been slow to return. Both have a major impact on ticket sales, our major source of income in normal times. While we were able to replace a small proportion of this lost income through the sale of digitally captured performances (a new technology for us, giving experience on which we will build), we did not achieve our target income for any in-house production. The consequential losses have been largely alleviated by government assistance, with grants from Cultural Recovery Fund being crucial to our survival. As well as enabling us to provide practical measures, these grants were also designed to underwrite production costs and, for Christmas, losses of ticket sales. We are immensely grateful to the Department of Digital, Culture, Media and Sport for these funds.

With this assistance, our financial position has been sufficiently stable that we have been able to start to recruit more staff as we plan for the coming year, although we do not expect to replicate our pre-pandemic staff structure in either size or roles. We end the financial year in a reasonable financial position, although we recognise that the post-pandemic financial risks remain high and we continue to manage them as effectively as we can.

We have continued to develop our thinking about the future, both in how we will make use of the stages in our Keswick building and in how we can reach the rural and isolated communities more prevalent in Cumbria than elsewhere in the country. We look forward to the coming year with huge optimism that we can develop further the new approaches we are adopting, recognising that we still need our audiences to return to pre-pandemic capacities.

I mentioned in last year's Chair's report that the Friends of Theatre by the Lake had decided to wind up the separate charity. I would like to thank everyone involved with that group over the years. Since its inception in 2005, the Friends' charity has donated nearly £1m to the theatre. That is a tremendous achievement for which we are all immensely grateful. The Friends scheme has been relaunched by the theatre and will continue in the years to come.

We also thank all of our supporters for their continued financial support through donations to our recovery fund, and alongside regular ticket purchases. I would particularly like to thank those who helped us to mount our Anon3 exhibition, as well as those who contributed and bought the artworks.

On behalf of my fellow Trustees, I would like to thank James Cobbold, Liz Stevenson and the theatre team as a whole for their commitment over the last year. It has been a tricky year and they have delivered a huge amount while dealing with many unforeseen circumstances. Lastly, I would like to offer my thanks to my fellow Trustees for their time and support over the year.

Chf Carter

Charles Carter

30 Sept 2022

Date

CUMBRIA THEATRE TRUST
TRADING AS THEATRE BY THE LAKE
TRUSTEES' AND DIRECTORS' ANNUAL REPORT

For the year ended 31 March 2022

The Trustees present their report and the audited financial statements of the charity for the year ended 31 March 2022. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" in preparing the annual report and financial statements of the charity.

Trustees of the charity

The directors of the charitable company are its trustees for the purposes of charity law. The trustees who have served during the year and since the year end are detailed on page 1.

Objectives and activities

The charitable objectives of Cumbria Theatre Trust (CTT) are to:

- promote and advance the arts and in particular the performing arts for the benefit of the public; and
- promote and advance education through the development and delivery of creative learning programmes for people of all ages.

Despite great success since opening in 1999, we recognise pre-Covid that we need to change; our model was increasingly unsustainable, preventing us from becoming more relevant and accessible to our communities. Our new place-based model was inspired by our local communities:

Vision
Theatre enriches the lives of everyone in Cumbria, and theatre made in Cumbria is celebrated on the national stage.

Mission
In our venue and out across Cumbria, we make and share great theatre that tells stories, builds communities & celebrates our place.

Our model depends upon strategic, creative partnerships to increase our impact and reach. We partner with small to large-scale producers, creating work for diverse audiences from across Cumbria and the UK, in Keswick and on rural & national tours.

Public benefit statement

The Trustees are aware of the Charity Commission guidance on public benefit and have taken this into account when making a decision to which the guidance is relevant.

Strategic Report

Achievements and performance

As a regional arts and education charity based in Keswick, Cumbria, Cumbria Theatre Trust (CTT) owns Theatre by the Lake (TBTL), the only midscale producing theatre between Glasgow, Newcastle & Lancaster. We serve communities across Cumbria and visitors to the Lake District. TBTL is an essential creative hub in an area of comparatively limited cultural provision. We operate in England's second largest and second least populated county with 70% of settlements comprising under 200 people. As a producing theatre, the work we create, commission and share is critical to levelling up access to high quality arts for rural and isolated communities, particularly children and young people, and developing local talent.

The Covid-19 pandemic and subsequent restrictions meant performances were delivered either digitally or outdoors, until we were able to open the theatre again in October 2021. Since then, we have welcomed audiences to co-production Home I'm Darling, (co-produced with Stephen Joseph Theatre and Octagon Theatre Bolton); Jacaranda, a premiere production; and Tom's Midnight Garden, our in-house Christmas production, along with visiting company work and other events. We continue to present a wide-ranging programme in the 2022/23 season.

Financial review

The extraordinary circumstances of 2020/21 continued into 2021/22.

For the financial year ended 31 March 2022, the Group realised a surplus on unrestricted funds after transfers of £366,586. The statement of financial activities (SOFA), balance sheet, cash flow statement and notes are set out from page 12 onwards.

2021/22 was the final year of a four-year commitment from ACE under the National Portfolio Organisation (NPO) funding programme. As a consequence of the pandemic, ACE agreed to maintain this grant while at the same time relieving the Trust of all conditions attaching to it (for example, the requirement to produce a certain number of shows each year and deliver certain educational aims). ACE declared an intent to extend the NPO programme by one further year into 2022/23. The Trust has now applied for the next three years of funding; 2023/24 - 2025/26.

During 2021/22, a further application was made to the Department of Culture, Media and Sport (DCMS) Culture Recovery Fund (CRF) (administered by Arts Council England) which secured the short term future of the theatre during the additional lockdown periods and slow to return audiences.

Cumbria County Council continues to support CTT through the award of a funding grant for National Portfolio Organisations in Cumbria, and Keswick Town Council continues to support with project based funding.

The Friends of Theatre by the Lake charity (the Friends) was wound up on 31 March 2022. Final funds were transferred to the Trust amounting to £12,582. The Trust is immensely grateful to the Friends for their support of theatre over many years. A new Friends membership scheme has been set up within the Trust and current Friends have been transferred over, with new Friends joining.

CTT operates a subsidiary company for trading activities which might fall outside its charitable objectives, including bars and catering, ice creams, merchandise and programmes. In March 2016, the operation of bars and catering activities was contracted for a five year period to BaxterStorey Limited, a commercial operator, who contribute a proportion of turnover, with a guaranteed monthly payment, to the subsidiary company. This contract ceased in March 2022, but has been extended for a further year and will be re-tendered in late 2022.

TBTL Services Limited donates its profits to CTT through Gift Aid.

Our second subsidiary company, Theatre by the Lake Productions Limited, is a Special Purpose Vehicle company which was set up to prepare productions for presentation at TBTL and other venues, and to claim theatre tax relief.

CTT's financial statements for the year ended 31 March 2022 are consolidated with the profit and loss accounts of TBTL Services Limited and Theatre by the Lake Productions Limited. TBTL Services Limited made a net profit of £86,630, which was donated to the Charity (see also note 28). Theatre by the Lake Productions Limited made a loss of £Nil before submitting a tax credit claim to HMRC (see also note 29).

Reserves Policy

The unrestricted reserves of the Trust are £2,203,076. The Trust also has restricted reserves of £3,246,172 not available for the general purposes of the charity at the end of the year. Reserves are further analysed in notes 27 and 30.

Free reserves, of the Trust, were £926,913 at the year-end (2021: £539,003).

At 31 March 2022 cash reserves stood at £1,491,728 including cash representing restricted fund balances (£73,627) and deferred income and third party resources (£263,400).

The trustees consider that the level of free reserves at the current time is satisfactory and provides contingency against one failed production that would need to be cancelled as a result of reinstated lockdowns and theatre closures. The Trustees will monitor reserves closely over the coming year and re-establish a target figure in the light of prevailing conditions and experience.

The Trustees have designated reserves of £303k for improvement works, works related to branding and future contingencies. These are analysed in Note 30. Trustees will approve release of these funds as circumstances allow.

Financial Risk Management

The Finance Committee considers the financial risks to which CTT may be exposed, assesses their potential impact on the organisation and identifies strategies to mitigate their effect, should those risks materialise.

Cumbria Theatre Trust's risk management strategy comprises:

- regular review of the principal risks and uncertainties faced by the group;
- the establishment of policies, systems and procedures to mitigate those risks;
- the implementation of procedures to minimise or manage any potential impact on the organisation, should those risks materialise.

The charity's most significant risk is loss of Arts Council England funding or change of its conditions. If these risks were to materialise, it would adversely affect the charity's ability to operate. Provided Arts Council England continue with the current arrangements, and given reserves balance held, trustees are confident that the charity can be sustained in its current form.

Covid-19 continues to have an impact on our ability to stage productions, how our audience members are returning and in turn how our staff and volunteers work.

Plans for Future Periods

The 2022/23 programme is an exciting mix of in-house productions, co-productions and visiting work, aimed at encouraging our loyal and supportive audience to return, and to welcome new audience members to the theatre experience.

The application to the Arts Council England as part of its National Portfolio has enabled us to review the plan for the theatre for the next three years and beyond. We are committed to the Let's Create model to removing geographic, economic and social barriers that prevent participation in cultural activity.

Structure, governance and management

Governing Documents

CTT is a company limited by guarantee, governed by its Memorandum and Articles of Association dated 4 December 1984 with subsequent minor updates in 2007 and 2018. It is registered with the Charity Commission.

CTT established a wholly owned trading subsidiary company for the benefit of the charity, TBTL Services Limited, a private company limited by shares, governed by its Memorandum and Articles of Association dated 22 June 2009.
Theatre by the Lake Productions Limited, a special purpose vehicle wholly owned subsidiary company, was established for CTT to take advantage of the government's theatre production tax credit scheme. It is a private company limited by shares and governed by its Articles of Association dated 13 October 2014.

Organisation

The governing body of CTT is the board of trustees whose members are non-executive and unpaid. The board meets at least four times a year and retains full and effective control over the Company. The board delegates the management and artistic operation of the company to the Executive Director and Artistic Director. They attend meetings of the board, together with other senior staff, as appropriate. All staff who attend board meetings do so as non-voting participants.

The board of trustees takes responsibility for appointing the Executive Director and Artistic Director and will determine the contract of employment and monitor the performance of individuals undertaking these roles. The responsibility for the appointment of other staff would normally be delegated to the Executive Director and Artistic Director.

Keswick Town Council are entitled to nominate one member to the Board. Allerdale Borough Council is also entitled to nominate one member to the Board. See note 25 Related Party Transactions for further details.

Trustee Appointment

The Articles of Association specify that the number of members of the board is not less than five and not more than fifteen, including trustees nominated by external bodies currently designated in the board rules.

Elected directors would normally retire at the end of their term of office (up to 4 years) but may seek re-election for a second term.

Volunteers

Recruitment, induction and training of volunteers represents a vital element of CTT's staffing strategy, with approximately 183 dedicated front of house staff 'on the books'. The return to opening the theatre again this year has been hugely supported by our volunteers, who offer a unique welcome to theatre customers.

Funding and Fundraising

CTT generates income from its activities; ticket sales, ancillary trading, contracts for services, grants for specific projects, fundraising. The balance of regular income is made up of grants.

Our annual core funding from Arts Council England (ACE), which supports the full range of artistic activity. During the year, ACE also made a DCMS Culture Recovery Fund 3 grant to the theatre of £135,000. The Trust is immensely grateful for this funding.

We are also grateful to Cumbria County Council for their support of the Trust through their award of a funding grant for National Portfolio Organisations in Cumbria, and Keswick Town Council for their continued project based funding.

The trustees place great importance on relationships with donors and supporters and are committed to ensuring best practice through ethical, sustainable fundraising. The charity is not currently registered with a regulatory body but follows the principles of the Fundraising Regulator's voluntary regulation scheme. We used the support of Cause4, a consultancy firm, to establish research in future fundraising activities.

Disclosure of information to the 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.

In approving the Trustees' Annual Report, we also approve the Strategic Report included therein, in our capacity as company directors.

On behalf of the board

CH Cr

Charles Carter, Trustee

Date 3 Sept 2022

CUMBRIA THEATRE TRUST
TRADING AS THEATRE BY THE LAKE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

For the year ended 31 March 2022

The trustees, who are also the directors of Cumbria Theatre Trust for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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

- select suitable accounting policies and then apply them consistently;

- observe the methods and principles in the Charities SORP;

- make judgements and estimates that are reasonable and prudent; and

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity 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 charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CUMBRIA THEATRE TRUST
TRADING AS THEATRE BY THE LAKE
INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF CUMBRIA THEATRE TRUST

Opinion

We have audited the financial statements of Cumbria Theatre Trust (the 'charity') for the year ended 31 March 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the 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 FRS 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 charitable company's affairs as at 31 March 2022 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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 charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

TO THE TRUSTEES OF CUMBRIA THEATRE TRUST

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; 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 trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 charity'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 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

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.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

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 of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services

Susanna Cassey (Senior Statutory Auditor)
for and on behalf of Azets Audit Services

14 Sept '22

Chartered Accountants
Statutory Auditor

Fleet House
New Road
Lancaster
United Kingdom
LA1 1EZ

CUMBRIA THEATRE TRUST
TRADING AS THEATRE BY THE LAKE
STATEMENT OF FINANCIAL ACTIVITIES
(incorporating Income & Expenditure Account)

For the year ended 31 March 2022

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2022 £	*Total 2021 £*
INCOME					
Donations	2	808,167	256,699	**1,064,866**	*2,210,139*
Charitable activities	3	407,815	-	**407,815**	*6,402*
Other trading activities	4	156,705	-	**156,705**	*52,053*
Investment income	5	132	-	**132**	*757*
Other income		48,701	-	**48,701**	*4,289*
TOTAL INCOME		1,421,520	256,699	**1,678,219**	*2,273,640*
EXPENDITURE					
Costs of raising funds	6	98,877	-	**98,877**	*43,880*
Costs of charitable activities	7	956,057	775,472	**1,731,529**	*1,434,710*
TOTAL		1,054,934	775,472	**1,830,406**	*1,478,590*
Net (expenditure) / income before transfers / taxation		366,586	(518,773)	**(152,187)**	*795,050*
Transfers	19	-	-	-	-
Net movement in funds (net income after taxation)		366,586	(518,773)	**(152,187)**	*795,050*
Reconciliation of funds					
Total funds brought forward	19	1,836,490	3,764,945	**5,601,435**	*4,806,385*
Total funds carried forward	19	2,203,076	3,246,172	**5,449,248**	*5,601,435*

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The notes on pages 16 to 32 form an integral part of these financial statements.

CUMBRIA THEATRE TRUST
TRADING AS THEATRE BY THE LAKE
BALANCE SHEET

As at 31 March 2022

	Notes	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
FIXED ASSETS					
Tangible assets	11	4,422,188	4,580,008	4,422,188	4,580,008
Intangible assets	12	26,520	27,040	26,520	27,040
Investments	13	-	-	200	200
Total Fixed Assets		4,448,708	4,607,048	4,448,908	4,607,248
CURRENT ASSETS					
Stocks	14	2,850	2,387	-	2,387
Debtors	15	177,475	153,542	261,135	169,258
Cash at bank and in hand		1,401,728	1,277,153	1,304,932	1,254,071
Total Current Assets		1,582,053	1,433,082	1,566,067	1,425,716
CREDITORS					
Amounts falling due within one year	16	(581,513)	(438,695)	(565,727)	(431,529)
NET CURRENT ASSETS		1,000,540	994,387	1,000,340	994,187
TOTAL ASSETS LESS CURRENT LIABILITIES		5,449,248	5,601,435	5,449,248	5,601,435
TOTAL NET ASSETS		5,449,248	5,601,435	5,449,248	5,601,435
FUNDS					
Unrestricted Funds	19	2,203,076	1,836,490	2,203,076	1,836,490
Restricted Funds	19	3,246,172	3,764,945	3,246,172	3,764,945
		5,449,248	5,601,435	5,449,248	5,601,435

The financial statements were approved by the Board of Trustees and authorised for issue on 3 Sept. 2022 and signed on their behalf by:

CH Carter

Charles Carter, Chair

Kate McLaughlin-Flynn, Vice-Chair

Registered Company number: 1874868
Registered Charity number: 516673

The notes on pages 16 to 32 form an integral part of these financial statements

CUMBRIA THEATRE TRUST
TRADING AS THEATRE BY THE LAKE
CASH FLOW STATEMENT

For the year ended 31 March 2022

	Group 2022 £	Group *2021* £	Charity 2022 £	Charity *2021* £
Cash flows from operating activities				
Net cash provided by (used in) operating activities	**159,841**	*736,654*	**86,127**	*860,729*
Cash flows from tax credits:				
Theatre tax credit received	**-**	*133,800*	**-**	*-*
Cash flows from investing activities:				
Bank Interest	**132**	*757*	**132**	*757*
Purchase of property plant and equipment	**(27,598)**	*(11,669)*	**(27,598)**	*(11,669)*
Website	**(7,800)**	*(33,800)*	**(7,800)**	*(33,800)*
Net cash (used in) investing activities	**(35,266)**	*(44,712)*	**(35,266)**	*(44,712)*
Change in cash and cash equivalents in the year	**124,575**	*825,742*	**50,861**	*816,017*
Cash and cash equivalents at the start of the year	**1,277,153**	*451,411*	**1,254,071**	*438,054*
Cash and cash equivalents at the end of the year	**1,401,728**	*1,277,153*	**1,304,932**	*1,254,071*

Reconciliation of net income/(expenditure) to net cashflow from operating activities				
Net (expenditure) per the SoFA	**(152,187)**	*790,761*	**(152,187)**	*795,050*
Adjustments for:				
Depreciation charges	**185,418**	*181,465*	**185,418**	*181,465*
Amortisation charges	**8,320**	*6,760*	**8,320**	*6,760*
Dividends and interest from investments	**(132)**	*(757)*	**(131)**	*(757)*
(Increase)/decrease in stocks	**(462)**	*3,155*	**2,387**	*1,834*
(Increase)/decrease in debtors	**(23,934)**	*(8,734)*	**(91,878)**	*107,009*
Increase/(decrease) in creditors	**142,818**	*(235,996)*	**134,198**	*(230,632)*
Net cash provided by (used in) operating activities	**159,841**	*736,654*	**86,127**	*860,729*

Analysis of cash and cash equivalents				
Cash in hand	**1,401,728**	*1,277,153*	**1,304,932**	*1,254,071*
Total cash and cash equivalents	**1,401,728**	*1,277,153*	**1,304,932**	*1,254,071*

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

1 Accounting policies

Charity information

Theatre By The Lake is a private charitable company limited by guarantee and is incorporated and domiciled in England and Wales. The address of the registered office is Theatre by the Lake, Lakeside, Keswick, Cumbria, CA12 5DJ.

The nature of the its operations and its principle activities are detailed in the trustees report attached to these financial statements.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's articles of association and memorandum, the Charities Act 2011 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 (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Income in respect of productions is recognised in the period in which the production occurs.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1 Accounting policies

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Income from Government and other grants, whether capital grants or revenue grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be reliably measured.

Income received in advance of a theatrical performance or provision of other specified service is deferred until the criteria for income recognition are met.

Other trading income is recognised on a receivable basis.

Investment income is recognised in the Statement of Financial Activities in the year in which it is receivable.

1.5 Expenditure

Expenditure is recognised once there is a constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be reliably measured. Expenditure includes any VAT which cannot be fully recovered and is reported as part of the expenditure to which it relates.

Expenditure on charitable activities comprises those costs incurred by the charity in the delivery of its activities and services. It includes both costs that can be allocated directly to those activities and those of an indirect nature necessary to support them.

Where performances of a production straddle the year-end, payroll, rehearsal and audition coasts are recognised in the year in which they arise. Production costs (e.g. scenery/costumes) and creative team fees are apportioned between the periods on the number of performances in each period and included in accruals or prepayments.

Support costs relate to those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the Charity's programmes and activities. These costs have been allocated between costs of raising funds and expenditure on charitable activities. Support costs are apportioned on an appropriate basis eg floor area, per capita or estimated usage.

1.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Website costs	5 year straight line basis

1 Accounting policies

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	Buildings: 50 years straight line; Land: Not depreciated
Theatre equipment	10-20% straight line
Fixtures and fittings	10% straight line
Office equipment and software	20% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.9 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.10 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.11 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1 Accounting policies

1.12 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.13 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.15 Theatre tax credit

Where the trading subsidiary incurs qualifying losses in respect of theatre productions these are surrendered for a cash payment under HMRC Theatre Tax Relief regime. Where receipt of these tax credits is virtually certain they are included in the accounts in the year in which the qualifying losses occurred.

1 Accounting policies

1.16 Group financial statements

These financial statements consolidate the results of the Charity and its wholly owned subsidiaries. A separate Statement of Financial Activities for the charity is not included as it has taken advantage of the exemption afforded by s408 of the Companies Act 2006.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

2 DONATIONS

	2022			2021		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Core grants						
Arts Council England - NPO	615,182	-	**615,182**	*625,534*	-	***625,534***
ACE - emergency funding	-	-	**-**	*180,000*		***180,000***
ACE - CRF1	-	-	**-**	-	*878,492*	***878,492***
ACE - CRF2	-	87,699	**87,699**			
ACE - CRF3	-	135,000	**135,000**			
Cumbria County Council	25,000	-	**25,000**	*10,000*	-	***10,000***
Allerdale BC - covid support grants	40,000	-	**40,000**	*48,925*	-	***48,925***
HMRC - CJRS (furlough)	-	-	**-**	*216,997*	-	***216,997***
Other grants	5,500	-	**5,500**			
Donations						
Friends of Theatre by the Lake	29,432	12,000	**41,432**	*91,355*	*35,000*	***126,355***
Other donations (incl Gift Aid)	93,053	22,000	**115,053**	*109,336*	*14,500*	***123,836***
	808,167	256,699	**1,064,866**	*1,282,147*	*927,992*	***2,210,139***

3 INCOME FROM CHARITABLE ACTIVITIES

Theatre Performances	395,966	-	**395,966**	*1,383*	-	***1,383***
Education & Participation	11,849	-	**11,849**	*2,019*	*3,000*	***5,019***
	407,815	-	**407,815**	*3,402*	*3,000*	***6,402***

The movement in deferred box office income is shown in note 19.

4 INCOME FROM OTHER TRADING ACTIVITIES

	2022			2021		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Fundraising						
Business partnerships	-	-	**-**	-	-	**-**
Equipment & costume hire etc	-	-	**-**	*15,353*	-	***15,353***
Room hires	6,000	-	**6,000**	-	-	**-**
Total fundraising activities	6,000	-	**6,000**	*15,353*	-	***15,353***
Trading subsidiary						
Turnover & other income	150,705	-	**150,705**	*36,700*	-	*36,700*
Total subsidiary activities	150,705	-	**150,705**	*36,700*	-	***36,700***
Total income from other activities	156,705	-	**156,705**	*52,053*	-	***52,053***

5 INVESTMENT INCOME

	2022	*2021*
	£	£
Bank interest received	**132**	*757*
	132	*757*

Bank interest is receivable on cash balances held in appropriate interest bearing deposits.

6 COSTS OF GENERATING FUNDS

	2022			2021		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Generating donations & grants						
Direct costs	846	-	**846**	-	-	-
Support costs	5,313	-	**5,313**	*5,254*	-	***5,254***
Governance costs	302	-	**302**	*248*	-	***248***
Charged to restricted funds	-	-	-	-	-	-
	6,461	-	**6,461**	*5,502*	-	***5,502***
Fundraising						
Direct costs	6,204	-	**6,204**	*9,839*	-	***9,839***
Support costs	5,313	-	**5,313**	*5,254*	-	***5,254***
Governance costs	302	-	**302**	*248*	-	***248***
Charged to restricted funds	-	-	-	-	-	-
	11,819	-	**11,819**	*15,341*	-	***15,341***
Trading subsidiary						
Direct costs	2,823	-	**2,823**	*2,746*	-	***2,746***
Support costs	77,774	-	**77,774**	*20,291*	-	***20,291***
Total subsidiary activities	80,597	-	**80,597**	*23,037*	-	***23,037***
Total expenditure on other activities	98,877	-	**98,877**	*43,880*	-	***43,880***

7 COSTS OF CHARITABLE ACTIVITIES

Costs of theatre operations and performances (including touring)

	2022			2021		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
In-house productions: actors	89,330	-	**89,330**	-	-	-
In-house productions: creative	252,529	-	**252,529**	*(17,862)*	-	*(17,862)*
Other direct costs	646,111	-	**646,111**	*489,448*	-	*489,448*
Incoming work: direct costs	-	-	-	-	-	-
Box office and house management	-	-	-	-	-	-
Marketing and publicity	55,148	-	**55,148**	*13,666*	-	*13,666*
Support costs	616,691	-	**616,691**	*776,129*	-	*776,129*
Governance costs	28,390	-	**28,390**	*23,430*	-	*23,430*
Charged to restricted funds	(740,986)	740,986	-	*(442,090)*	*442,090*	-
	947,213	740,986	**1,688,199**	*842,721*	*442,090*	*1,284,811*
Education and participation						
Direct costs	18,820	-	**18,820**	*104,997*	-	*104,997*
Support costs	23,302	-	**23,302**	*43,909*	-	*43,909*
Governance costs	1,208	-	**1,208**	*993*	-	*993*
Charged to restricted funds	(34,486)	34,486	-	*(72,531)*	*72,531*	-
	8,844	34,486	**43,330**	*77,368*	*72,531*	*149,899*
	956,057	775,472	**1,731,529**	*920,089*	*514,621*	***1,434,710***

8 SUPPORT AND GOVERNANCE COSTS

	2022			2021		
	General Support	Governance	Total	General Support	Governance	Total
	£	£	£	£	£	£
Salaries and related costs	152,800	11,949	**164,748**	*232,637*	*13,900*	***246,537***
Direct governance costs	-	-	**-**	*-*	*920*	***920***
Premises	198,614	1,525	**200,139**	*251,372*	*1,166*	***252,538***
General office	140,471	1,142	**141,613**	*82,072*	*823*	***82,895***
Financial	15,965	14,617	**30,582**	*3,041*	*7,077*	***10,118***
Consultancy and development	27,773	-	**27,773**	*94,522*	*-*	***94,522***
Depreciation	192,771	969	**193,740**	*187,284*	*941*	***188,225***
	728,394	30,201	**758,595**	*850,928*	*24,828*	***875,755***
Apportioned as:						
Generating grants and donations	5,313	302	**5,615**	*5,254*	*248*	***5,502***
Theatre performances	616,691	28,390	**645,081**	*776,129*	*23,430*	***799,558***
Participation and outreach	23,302	1,208	**24,510**	*43,909*	*993*	***44,902***
Fundraising activities	5,313	302	**5,615**	*5,254*	*248*	***5,502***
Trading subsidiary	77,774	-	**77,774**	*20,382*	*(91)*	***20,291***
	728,393	30,202	**758,595**	*850,928*	*24,828*	***875,755***

Analysis of governance costs	**2022**	***2021***
	£	**£**
External audit	**14,484**	*7,077*
Costs of Trustee meetings, travel, administration etc.	**-**	*920*
Apportionment of staff costs	**10,405**	*13,900*
Apportionment of support costs	**5,313**	*2,931*
	30,201	*24,828*

Allocation of support costs

The following bases of allocation are used:

- Premises (utilities, repairs etc):	Management review of space usage
- General office (stationery, postage, telephone, IT etc):	Management review of staff time
- Financial (bank charges, loss on disposal of assets etc):	Management review of staff time
- Depreciation:	Management review of staff time

9 Trustee and staff information

a) Trustee information

The trustees are all volunteers and were not paid or received any benefits from employment with the Trust or its subsidiary in the year (2021: £nil); they were reimbursed expenses during the year of £769 (2021: £nil). No charity trustee received payment for professional or other services supplied to the charity (2021: £nil). Directors and Officers liability insurance costing £1,340 (2021 : £2,059) was taken out during the year.

b) Staff information

	2022	2021
Actors and Freelance Stage Managers	£	£
Fees	82,357	5,974
Pension contributions	3,985	45
Employer's NI contributions	-	-
	86,342	6,019

In line with HMRC guidance, most artists engaged under Equity contracts are treated as self-employed earners for both tax and NI purposes. Payments to such people are disclosed above as actors' and stage managers' fees.

In accordance with the collective agreement between Equity and UK Theatre, Cumbria Theatre Trust made pension contributions of 3% of fees paid to actors or stage managers enrolled in the Equity Pension Scheme, provided that the members made a contribution of 5%.

The average monthly number of full-time equivalent artists engaged under Equity contracts during the year was 4 (2021 : 10).

	2022	2021
Employees	£	£
Wages and salaries	513,148	651,084
Employer's NI contributions	41,697	44,893
Employer's pension contributions	11,305	12,268
	566,150	708,245

No employee earned more than £60,000 excluding employer's national insurance and pension contributions.

In accordance with current legislation, the company operates a defined contributions pension scheme provided by NOW: Pensions Limited which meets its auto-enrolment obligations. The company contributes the minimum requirement of 3%.

The average monthly headcount was 22 staff (2021: 33). The average number of full-time equivalent employees, actors and stage managers was 24 (2021: 19).

Key management

In addition to the Board of Trustees, the Charity considers its Artistic Director and the other members of the senior management team, as set out on page 1, to be Key Management Personnel for the purposes of the SORP. Remuneration and benefits (salary and pension contributions) received by these employees amounted to £177,399 in the year (2021: £211,987).

10 Net movement in total funds for the year

This is stated after charging:	2022	2021
	£	£
Auditor's remuneration (for parent and subsidiary)	6,750	7,077
Remuneration to auditors for other services	4,250	
Depreciation and amortisation	193,740	181,465
Payments under operating leases	9,000	11,132
Trustees' remuneration	-	-
Trustees' expenses	-	-

11 TANGIBLE FIXED ASSETS

Group & Charity	Long Leasehold Land & Buildings	Fixtures & Fittings	Theatre Equipment	Office Equipment & Software	Total
Cost	£	£	£	£	£
As at 1 April 2021	6,778,620	554,502	823,820	197,188	8,354,130
Additions	-	14,163	2,987	10,448	27,598
Disposals	-	-	-	-	-
As at 31 March 2022	6,778,620	568,665	826,807	207,636	8,381,728
Depreciation					
As at 1 April 2021	2,357,927	468,921	770,176	177,098	3,774,122
Provided	134,580	25,585	17,533	7,720	185,418
Disposals	-	-	-	-	-
As at 31 March 2022	2,492,507	494,506	787,709	184,818	3,959,540
Net Book Value					
As at 31 March 2022	**4,286,113**	**74,159**	**39,098**	**22,818**	**4,422,188**
As at 1 April 2021	*4,420,693*	*85,581*	*53,644*	*20,090*	*4,580,008*

12 INTANGIBLE FIXED ASSETS

Group & Charity	Website	Total
Cost	£	£
As at 1 April 2021	33,800	33,800
Additions	7,800	7,800
As at 31 March 2022	41,600	41,600
Amortisation		
As at 1 April 2021	6,760	6,760
Provided	8,320	8,320
As at 31 March 2022	15,080	15,080
Net Book Value		
As at 31 March 2022	**26,520**	**26,520**
As at 1 April 2021	*27,040*	*27,040*

13 FIXED ASSET INVESTMENTS

	Group 2022	Group *2021*	Charity 2022	Charity *2021*
	£	£	£	£
Shares in subsidiary undertakings	-	-	**200**	*200*
	-	-	**200**	*200*

TBTL Services Limited (registered company number 06946177) is wholly owned by the charity and operates certain trading activities. Theatre by the Lake Productions Limited (registered company number 09259767) is wholly owned by the charity and produces, runs and closes productions on behalf of the charity. The accounts of both subsidiaries are consolidated in these financial statements (see also notes 28 and 29). Both subsidiary companies are incorporated in England and Wales and their registered office is the same as that of Cumbria Theatre Trust (the parent company).

		Group 2022	Group 2021	Charity 2022	Charity 2021
14 STOCKS		£	£	£	£
Consumable items		2,850	2,387	-	2,387
		2,850	2,387	-	2,387
15 DEBTORS					
Trade debtors		31,134	687	2,319	687
VAT refund due		17,666	54,250	17,534	53,932
Other debtors		50,519	98,605	50,519	88,332
Inter-company balances		-	-	112,607	26,307
Theatre tax credit recoverable		42,219	-	42,219	-
Prepayments		35,937	-	35,937	-
		177,475	153,542	261,135	169,258
16 CREDITORS: amounts falling due within one year					
Trade creditors		91,214	165,561	84,921	161,300
Taxation and social security		13,984	4,331	13,984	4,331
Deferred income - advance bookings	17	190,240	1,059	190,240	1,059
Deferred income - grants and other	17	-	23,752	-	23,752
Customer credits		104,229	139,277	104,229	139,277
Third party resources	18	73,160	47,376	73,160	47,376
Other creditors		22,363	14,292	22,363	14,292
Accruals		86,323	28,047	76,830	25,142
Loan - Cumbria County Council		-	15,000	-	15,000
		581,513	438,695	565,727	431,529

17 MOVEMENTS IN DEFERRED INCOME

	2022	2021
	£	£
Deferred income brought forward	24,811	224,442
Released in the year	(10,402)	(224,442)
Deferred in the year	175,831	24,811
Deferred income carried forward	190,240	24,811

18 THIRD PARTY RESOURCES

	2022	2021
	£	£
Balance brought forward	47,376	75,181
Receipts in the year	71,434	56,010
Withheld for theatre hire and other charges	-	(853)
Forwarded to hiring organisations or refunded to their customers	(45,650)	(82,962)
Balance carried forward	73,160	47,376

Third party resources refers to tickets sold by Cumbria Theatre Trust as agent for organisations which have hired Theatre by the Lake for their own presentations.

19 Statement of Funds

	2020/2021					2021/2022				
	Income £	Expenditure £	TTR £	Transfer £	Balance b/f and c/f 31 Mar 2021 £	Income £	Expenditure £	TTR £	Transfer £	Balance 31 Mar 2022 £
Unrestricted Funds:										
General fund	1,338,359	(963,969)	4,289	127,017	*1,836,490*	1,421,520	(1,054,934)	-	(300,051)	**1,903,025**
Designated fund									300,051	**300,051**
	1,338,359	(963,969)	4,289	127,017	*1,836,490*	1,421,520	(1,054,934)	-	-	**2,203,076**
Restricted Funds:										
Revenue:										
Cultural Recovery Fund	878,492	(382,877)	-	(127,017)	*368,598*	222,699	(588,770)	-	-	**2,527**
Changing Culture	12,500	-	-	-	*12,500*	-	(12,500)	-	-	**-**
Education and Participation	3,000	(12,295)	-	-	*19,986*	-	(19,986)	-	-	**-**
Legacy	35,000	-	-	-	*35,000*	-	-	-	-	**35,000**
Skills Development	2,000	-	-	-	*4,100*	-	(2,000)	-	-	**2,100**
2022/23 projects	-	-	-	-	-	22,000	-	-	-	**22,000**
Friends of Theatre by the Lake	-	-	-	-	-	12,000	-	-	-	**12,000**
Capital:										
Capital grants & donations received	-	-	-	-	*15,000*	-	(15,000)	-	-	**-**
Capital grants & donations expended	-	(119,449)	-	-	*3,309,761*	-	(137,216)	-	-	**3,172,545**
	930,992	(514,621)	-	(127,017)	*3,764,945*	256,699	(775,472)	-	-	**3,246,172**
Total Funds	2,269,351	(1,478,590)	4,289	-	*5,601,435*	1,678,219	(1,830,406)	-	-	**5,449,248**

19 STATEMENT OF FUNDS (continued)

Restricted fund balances at the year end are held for the following purposes.

Cultural Recovery Fund 1, 2 & 3

To enable the theatre to meet the challenges of the pandemic and relaunch its activities in a Covid secure way whilst managing the financial risk.

Changing Culture

To pay for management and freelance practitioner costs incurred in the management of the relationship between industry hosts, mentors and students on the Changing Culture Programme

Donations - 2022/23 Projects

Two significant donations were received in the year to support community engagement and talent development in 2022/23.

Legacy

Cumbria Theatre Trust received a legacy of £35,000 which will be released over the next five years to support the employment of new talent

Capital grants received

This represents amounts received to fund the purchase of fixed assets. Items purchased and not capitalised are charged as revenue costs in the year of acquisition, and amounts spent on capitalised assets are transferred to either unrestricted funds or capital grants expended, depending upon whether restrictions remain or not on the assets so acquired.

Capital grants & donations expended

This records the expenditure on capital assets funded by capital grants where there are continuing restrictions on the assets, and provides a fund against which depreciation can be charged in future periods. Depreciation of £137,216 has been charged to this fund this year.

Restrictions relate both to funds given for the construction and fitting out of Theatre by the Lake and its continued use by the Charity as a theatre, and also to the redevelopment of the Café by the Lake.

With the exception of where detailed above the trust plans to utilise all remaining restricted revenue reserves within the next financial year. Funds are transferred to 'capital grants & donations expended' if used to purchase capital equipment.

Friends of Theatre by the Lake

The FOTBTL charity closed in March 2022; a final donation was made to Cumbria Theatre Trust to support the 2022/23 production "The Climbers".

20 ANALYSIS OF CHARITY FUNDS

As at March 31 2022	Unrestricted Funds	Restricted Funds	Total
	£	£	£
Fixed assets	1,276,163	3,172,545	**4,448,708**
Net Current assets	926,913	73,627	**1,000,540**
	2,203,076	3,246,172	**5,449,248**
As at March 31 2021			
Fixed assets	*1,297,487*	*3,309,761*	***4,607,248***
Net Current assets	*539,003*	*455,184*	***994,187***
	1,836,490	*3,764,945*	***5,601,435***

21 CONSTITUTION

The company is limited by guarantee and does not have a share capital. In the event of winding up, the members are liable to contribute £1 each. The number of members at 31 March 2022 was 9 (2021: 9).

The company is controlled by its members in general meeting. No individual member or group of members has overall control of the company.

22 TAXATION

The company is a registered charity and is entitled to claim annual exemption from UK Corporation Tax.

23 CAPITAL COMMITMENTS

At 31 March 2022 the charity had capital commitments which are contracted for but not provided for in the financial statements of £5,000. This capital commitment relates to the acquisition of property, plant and equipment.

24 CONTINGENT LIABILITIES

The Arts Council of England lottery award (£4,685,704) is repayable in the event of the company being wound up. The written consent of the grantor is required before the theatre can be disposed of.

Similar conditions apply to past capital grants from Cumbria County Council (£282,500), European Regional Development Fund (£200,000) and Northern Rock Foundation (£200,000).

Should the company face an insolvent winding up, ACE is entitled to the title of the building.

The Trustees do not expect these liabilities to crystallise.

25 RELATED PARTY TRANSACTIONS

Friends of Theatre by the Lake is an independent charity which has the right to nominate one member to the Board of Cumbria Theatre Trust as detailed in the Trustees' Report. Donations totalling £41,432 (2021 - £126,355) were received from Friends of Theatre by the Lake during the year.

Keswick Town Council is also entitled to nominate one member to the Board. A grant of £2,500 (2021: £3,000) was received from Keswick Town Council towards our education and participation work in Keswick and the surrounding area.

Allerdale Borough Council is also entitled to nominate one member to the Board. The group received £40,000 (2021: £64,875) in business support grants from Allerdale Borough Council during the year.

Donations totalling £509 were received in aggregate from trustees during the year (2021: £646).

There were no other outstanding balances with related parties at the end of the year (2021: Nil) and no other transactions with charity trustees during the year.

26 OPERATING LEASE COMMITMENTS

At 31 March 2022 the company had the following commitments under non-cancellable operating leases:

	2022 Property £	2022 Others £	*2021 Property £*	*2021 Others £*
Minimum amounts payable:				
within one year	**9,250**	-	*8,000*	-
within two to five years	**11,563**	-	*17,846*	-
Total	**20,813**	-	25,846	-

27 Parent charity - Statement of Financial Activities

	Unrestricted Funds £	Restricted Funds £	Total 2022 £	*Total 2021 £*
Total incoming resources	1,340,923	256,699	**1,597,622**	*2,294,943*
Total resources expended	974,337	775,472	**1,749,809**	*1,499,893*
Net (expenditure) / income for the year before transfers	366,586	(518,773)	**(152,187)**	*795,050*

28 Subsidiary undertaking - commercial and trading activities

A summary of the results and closing balances of the subsidiary, TBTL Services Ltd, is shown below.

		2022 £		*2021 £*
Turnover		**150,705**		*20,750*
Intercompany adjustments		**-**		*-*
Activities for generating funds: trading operations		**150,705**		*20,750*
Cost of sales	**2,823**		*2,746*	
Administration & premises expenses	**77,774**		*20,291*	
Management charge	**-**		*-*	
Cost of trading operations		**80,597**		*23,037*
		70,107		(2,287)
Other income		**16,523**		*15,950*
Net profit reported in consolidated accounts		**86,630**		*13,663*
Add back intercompany adjustments		**-**		*-*
Net profit for the year reported by TBTL Services Ltd		**86,630**		*13,663*
Gift Aid		**(86,630)**		*(13,663)*
Retained in the subsidiary				*-*

As at the balance sheet date, the assets and liabilities of the subsidiary were:

Current assets	**128,593**	*23,400*
Creditors: amounts due within one year	**(128,493)**	*(23,300)*
	100	*100*
Represented by:		
Aggregate share capital and reserves	**100**	*100*
Profit and Loss Account	**86,630**	*-*
	86,730	*100*

29 Subsidiary undertaking - production activities

A summary of the results and closing balances of the subsidiary, Theatre by the Lake Productions Ltd, is shown below.

		2022		2021
		£		£
Turnover		-		44,340
Intercompany adjustments		-		(48,629)
Activities for generating funds: trading operations		-		(4,289)
Cost of sales	-		48,629	
Intercompany adjustments	-		(48,629)	
Administration & premises expenses	-		-	
Cost of trading operations		-		-
Net loss reported in consolidated accounts		-		(4,289)
Add back intercompany adjustments		-		-
Net loss for the year reported by Theatre by the Lake Productions Ltd		-		(4,289)
Tax Claim		-		4,289
Retained in the subsidiary		-		-

As at the balance sheet date, the assets and liabilities of the subsidiary were:

Current assets	100	10,273
Creditors: amounts due within one year	-	(10,173)
	100	100
Represented by:		
Aggregate share capital and reserves	100	100

Theatre tax credit:

TTR claimable	-	(1,695)
Deferred tax asset movement	-	5,984
Credit in accounts	-	4,289

30 Designated Funds

	At 31 March 2021	Funds designated	At 31 March 2022
Designated funds:			
Cultural Recovery Fund (1)	-	2,527	**2,527**
Expenditure committed in 21/22, completed in 22/23	-	25,686	**25,686**
Works planned in 21/22, commissioned in 22/23	-	129,365	**129,365**
Strategic initiatives and contingency	-	145,000	**145,000**
	-	302,578	**302,578**

Expenditure committed in 21/22, completed in 22/23

Work committed in 21/22 which due to staff capacity or logistical issues was not completed until early 22/23.

Works planned in 21/22, commissioned in 22/23

Planned works which due to staff capacity or logistical issues will not be completed until 22/23

Strategic initiatives and contingency

We recognise the need to develop our strategic approach, so have designated funds to improve brand visability as well as an operating contingency. £50,000 of this designation will be carried forward into 23/24 and 24/25.

CUMBRIA THEATRE TRUST

England & Wales - Charity number 516673

Accounts

CUMBRIA THEATRE TRUST

(TRADING AS THEATRE BY THE LAKE)

ANNUAL REPORT

AND

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31 2021

Company number: 1874868

Charity number: 516673

CUMBRIA THEATRE TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31 2021

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CUMBRIA THEATRE TRUST
COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2021

PRESIDENT	Dame Judi Dench	
FOUNDING PRESIDENTS	Graham Lamont Vicky Robinson MBE	
VICE PRESIDENTS	Nigel Illman Doreen Wilkinson	
PATRONS	Lord Bragg of Wigton Sir Tony Cunningham Hunter Davies OBE Dame Patricia Routledge DBE Eric Robson OBE Richard Wilson OBE	
DIRECTORS AND TRUSTEES	Charles Carter *	(Chair)
	Kate McLaughlin-Flynn *	(Vice Chair)
	Anne Chambers **	
	Dr Jim Cox OBE *	
	Steve Freeman	
	Elizabeth Freestone	(Appointed 6/04/2021)
	Janaki Fryer-Spedding *	
	Geoffrey Hall **	
	Ian Hill	(Resigned 9/06/2021)
	Fiona Lowry*	(Appointed 6/04/2021)
	Philip Moorhouse*	(Appointed 6/04/2021)
	Jenna Omeltschenko	(Appointed 6/04/2021)
	Godfrey Owen **	
	* Member of Finance Committee	
	** Member of Development Committee	
CHIEF EXECUTIVE	James Cobbold	
KEY MANAGEMENT PERSONNEL	Liz Stevenson – Artistic Director Rachel Swift – Head of Communications Michael Lawler – Head of Finance (until 15/12/2020) Becca Muir – Head of Development (until 27/08/2020) Hilary Rhodes – General Manager (until 25/10/2020)	
REGISTERED OFFICE	Theatre by the Lake Lakeside Keswick Cumbria CA12 5DJ	
AUDITORS	Chittenden Horley Chartered Accountants & Registered Auditors 456 Chester Road Old Trafford Manchester M16 9HD	
MAIN BANKERS	Barclays Bank plc Market Square Keswick Cumbria CA12 5BE	
COMPANY NUMBER	1874868	
CHARITY NUMBER	516673	
TELEPHONE	017687 72282	
WEBSITE	www.theatrebythelake.com	

CUMBRIA THEATRE TRUST
CHAIR'S REPORT
FOR THE YEAR ENDED 31 MARCH 2021

This year has been dominated by the impact of the coronavirus (Covid-19) pandemic.

We first felt the effect of coronavirus before the end of the last financial year when theatres were closed by government in late March. We had no choice but to cancel immediately our Easter show, *Malory Towers*, a week before its opening night. With limited ability to rehearse and the introduction of social distancing meaning no prospect of viable audiences, we decided soon after to cancel our entire summer season. It was a major disappointment to lose Liz Stevenson's first major season as Artistic Director, which had included four world premieres. There was brief hope that we might be able to re-open with a Christmas show, but the reintroduction of lockdowns led to its cancellation too. The overall result was that the theatre building was closed for the entire financial year.

Ticket sales have historically provided over 60% of the company's income, so the loss of that income threatened the organisation's viability. In the immediate aftermath of closure, our regular grant from Arts Council England (ACE) that we receive as a National Portfolio Organisation (NPO), together with additional support from the ACE Emergency Fund enabled us to avert an immediate cashflow crisis. However, and as I noted in last year's report, we had no choice but to reduce our continuing costs to a level lower than our remaining principal source of revenue, our ACE NPO grant. The implication was that, with huge regret, we had to make the majority of our staff redundant.

This radical step was crucial to the theatre's survival, but has led to the consequential challenge of re-staffing and preparing the theatre to re-open. Making new work requires substantial expenditure before opening and the company had no free reserves to fund this. Our long term plan, initiated in 2015, was to invest the company's free reserves in building Lakeside, our café, with the intent that it would generate substantial additional income, first to restore those free reserves and then to provide additional revenue to fund the theatre's activities. While this financial plan was being followed successfully, the pandemic hit before free reserves had been fully restored.

We are therefore grateful to have received substantial funding over the year from government:

- ACE, who have continued to provide our regular NPO grant, and at the same time relieved us of the delivery conditions attached to it, in addition to an Emergency Response Fund grant
- The Department of Culture, Media and Sport (DCMS) who have given us two substantial grants from the Coronavirus Recovery Fund (CRF), administered by ACE
- Other government support including the furlough scheme, which enabled us to retain staff until July, and business rate relief on the café
- Allerdale District Council (grants), and Cumbria County Council (project grant).

We are equally grateful to have received substantial funding over the year from our friends and supporters:

- The Friends of Theatre by the Lake, who have passed over all the funds that they were holding with no conditions as to their deployment, other than restrictions on the final part of a legacy from a long-term supporter
- The substantial number of ticketholders who donated the cost of their tickets to cancelled productions; or who have retained ticket credits with us rather than ask for refunds, which provides a valuable cashflow benefit
- The substantial number of supporters, often the same ticketholders, who made additional donations

We have ended the financial year well placed to start to re-staff and fund future activity and to be able to reopen. The financial risks remain high as the introduction of further lockdowns at short notice could have a disastrous effect. However, the risks are understood, and steps are in place to manage them as effectively as we can.

We have not been entirely dormant over the last year. Artistically, using remote working and remote access we have produced on-line activities described elsewhere in this report to keep our regular audiences engaged and in touch. We are really looking forward to co-producing a production of *Home I'm Darling* which opens in Scarborough in June, transferring to Bolton before being staged at Theatre by the Lake in October 2021. Administratively, we have taken the opportunity of closure to update our website and to replace both our ticketing system and our accounting system.

Lastly, we are starting to think hard about what Theatre by the Lake will look like in the future. We have a tremendous base on which to build but equally we recognise that we need to change. We intend to improve the way that we work with and reflect our local communities and we want to take even more advantage of our location. Prior to coronavirus, we already knew that our financial sustainability was increasingly challenged and we need to find ways of structuring our programmes to underpin long-term financial security. We increasingly think that we can build on the disruption triggered by the pandemic to build a new and exciting future for the theatre.

On behalf of fellow Trustees I will close with thanks to two particular groups.

- First, the Friends of Theatre by the Lake. "The Friends" has been a separate organisation since before the theatre opened (and a separate charity since 2005) and has been hugely supportive over the last 25 years. For a variety of reasons, not least administrative overlap with the theatre, the committee of the Friends has taken the decision to close the charity. The theatre will take over the Friends scheme – probably in a slightly different guise – but we remain immensely grateful to the Friends for their contribution over many years, and the last year in particular.

- Second, to James Cobbold, Liz Stevenson and the theatre team as a whole for their commitment over the last year. As a small team in difficult circumstances, they have been remarkable.

Lastly, I would like to offer my thanks to my fellow Trustees, who have provided inordinate time and support over the last year. I am immensely grateful personally and without that support, we would not be in the position that we are now.

I am also thankful for the tremendous support that has been given to us from a wide range of organisations and individuals. We are immensely optimistic about the future and cannot wait to return!

Charles Carter Date: 25/09/21

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

The objectives of Cumbria Theatre Trust (CTT) are:

- "to promote and advance the arts and in particular the performing arts for the benefit of the public"; and
- "to promote and advance education through the development and delivery of creative learning programmes for people of all ages".

The mission that shapes CTT's activities is "to provide a year-round theatre and performing arts resource for communities of, and visitors to, Cumbria". To support this, a permanent theatre building was created in Keswick which presented its first performance on 19 August 1999. Theatre by the Lake (TBTL) is the only professional producing theatre in Cumbria.

STRATEGIES

CTT seeks to deliver its mission through the presentation of performances at TBTL in Keswick, and other venues, and through education and participatory activities. The cornerstone of CTT's strategy is to plan, create and present professional theatre performances in its specialist theatre facilities. In-house productions are complemented by incoming work that provides wide-ranging opportunities for audiences and participants, maximises the use of the theatre facilities and helps to secure the income which underpins the whole operation. The delivery of education and participation activities also represents an important strategy, particularly to widen engagement, raise aspirations and build audiences for the future.

SPECIAL CIRCUMSTANCES IN 2020-21

The impact of the Coronavirus (COVID-19) pandemic on CTT was severe. The enforced closure by government of all theatres through 2020-21, together with the constraints of gathering in anything other than very small groups, resulted in the theatre delivering minimal activity in the year. However, we were not entirely dormant and over the year.

Throughout the year we engaged with our audiences online. Activities included:

- Our popular monthly play reading club (over 260 attendances)
- A series of online webinars and workshops delivered by professional artists introducing young people to theatre-making
- The start of our first ever digital programme 'Spark' which started in February 2021, which included live rehearsed readings, scratch performances, a series of audio plays by local writers, and sharing digital productions from new partner theatres and companies.
- We set up 'Cumbrian Creatives' an artist network for Cumbrian theatre makers to connect and benefit from opportunities (currently 266 members). Completing Arts Award Explore with our youth theatre via zoom, and delivering a series of online workshops for 14-18 year old delivered by a diverse group of professional freelance theatre-makers.

Over the course of the Spark programme alone, 37 freelance theatre-makers were employed. We commissioned three artists to develop new ideas for our programme, and we co-commissioned a treatment for *Steel* a new play by a Cumbrian playwright in partnership with Pentabus. We also invested in two Research and Development processes with a view to programming these productions in 2022.

Whilst closed, we wanted to ensure the theatre building was viewed as a creative space. We commissioned a theatre designer to create a community exhibition in our gallery space and two separate installations in the foyer for passers-by to enjoy. We also provided limited services from our catering operations. 2019/20 was the fifth full year of operation for the new café building, the operation of which is outsourced to BaxterStorey Limited along with all bars and catering operations at the theatre. The intent is that these operations will provide an additional revenue stream to the theatre.

Given circumstances, TBTL Services Ltd (TBTLS) and BaxterStorey Ltd jointly agreed to suspend the existing contract with its requirements on BaxterStorey to deliver certain levels of service and provide minimum guaranteed payments, replacing it with a simple interim arrangement for the year. Under this arrangement BaxterStorey agreed to provide services in the new café building and kiosk on a reasonable endeavours basis, with TBTLS receiving a proportion of the sales made together with certain expenses. Under these arrangements, TBTLS received income of £20,750 from BaxterStorey over the year.

FINANCIAL REVIEW

Background

In the long term, CTT's key financial objective is to ensure financial stability so that the charity can pursue its artistic and educational aims and objectives. In support of this objective are policies relating to reserves, financial risk, trading activities and fundraising which are addressed in more detail within this report.

The extraordinary circumstances of this financial year have required the Trust to introduce short-term financial objectives, while remaining cognisant of its longer term aims.

At the start of the financial year, the overriding aim of the Trust was to maintain a positive cash position at all times.

This intent was made easier by Arts Council England (ACE) declaring at an early point that it would continue its funding to the theatre under the National Portfolio Organisation (NPO) funding programme, including the acceleration of one quarterly payment. By mid-May 2020, the Trust also applied for additional ACE funding from its Emergency Response Fund, as well as applying for funding under various government schemes including the Job Retention (furlough) scheme. The success of these applications secured the theatre's short-term survival.

Even with this additional funding, it was clear that the uncertainties around ticket income (unknown re-opening date, combined with the likelihood of reduced audiences as a result of social distancing), together with a probable end to the government's furlough scheme, meant that we had to reduce or costs to be lower than our regular ACE NPO grant in order to maintain a positive cash position over the year. This resulted in the decision to make the majority of staff redundant.

By June 2020, it was clear that we could meet our short-term financial objective of maintaining a positive cash position through the balance of the financial year. However, it was also clear that we would not have the funds available to re-open the theatre, including the necessary re-staffing.

The second financial objective was therefore developed in tandem with the application conditions attaching to the Department of Culture, Media and Sport (DCMS) Culture Recovery Fund (CRF), administered by ACE. This was to generate sufficient funding to make the theatre building Covid-safe, and to fund two productions.

Applications were made in two rounds of CRF funding. The success of these applications (the first in full and the second in part), has been boosted by better than expected outturns in:

- **Fundraising**, principally
    - Donations from unused tickets
    - General donations
    - Donations from the Friends of Theatre by The Lake
- **Trading**
    - Income from the interim BaxterStorey arrangements
- **Cost management**
    - Lower costs for utilities etc while the buildings were closed
- **One-off events**:
    - Repayment of a longstanding VAT claim

The result is that the Trust has ended the year with substantial cash balances (boosted further by ticket credits that customers have not asked to be returned) and restored reserves. This means that the Trust can revert to its long-standing financial objectives as it starts the 2021/22 financial year, although recognising that the risk to income remains higher than normal because of the continuing pandemic-related threats to ticket sales.

Overview

For the financial year ended 31 March 2021, the Group realised a surplus on unrestricted funds, after transfers of £505,696. This is substantially higher than anticipated at any point in the year. Total incoming resources, including restricted funds relating to special projects, were £2,269,351.

CTT has prepared accounts in compliance with Charities SORP (FRS 102). The statement of financial activities (SOFA), balance sheet, cash flow statement and notes are set out from page 15 onwards.

The following simplified income and expenditure account summarises unrestricted funds activity during the year, including management charges and donations paid by the subsidiary trading company to CTT.

	Unrestricted funds 2021		*Unrestricted funds 2020*	
	£		£	
Income				
Box office receipts	1,383	0.1%	*1,922,620*	*62.6%*
Other trading	36,700	2.7%	*340,430*	*11.1%*
Donations and partnerships	200,691	15.0%	*73,733*	*2.4%*
Education/training income	2,019	0.2%	*15,151*	*0.5%*
Investment income	757	0.0%	*1,018*	*0.0%*
Other income	15,353	1.1%	*102,002*	*3.3%*
Grants – inc. Arts Council	1,081,456	80.9%	*614,067*	*20.0%*
	1,338,359	100.0%	*3,069,021*	*100.0%*
Expenditure				
Costs of theatre operations and performances	842,721	87.4%	*2,777,424*	*90.3%*
Education/training costs	77,368	8.0%	*26,300*	*0.9%*
Trading subsidiary expenditure	23,037	2.4%	*252,809*	*8.2%*
Other costs of generating funds	20,843	2.2%	*19,321*	*0.6%*
	963,969	100.0%	*3,075,854*	*100.0%*
Net incoming/(outgoing) resources before other recognised gains/(losses)	374,389		*(6,833)*	
Transfers from restricted funds	127,017			
Theatre Tax Credit	4,289		*139,784*	
Net incoming resources	505,695		*132,951*	

Funding and Fundraising

CTT generates income from its activities – ticket sales, ancillary trading, contracts for services, grants for specific projects, fundraising, etc. – which, in a 'normal' year such as 2019/20, represented around 80% of annual turnover. The balance of regular income is made up of grants. Our annual core funding from Arts Council England (ACE), which supports the full range of artistic activity, usually equates to approximately 20% of turnover.

In 2020/21 the circumstances were very different

2020/21 was the third year of a four-year commitment from ACE under the National Portfolio Organisation (NPO) funding programme. As a consequence of funding cuts from central government, and in common with the majority of NPOs, CTT was awarded only a cash standstill grant for the four year period (£604,067 p.a.). This was increased slightly during the year to £625,534 p.a.

Very early in the pandemic, ACE agreed to maintain this grant while at the same time relieving the Trust of all conditions attaching to it (for example, the requirement to produce a certain number of shows each year and deliver certain educational aims). ACE have also declared an intent to extend the NPO programme by one further year, although the Trust will be required to apply for this extension.

During the year, ACE also made three further grants to the theatre either directly or as the administrator for the Department of Culture, Media and Sport (DCMS). These were:

- ACE Emergency Response Fund £180,000
- DCMS Culture Recovery Fund 1 £878,492
- DCMS Culture Recovery Fund 2 £87,699 (for 21/22)

The Trust is immensely grateful to DCMS and ACE for this funding.

We are also grateful to Cumbria County Council for their support of the Trust through their award of a funding grant for National Portfolio Organisations in Cumbria, the first receipt of which was in 2018/19, and Keswick Town Council for their continued project-based funding.

The table below summarises core funding received over the last 5 years.

Cumbria Theatre Trust – annual grant aid (£), 2016-2021 *(excluding emergency funding described above)*					
	2016/17	**2017/18**	**2018/19**	**2019/20**	**2020/21**
Arts Council England NPO	604,067	604,067	604,067	604,067	625,534
Cumbria County Council	3,000	0	10,000	10,000	10,000
Keswick Town Council	3,500	3,500	3,500	3,500	3,000

Substantial donations were also received from the Friends of Theatre by the Lake (the Friends) amounting to £126,355. These donations are considerably larger than prior years. There are two principal reasons for this. First, it is due to a substantial legacy received by the Friends that has been handed over to the theatre. Second, it is because the Friends, a separate charity, has decided to discontinue its operations and close down, principally because there is substantial administrative overlap with the Theatre's operations. Its core membership operation will transfer to the theatre (and is likely to evolve over time). The Friends have transferred the majority of the funds that they were holding to the theatre and this has boosted the donation this year. Because of the closure of the charity, there will be minimal transfers in future years.

The trustees place great importance on relationships with donors and supporters and are committed to ensuring best practice through ethical, sustainable fundraising. The charity is not currently registered with a regulatory body but follows the principles of the Fundraising Regulator's voluntary regulation scheme. No commercial participator carried out any fundraising activities.

Income from Activities
There was minimal income from ticket sales this year.

CTT operates a subsidiary company for trading activities which might fall outside its charitable objectives, including bars and catering, ice creams, merchandise and programmes. In March 2016, the operation of bars and catering activities was contracted for a five year period to BaxterStorey Limited, a commercial operator, who contribute a proportion of turnover, with a guaranteed monthly payment, to the subsidiary company. This contract, including the minimum guarantees, was suspended for 202/21 and replaced with a reasonable endeavours contract which rewarded the Trust on the basis of a percentage of sales.

TBTL Services Limited donates its profits to CTT through Gift Aid.

Our second subsidiary company, Theatre by the Lake Productions Limited, is a Special Purpose Vehicle company which was set up to prepare productions for presentation at TBTL and other venues, and to claim theatre tax relief.

CTT's financial statements for the year ended 31 March 2021 are consolidated with the profit and loss accounts of TBTL Services Limited and Theatre by the Lake Productions Limited. TBTL Services Limited made a net profit of £13,663, which was donated to the Charity (see also note 28). Theatre by the Lake Productions Limited made a loss of £4,289 before submitting a tax credit claim to HMRC (see also note 29).

Public Benefit
The Trustees are aware of the Charity Commission guidance on public benefit.

Given the circumstances of the last year, the public benefit provided by the Trust was minimal by comparison with prior years. Nevertheless, the majority of performances in this year, which reached some 740 people, were free of charge.

Investment Powers and Policy
The Trust's investment powers are defined in the Memorandum of Association, however no investments were held during 2020/21.

Reserves Policy
The unrestricted reserves of the Trust are £1,836,490. The Trust also has restricted reserves of £3,764,945 not available for the general purposes of the charity at the end of the year. Reserves are further analysed in notes 19 and 20.

Free reserves, of the Trust, were £539,003 at the year-end (2020: £10,000).

At 31 March 2021 cash reserves stood at £1,277,154 including cash representing restricted fund balances (£455,185) and deferred income and third party resources (£210,405).

Over the financial year 2020-21, the Trustees have monitored cash closely. They have ensured that all income budgets were constructed on a conservative basis (for example, this included budgeting nil ticket income, high levels of ticket refunds, minimal success at fundraising, minimal income from trading, only partial success with ACE grant applications) and cost budgets similarly. As the year has progressed, and particularly towards the end of the year, it has become clear that income (other than ticket income) has substantially exceeded expectations.

The trustees consider that the level of free reserves at the current time is satisfactory and provides contingency against one failed production that would need to be cancelled as a result of reinstated lockdowns and theatre closures.

The Trustees will monitor reserves closely over the coming year and re-establish a target figure in the light of prevailing conditions and experience.

Financial Control and Audit

The board of trustees delegates review of the effectiveness of all internal controls, including operational, financial and compliance controls and risk management systems to the Finance Committee. The internal control systems are appropriate to the scale and complexity of the organisation. Detailed management accounts are reviewed by the Finance Committee, whilst summary management account are presented regularly to meetings of the board of trustees.

In the early part of 2020/21, when conditions were uncertain, the Finance Committee required management to produce short-term budgets and authorised these monthly, and any additional expenditure outside these item-by-item.

The Finance Committee monitors and reviews financial performance, financial management and management reporting arrangements, and then reports its findings to the main board. The finance specialist on the board (Kate McLaughlin-Flynn) chairs the Finance Committee

The full board accepts responsibility for financial matters, though in practice much of the work is delegated to the Finance Committee. Processes include scrutiny of management accounts throughout the year, consideration of accounting and investment policies, risk management policies and compliance with statutory requirements. The Finance Committee will also respond to any relevant matters relating to annual financial statements raised by the external auditors as a result of audit work. The full board will consider the appointment of the external auditors and approves their remuneration and terms of engagement.

Financial Risk Management

The Finance Committee considers the financial risks to which CTT may be exposed, assesses their potential impact on the organisation and identifies strategies to mitigate their effect, should those risks materialise. CTT's risk management strategy and the principal risks and uncertainties, including financial risks, are outlined on page 9.

PLANS FOR FUTURE PERIODS

Priorities for 2021/22

Our intended plan for 2021/22 is to adopt a conservative approach that reflects the continuing impact of coronavirus. Our priority for 2021/22 is to ensure that Cumbria Theatre Trust survives and is sustainable in the future. Our specific priorities are:

- To re-open with a production of *Home I'm Darling* in late Summer 2021. This is a co-production to reduce the front-end costs and income is budgeted based on some social distancing
- To mount a home-produced Christmas production with income that is based on no social distancing
- In addition, to mount various minor and visiting productions.

Plans and Objectives for 2021/22 and Beyond

In early 2020 we had embarked on developing a strategy for 2021 and beyond that would continue to develop our role as a leading producing theatre and build stronger links with our local communities. Importantly, this strategy was also intending to address the necessary changes to our business model to enable us to operate effectively in an increasingly stringent business environment. The intent was that this strategy and associated plan would form the basis of an application to Arts Council England for continued funding as part of its National Portfolio.

The hiatus caused by coronavirus does not affect our ability to plan for the future. However, we cannot plan on the same basis as before because the environment in which we are operating has changed, not least because there is considerable uncertainty as to:

- the continuing impact of coronavirus on our ability to stage productions, including the ability to rehearse, and the willingness of employees and volunteers to work in confined spaces

- when audiences will return. Our experience of previous significant downturns (e.g. foot and mouth in 2007, flooding and the financial crisis in 2008-10) show that audiences can be slow to return and we suspect that the same will happen with this crisis, exacerbated by the fact that a significant proportion of our historical audiences fall into categories where there is higher risk of harm from coronavirus

- how Arts Council England, or government more generally, will support theatre into the future.

We have resuscitated this planning process, and will by mid 2021 produce an outline plan for 2022/23 and by the end of the year a longer term plan for the theatre.

PRINCIPAL RISKS AND UNCERTAINTIES

Cumbria Theatre Trust's risk management strategy comprises:

- regular review of the principal risks and uncertainties faced by the group;
- the establishment of policies, systems and procedures to mitigate those risks;
- the implementation of procedures to minimise or manage any potential impact on the organisation, should those risks materialise.

This overall approach remains valid, although the risk analysis has been re-worked temporarily to reflect the current situation.

At present, the charity is entirely reliant on support from Arts Council England for its survival. As part of the Arts Council England's 2018-22 National Portfolio, CTT receives funding and has to meet certain conditions in return, which are principally focused on delivering a prescribed amount and quality of artistic content. At present the charity's most significant risk is loss of Arts Council England funding or re-imposition of its conditions (which the charity would be unable to meet as it does not have the staff to deliver them). If either of these risks materialise, it would adversely affect the charity's ability to operate.

Provided Arts Council England continue with the current arrangements, and given the cash balances that we have built over 2020-21, trustees are confident that the charity can be sustained in its current form. Given previous experience with establishing the theatre in Keswick in the 1990s, and dealing with other the after effects of major crises including foot & mouth, flooding and the global financial crisis, trustees are confident that, using the approach described above, they can find a path to reopen the theatre and, over time, return to be a business of similar scale.

As the theatre moves towards re-opening, we will return to a risk management process similar to that which we used previously, which identified that the principal risks and uncertainties faced by CTT. These relate to its financial ability to create and stage performances to standards which will retain the interest and support of the public; operational issues relating to the management, maintenance and conduct of a public building; and uncertainties relating to future income.

GOING CONCERN

The Trustees have reviewed forward projections that demonstrate financial sustainability based on:

- ticket revenues that are lower than pre-Covid levels (because there will be fewer performances and restricted audiences);
- costs that are lower than pre-Covid levels (principally because of lower permanent staffing levels); and
- cash and reserves that have increased due to additional grant support (including from ACE), donations and closely managed costs.

Having considered the risks inherent in these projections, and having reviewed the charity's reserves the Trustees have concluded that it is appropriate to prepare these accounts on a going concern basis.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Documents

CTT is a company limited by guarantee, governed by its Memorandum and Articles of Association dated 4 December 1984. It is registered with the Charity Commission.

CTT established a wholly owned trading subsidiary company for the benefit of the charity, TBTL Services Limited, a private company limited by shares, governed by its Memorandum and Articles of Association dated 22 June 2009.

Theatre by the Lake Productions Limited, a special purpose vehicle wholly owned subsidiary company, was established for CTT to take advantage of the government's theatre production tax credit scheme. It is a private company limited by shares and governed by its Articles of Association dated 13 October 2014.

Organisation

The governing body of CTT is the board of trustees whose members are non-executive and unpaid. The board normally meets at least four times a year and retains full and effective control over the Company. The board of trustees has a set of board rules which provide a detailed framework for the conduct of the company, including the appointment, roles and responsibilities of trustees, delegation of responsibilities and the conduct of meetings. The board delegates the management and artistic operation of the company to the Executive Director (Chief executive) and Artistic Director. They normally attend meetings of the board, together with other senior staff, as appropriate. All staff who attend board meetings do so as non-voting participants. The Executive Director currently acts as company secretary for CTT, TBTL Services Ltd and Theatre by the Lake Productions Limited.

The board of trustees takes responsibility for appointing the Executive Director and Artistic Director and will determine the contract of employment and monitor the performance of individuals undertaking these roles. The responsibility for the appointment of other staff would normally be delegated to the Executive Director and Artistic Director.

Unusually and directly as a result of the coronavirus crisis, the Board or Finance committee met over 40 times by videoconference over 2020/21, mostly for short update and decision-making meetings.

Trustee Appointment

The Articles of Association specify that the number of members of the board is not less than five and not more than fifteen, including trustees nominated by external bodies currently designated in the board rules. At present, only the Friends of Theatre by the Lake take up this role. Nominated representative members on the board are not subject to the electoral process but are deemed to have resigned as members if they are no longer the nominee of the organisation they represent.

Elected directors would normally retire at the end of their term of office (up to 4 years) but may seek re-election for a second term.

At the 2020 AGM two Trustees, Godfrey Owen and Geoffrey Hall, were re-elected for one year. Both Trustees had completed their final term but, given circumstances, Trustees wished to retain their experience for the subsequent year.

Meetings and Board Rules

The Articles of Association and board rules provide for the appointment, or re-appointment, of a Chair, or two people to serve as Joint Chairs, for a period of four years. Charles Carter was appointed as the Chair with Kate McLaughlin-Flynn appointed as Vice-Chair on 19 August 2019.

The quality, effectiveness and timeliness of information provided to the board of trustees is kept under review, as are arrangements for conducting board business, including delegation to committees. Two standing committees were established during the year: the Finance Committee and a Development Committee which consider financial matters and fundraising matters, respectively, in more details than would be appropriate at full board meetings.

Special groups are formed from time to time to deal with specific items, for example, the process for recruitment of a new Artistic Director in early 2019 was delegated to a special group comprising select trustees, plus external advisers.

Directors' Transactions

From time to time, members of the board or persons connected with them may enter into transactions with CTT in the normal course of business of both parties. It is the board's policy that any such transactions should be revealed to and approved by the board. There were no such transactions this year.

Relevant transactions during the year, are disclosed in note 28 (page 30). All transactions are considered by trustees to represent excellent value for money and fully compliant with Charity Commission guidelines.

Related Parties and Co-operation with Other Organisations

None of our trustees receives remuneration or other benefit from their work with the charity. Any connection to a related party must be declared. There were no such connections this year.

The charity's wholly owned subsidiary companies operate for the benefit of the charity. TBTL Services Limited operates bars and catering services and other ancillary trading activities; Theatre by the Lake Productions Limited enables the charity to take advantage of the government's theatre production tax credit scheme.

CTT has a close relationship with the Friends of Theatre by the Lake, a registered charity whose objects include financial support for CTT. The trust also has relationships with funders, each of whom agrees specific targets and objectives.

Staff and Internal Policies

Staff Numbers
The average number of employees in 2019/20 was 52.

The statement of an average number of employees for 2020/21 would be misleading. Over the first half of 2020/21 39 staff were made redundant with one further employee being made redundant in December 2021, with the result that at 31 December 2020, the number of employees was 11. This increased to 15 by 31 March 2021.

Volunteers
Recruitment, induction and training of volunteers represents a vital element of CTT's staffing strategy, with approximately 240 dedicated front of house staff 'on the books'. Due to the theatre's closure, no volunteer support was used through the year. Full-time staff have kept in touch with the volunteer workforce by email and videoconference as they represent a vital part of the theatre's success, particularly in offering a unique welcome to theatre customers. In financial terms, our volunteers' contribution in a 'normal' year is valued at around £150,000 per annum.

Pay Policy

Trustees are aware that salaries, particularly for key specialist staff, have always been significantly below national comparators within theatre and the arts. The aspiration has been to offer more competitive salaries for specialist staff and policy has been to ensure that pay awards are implemented as and when these become affordable.

No employee was paid in excess of £60,000 excluding employer's national insurance and pension contributions (2019/20 – none).

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the company and of the surplus or deficit of the company for that period. In preparing those financial statements, the directors have:

- identified suitable accounting policies, reviewed these policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepared the financial statements on the going concern basis.

The directors are responsible for keeping records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information.

The financial statements have been prepared in accordance with the accounting policies set out on pages 19 and 20 and comply with the Statement of Recommended Practice (as applicable to charities preparing their accounts in accordance with FRS 102), current statutory requirements and the governing document.

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:

On behalf of the Board

Charles Carter

Charles Carter - Chair Date: September 25 2021

Opinion
We have audited the financial statements of Cumbria Theatre Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended March 31 2021 which comprise the Group Statement 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.

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 ad 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.

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: October 22 2021

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.*

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

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2021 £	*Total 2020 £*
INCOME					
Donations	2	1,282,147	927,992	**2,210,139**	*778,969*
Charitable activities	3	3,402	3,000	**6,402**	*2,010,906*
Other trading activities	4	52,053	-	**52,053**	*370,262*
Investment income	5	757	-	**757**	*1,018*
TOTAL INCOME		1,338,359	930,992	**2,269,351**	*3,161,155*
EXPENDITURE					
Costs of raising funds	6	43,880	-	**43,880**	*272,174*
Costs of charitable activities	7	920,089	514,621	**1,434,710**	*3,071,681*
TOTAL		963,969	514,621	**1,478,590**	*3,343,855*
Net income / (expenditure) before transfers / taxation		374,390	416,371	**790,761**	*(182,700)*
Transfers	19	127,017	(127,017)	**-**	-
Theatre tax credit claimable	29	4,289	-	**4,289**	*139,784*
Net movement in funds (net income after taxation)		505,696	289,354	**795,050**	*(42,916)*
Reconciliation of funds					
Total funds brought forward	19	1,330,794	3,475,591	**4,806,385**	*4,849,301*
Total funds carried forward	19	1,836,490	3,764,945	**5,601,435**	*4,806,385*

The notes on pages 17 to 31 form part of these financial statements.

CUMBRIA THEATRE TRUST
GROUP AND PARENT CHARITY BALANCE SHEET
AS AT 31 MARCH 2021

	Notes	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
FIXED ASSETS					
Tangible assets	11	**4,580,008**	*4,749,804*	**4,580,008**	*4,749,804*
Intangiable assets	12	**27,040**	-	**27,040**	-
Investments	13	**-**	-	**200**	*200*
Total Fixed Assets		**4,607,048**	*4,749,804*	**4,607,248**	*4,750,004*
CURRENT ASSETS					
Stocks	14	**2,387**	*5,541*	**2,387**	4,221
Debtors	15	**153,542**	*274,320*	**169,258**	*276,267*
Cash at bank and in hand		**1,277,154**	*451,411*	**1,254,071**	*438,054*
Total Current Assets		**1,433,083**	*731,272*	**1,425,716**	*718,542*
CREDITORS					
Amounts falling due within one year	16	**(438,696)**	*(674,691)*	**(431,529)**	*(662,161)*
NET CURRENT ASSETS		**994,387**	*56,581*	**994,187**	*56,381*
TOTAL NET ASSETS		**5,601,435**	*4,806,385*	**5,601,435**	*4,806,385*
FUNDS					
Unrestricted Fund	19	**1,836,490**	*1,330,794*	**1,836,490**	*1,330,794*
Restricted Funds	19	**3,764,945**	*3,475,591*	**3,764,945**	*3,475,591*
		5,601,435	*4,806,385*	**5,601,435**	*4,806,385*

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

The notes on pages 17 to 31 form part of these financial statements.

Approved by the Board of Directors and authorised for issue on: September 25 2021

Charles Carter

C Carter – Director

Company registration number: 1874868

CUMBRIA THEATRE TRUST
GROUP AND PARENT CHARITY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	Group 2021 £	Group *2020* £	Charity 2021 £	Charity *2020* £
Cash flows from operating activities				
Net cash provided by (used in) operating activities	**736,654**	*(27,349)*	**860,729**	*164,964*
Cash flows from tax credits:				
Theatre tax credit received	**133,800**	*183,232*	**-**	*-*
Cash flows from investing activities:				
Bank Interest	**757**	*1,018*	**757**	*1,018*
Purchase of property plant and equipment	**(11,669)**	*(49,899)*	**(11,669)**	*(49,899)*
Website	**(33,800)**	*-*	**(33,800)**	*-*
Net cash (used in) investing activities	**(44,712)**	*(48,881)*	**(44,712)**	*(48,881)*
Change in cash and cash equivalents in the year	**825,742**	*107,002*	**816,017**	*116,083*
Cash and cash equivalents at the start of the year	**451,411**	*344,409*	**438,054**	*321,971*
Cash and cash equivalents at the end of the year	**1,277,153**	*451,411*	**1,254,071**	*438,054*

Reconciliation of net income/(expenditure) to net cashflow from operating activities				
Net (expenditure) per the SoFA	**790,761**	*(182,700)*	**795,050**	*(182,700)*
Adjustments for:				
Depreciation charges	**181,465**	*186,925*	**181,465**	*186,925*
Amortisation charges	**6,760**	*-*	**6,760**	*-*
Dividends and interest from investments	**(757)**	*(1,018)*	**(757)**	*(1,018)*
(Increase)/decrease in stocks	**3,155**	*1,939*	**1,834**	*687*
(Increase)/decrease in debtors	**(8,734)**	*68,102*	**107,009**	*264,472*
Increase/(decrease) in creditors	**(235,996)**	*(100,597)*	**(230,632)**	*(103,402)*
Net cash provided by (used in) operating activities	**736,654**	*(27,349)*	**860,729**	*164,964*

Analysis of cash and cash equivalents				
Cash in hand	**1,277,153**	*451,411*	**1,254,071**	*438,054*
Total cash and cash equivalents	**1,277,153**	*451,411*	**1,254,071**	*438,054*

There was no movement in net debt in this or the preceding year.

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 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.

Group financial statements
These financial statements consolidate the results of the Charity and its wholly owned subsidiaries (TBTL Services Ltd and Theatre By The Lake Productions Ltd) on a line by line basis. A separate Statement of Financial Activities (including the income and expenditure account) for the Charity because it has taken advantage of the exemption afford by s408 of the Companies Act 2006.

Fund Accounting
Unrestricted funds re available for use at the discretion of the Trustees in furtherance of the charitable objectives of Cumbrai Theatre Trust. Restricted funds are funds subject to specific restrictive conditions imposed by donors or by the purpose of the grant. The purpose and use of these funds is set out in note 21.

Incoming resources
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 or donation 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, such as theatre performances, education and participation including costs incurred by the production company.

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, where VAT has been charged.

1 ACCOUNTING POLICIES (continued)

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.

Production costs
Where performances of a production straddle the year end: payroll, rehearsal and audition costs are recognised in the year in which they arise; and production costs (eg scenary and costumes) and creative team fees are apportioned between periods on the basis of the number of performances and included in either accruals or prepayments. Costs of productions that have not opened at the year end are normally carried forward as prepayments. In 2019/20 because of the temporary closure of the theatre the relevant productions costs were not carried forward, and recognised in that year.

Pension contributions
The charity operates a defined contribution pension scheme for its employees, using NOW Pensions Ltd. Contributions are 3% employer, 5% employee.

The charity also makes contributions (3% employer, 5% employee) to the actors Equity Pension fund in respect of the relevant qualifying workers (actors and stage mangers). Contributions are charged to the SoFA as they become payable

Volunteers
The value of services provided by volunteers is not included in these financial statements. Details of the contribution made by volunteers is included in the Trustees' report.

Tangible fixed assets and depreciation
Assets are initially recognised at historical costs or transaction value unless otherwise stated.

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 property	Theatre site	over 50 years from 1999/2000
	Café site	over 50 years from 2015/2016
Fixtures & fittings		10%
Theatre Equipment	Electronic equipment	20%
	Other equipment	10%
Office equipment & software		20%

Long leasehold land which is held on 125 year lease will not be depreciated until the lease has less than 50 years to runs. The value of land included in fixed assets is £115,000.

Intangible fixed assets
Intangible assets costing more than £500 are capitalised. The charity's website is classified as an intangible fixed assets and the costs of its development have been capitalised. The website is being amortised over its useful economic live of five years on a straight-line basis.

Stocks
Stock represents merchandise and programme supplies for resale, and administrative, production and technical consumables for use in the charity. All stock is valued at the lower of cost or net realisable value.

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.

Theatre tax credits
Where the trading subsidiary, Theatre By the Lake Productions Ltd) incurs qualifying losses in respect of theatre productions these are surrendered for a cash payment under HMRC Theatre Tax Relief regime. Where receipt of these tax credits is virtually certain they are included in the accounts in the year in which the qualifying losses occurred.

2 DONATIONS

	2021			2020		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Core grants						
Arts Council England - NPO	625,534	-	**625,534**	*604,067*	-	***604,067***
ACE - emergency funding	180,000		**180,000**	-	-	**-**
ACE - CRF1	-	878,492	**878,492**	-	-	**-**
Cumbria County Council	10,000	-	**10,000**	*10,000*	-	***10,000***
Allerdale BC - covid support grants	48,925	-	**48,925**	-	-	**-**
HMRC - CJRS (furlough)	216,997	-	**216,997**			**-**
Donations						
Friends of Theatre by the Lake	91,355	35,000	**126,355**	*72,169*	*5,000*	***77,169***
Other donations (including Gift Aid)	109,336	14,500	**123,836**	*73,733*	*14,000*	***87,733***
	1,282,147	927,992	**2,210,139**	*759,969*	*19,000*	***778,969***

3 INCOME FROM CHARITABLE ACTIVITIES

Theatre Performances	1,383	-	**1,383**	*1,922,620*	*40,650*	***1,963,270***
Education & Participation	2,019	3,000	**5,019**	*15,151*	*32,485*	***47,636***
	3,402	3,000	**6,402**	*1,937,771*	*73,135*	***2,010,906***

The movement in deferred box office income is shown in note 19.

The above incoming resources comprise grants and donations from the following organisations:

	£	£
Performances at Theatre by the Lake	**2021**	**2020**
Contributions from co-producers	**-**	*25,550*
Individual Donations	**-**	*11,000*
	-	*36,550*
Education & Participation		
Friends of Theatre by the Lake (income included in note 2)	**-**	*5,000*
Cumbria Community Foundation	**-**	*4,333*
Keswick Town Council	**3,000**	*3,500*
Individual Donations	**-**	*7,798*
	3,000	*20,631*
	3,000	*57,181*

4 INCOME FROM OTHER TRADING ACTIVITIES

	2021			2020		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Fundraising						
Business partnerships	-	-	**-**	*11,575*	**-**	***11,575***
Equipment & costume hire etc	15,353	-	**15,353**	*6,797*	**-**	***6,797***
Room hires	-	-	**-**	*11,461*	**-**	***11,461***
Total fundraising activities	15,353	-	**15,353**	*29,833*	-	***29,833***
Trading subsidiary						
Turnover & other income	36,700	-	**36,700**	*340,429*	**-**	*340,429*
Total subsidiary activities	36,700	-	**36,700**	*340,429*	-	***340,429***
Total income from other activities	52,053	-	**52,053**	*370,262*	-	***370,262***

5 INVESTMENT INCOME

	2021	*2020*
	£	*£*
Bank interest received	**757**	*1,018*
	757	*1,018*

Bank interest is receivable on cash balances held in appropriate interest bearing deposits.

6 COSTS OF GENERATING FUNDS

	2021			2020		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Generating donations & grants						
Direct costs	-	-	**-**	*610*	-	***610***
Support costs	5,254	-	**5,254**	*2,616*	-	***2,616***
Governance costs	248	-	**248**	*47*	-	***47***
Charged to restricted funds	-	-	**-**	*(16)*	*16*	**-**
	5,502	-	**5,502**	*3,257*	*16*	***3,273***
Fundraising						
Direct costs	9,839	-	**9,839**	*11,653*	-	***11,653***
Support costs	5,254	-	**5,254**	*4,360*	-	***4,360***
Governance costs	248	-	**248**	*78*	-	***78***
Charged to restricted funds	-	-	**-**	*(27)*	*27*	**-**
	15,341	-	**15,341**	*16,064*	*27*	***16,091***
Trading subsidiary						
Direct costs	2,746	-	**2,746**	*193,092*	-	***193,092***
Support costs	20,291	-	**20,291**	*59,718*	-	***59,718***
Total subsidiary activities	23,037	**-**	**23,037**	*252,810*	-	***252,810***
Total expenditure on other activities	43,880	-	**43,880**	*272,131*	*43*	***272,174***

7 COSTS OF CHARITABLE ACTIVITIES

Costs of theatre operations and performances (including touring)						
In-house productions: actors	-	-	**-**	*344,644*	-	*344,644*
In-house productions: creatives	(17,862)	-	**(17,862)**	*327,932*	-	*327,932*
Other direct costs	489,448	-	**489,448**	*1,272,238*	-	*1,272,238*
Incoming work: direct costs	-	-	**-**	*165,719*	-	*165,719*
Box office and house management	-	-	**-**	*155,886*	-	*155,886*
Marketing and publicity	13,666	-	**13,666**	*211,985*	-	*211,985*
Support costs	776,129	-	**776,129**	*535,482*	-	*535,482*
Governance costs	23,430	-	**23,430**	*9,564*	-	*9,564*
Charged to restricted funds	(442,090)	442,090	**-**	*(246,026)*	*246,026*	-
	842,721	442,090	**1,284,811**	*2,777,424*	*246,026*	*3,023,450*
Education and participation						
Direct costs	104,997	-	**104,997**	*24*	*21,770*	*21,794*
Support costs	43,909	-	**43,909**	*25,973*	-	*25,973*
Governance costs	993	-	**993**	*464*	-	*464*
Charged to restricted funds	(72,531)	72,531	**-**	*(161)*	*161*	-
	77,368	72,531	**149,899**	*26,300*	*21,931*	*48,231*
	920,089	514,621	**1,434,710**	*2,803,724*	*267,957*	***3,071,681***

Direct costs include staff costs of the team in place before restructuring during the year. Where the Charity was able to it furloughed staff and took advantage of the HMRC CJRS, the income from which is included in note 2.

8 SUPPORT AND GOVERNANCE COSTS

	2021			2020		
	General Support	Governance	Total	General Support	Governance	Total
	£	£	£	£	£	£
Salaries and related costs	232,637	13,900	**246,537**	*56,308*	*6,571*	***62,879***
Direct governance costs	-	920	**920**	-	*1,651*	***1,651***
Premises	251,372	1,166	**252,538**	*214,206*	*62*	***214,268***
General office	82,072	823	**82,895**	*120,990*	*1,232*	***122,222***
Financial	3,041	7,077	**10,118**	*42,177*	*8,180*	***50,357***
Consultancy and development	94,522	-	**94,522**			
Depreciation	187,284	941	**188,225**	*186,789*	*136*	***186,925***
	850,928	24,828	**875,755**	*620,470*	*17,832*	***638,302***
Apportioned as:						
Generating grants and donations	5,254	248	**5,502**	*2,616*	*47*	***2,663***
Theatre performances	776,129	23,430	**799,558**	*535,482*	*9,564*	***545,046***
Participation and outreach	43,909	993	**44,902**	*25,973*	*464*	***26,437***
Fundraising activities	5,254	248	**5,502**	*4,360*	*78*	***4,438***
Trading subsidiary	20,382	(91)	**20,291**	*59,718*	-	***59,718***
	850,928	24,828	**875,755**	*628,149*	*10,153*	***638,302***

Analysis of governance costs	**2021**	***2020***
	£	***£***
External audit	**7,077**	*8,180*
Costs of Trustee meetings, travel, administration etc.	**920**	*1,651*
Apportionment of staff costs	**13,900**	*6,571*
Apportionment of support costs	**2,931**	*1,430*
	24,828	*17,832*

Allocation of support costs

The following bases of allocation are used:

- Premises (utilities, repairs etc):	Management review of space usage
- General office (stationery, postage, telephone, IT etc):	Management review of staff time
- Financial (bank charges, loss on disposal of assets etc):	Management review of staff time
- Depreciation:	Management review of staff time

Support costs relating to the trading subsidiary are included in the management charge in note 27.

9 Trustee and staff information

a) Trustee information

The trustees are all volunteers and were not paid or received any benefits from employment with the Trust or its subsidiary in the year (2020: £nil); neither were they reimbursed expenses during the year (2020: £nil). No charity trustee received payment for professional or other services supplied to the charity (2020: £nil). Directors and Officers liability insurance costing £2,059 (2020 : £547) was taken out during the year.

b) Staff information

	2020	*2019*
Actors and Freelance Stage Managers	**£**	*£*
Fees	**5,974**	*312,557*
Pension contributions	**45**	*4,990*
Employer's NI contributions	**-**	-
	6,019	*317,547*

In line with HMRC guidance, most artists engaged under Equity contracts are treated as self-employed earners for both tax and NI purposes. Payments to such people are disclosed above as actors' and stage managers' fees.

In accordance with the collective agreement between Equity and UK Theatre, Cumbria Theatre Trust made pension contributions of 5% of fees paid to actors or stage managers enrolled in the Equity Pension Scheme, provided that the members made a contribution of 3%.

	2020	*2019*
Employees	**£**	*£*
Wages and salaries	**651,084**	*891,049*
Employer's NI contributions	**44,893**	*69,682*
Employer's pension contributions	**12,268**	*17,819*
	708,245	*978,550*

No employee earned more than £60,000 excluding employer's national insurance and pension contributions.
In accordance with current legislation, the company operates a defined contributions pension scheme provided by NOW: Pensions Limited which meets its auto-enrolment obligations. The company contributes the minimum requirement of 3%.
The average monthly headcount was 33 staff (2020: 52). The average number of full-time equivalent employees, actors and stage managers was 19 (2020: 38)

However, neither of these figures gives the true pictuire for 2020/21. Over the first half of 2020/21 39 staff were made redundant with one further employee being made redundant in December 2021, with the result that at 31 December 2020, the number of employees was 11. This increased to 15 by 31 March 2021.

Key management

In addition to the Board of Trustees, the Charity considers its Artistic Director and the other members of the senior management team, as set out on page 1, be Key Management Personnel for the purposes of the SORP. Remuneration and benefits (salary and pension contributions) received by these employees amounted to £211,987 in the year (2020: £248,099).

10 Net movement in total funds for the year

This is stated after charging:	2021	*2020*
	£	*£*
Auditor's remuneration (for parent and subsidiary)	**7,077**	*10,377*
Depreciation	**181,465**	*186,925*
Payments under operating leases	**11,132**	*11,132*
Trustees' remuneration	**-**	-
Trustees' expenses	**-**	-

11 TANGIBLE FIXED ASSETS

Group & Charity	Long Leasehold Land & Buildings	Fixtures & Fittings	Theatre Equipment	Office Equipment & Software	Total
Cost	**£**	**£**	**£**	**£**	**£**
As at 1 April 2020	6,778,620	554,502	825,699	185,519	8,344,340
Additions	-	-	-	11,669	11,669
Disposals	-	-	(1,879)	-	(1,879)
As at 31 March 2021	6,778,620	554,502	823,820	197,188	8,354,130
Depreciation					
As at 1 April 2020	2,223,346	445,467	755,118	170,605	3,594,536
Provided	134,581	23,454	16,937	6,493	181,465
Disposals	-	-	(1,879)	-	(1,879)
As at 31 March 2021	2,357,927	468,921	770,176	177,098	3,774,122
Net Book Value					
As at 31 March 2021	**4,420,693**	**85,581**	**53,644**	**20,090**	**4,580,008**
As at 1 April 2020	*4,555,274*	*109,035*	*70,581*	*14,914*	*4,749,804*

12 INTANGIABLE FIXED ASSETS

Group & Charity	Website	Total
Cost	**£**	**£**
As at 1 April 2020		-
Additions	33,800	33,800
As at 31 March 2021	33,800	33,800
Amortisation		
As at 1 April 2020	-	-
Provided	6,760	6,760
As at 31 March 2021	6,760	6,760
Net Book Value		
As at 31 March 2021	**27,040**	**27,040**
As at 1 April 2020	-	-

13 FIXED ASSET INVESTMENTS

	Group 2021	Group *2020*	Charity 2021	Charity *2020*
	£	**£**	**£**	**£**
Shares in subsidiary undertakings	**-**	-	**200**	*200*
	-	-	**200**	*200*

TBTL Services Limited (registered company number 06946177) is wholly owned by the charity and operates certain trading activities. Theatre by the Lake Productions Limited (registered company number 09259767) is wholly owned by the charity and produces, runs and closes productions on behalf of the charity. The accounts of both subsidiaries are consolidated in these financial statements (see also notes 27 and 28). Both subsidiary companies are incorporated in England and Wales.

	Group 2021	Group *2020*	Charity 2021	Charity *2020*
14 STOCKS	**£**	***£***	**£**	***£***
Goods for resale	**-**	*1,320*	**-**	*-*
Consumable items	**2,387**	*4,221*	**2,387**	*4,221*
	2,387	*5,541*	**2,387**	*4,221*

15 DEBTORS				
Trade debtors	**687**	*68,955*	**687**	*12,071*
VAT refund due	**54,250**	*2,351*	**53,932**	*2,342*
Other debtors	**98,605**	*175,832*	**88,332**	*36,048*
Inter-company balances	**-**	*-*	**26,307**	*211,536*
Prepayments	**-**	*27,182*	**-**	*14,270*
	153,542	*274,320*	**169,258**	*276,267*

16 CREDITORS: amounts falling due within one year				
Trade creditors	**165,561**	*100,005*	**161,300**	*92,507*
Taxation and social security	**4,331**	*28,425*	**4,331**	*28,425*
Deferred income - advance bookings	**1,059**	*212,247*	**1,059**	*212,247*
Deferred income - grants and other	**23,752**	*12,477*	**23,752**	*12,195*
Customer credits	**139,277**	*81,415*	**139,277**	*81,415*
Third party resources	**47,376**	*75,181*	**47,376**	*75,181*
Other creditors	**14,292**	*34,047*	**14,292**	*34,047*
Accruals	**28,047**	*115,894*	**25,142**	*111,144*
Loan - Cumbria County Council	**15,000**	*15,000*	**15,000**	*15,000*
	438,695	*674,691*	**431,529**	*662,161*

17 MOVEMENTS IN DEFERRED INCOME	Advance Bookings	Grants & Other	2021	*2020*
	£	**£**	**£**	***£***
Deferred income brought forward	212,247	12,195	**435,339**	*435,339*
Released in the year	(212,247)	(12,195)	**(435,339)**	*(435,339)*
Deferred in the year	1,059	23,752	**193,951**	*224,442*
Deferred income carried forward	1,059	23,752	**193,951**	*344,834*

18 THIRD PARTY RESOURCES	2021	*2020*
	£	***£***
Balance brought forward	**75,181**	*76,093*
Receipts in the year	**56,010**	*211,394*
Withheld for theatre hire and other charges	**(853)**	*(58,263)*
Forwarded to hiring organisations or refunded to their customers	**(82,962)**	*(304,404)*
Balance carried forward	**47,376**	*(75,181)*

Third party resources refers to tickets sold by Cumbria Theatre Trust as agent for organisations which have hired Theatre by the Lake for their own presentations. The charity's charges of £nil (2020: £58,263) are included in the financial statements under incoming resources from charitable activities.

19 STATEMENT OF FUNDS

	2019/20					Balance	2020/2021				
	Balance 1 Apr 2019 £	Income £	Expenditure £	TTR £	Transfer £	b/f and c/f 31 Mar 2020 £	Income £	Expenditure £	TTR £	Transfer £	Balance 31 Mar 2021 £
Unrestricted Funds:											
General fund	*1,197,845*	*3,069,020*	*(3,075,855)*	*139,784*	-	*1,330,794*	1,338,359	(963,969)	4,289	127,017	**1,836,490**
Designated fund											
	1,197,845	*3,069,020*	*(3,075,855)*	*139,784*	-	*1,330,794*	1,338,359	(963,969)	4,289	127,017	**1,836,490**
Restricted Funds:											
Revenue:											
ACE Catalyst Match Funding	*37,840*	-	*(37,840)*		-	-	-	-		-	**-**
Cultural Recovery Fund	-	-	-		-	-	878,492	(382,877)		(127,017)	**368,598**
Changing Culture	-	-	-		-	-	12,500	-		-	**12,500**
Productions	*20,000*	*36,550*	*(56,550)*		-	-	-	-		-	**-**
Education and Participation	*13,566*	*37,485*	*(21,770)*		-	*29,281*	3,000	(12,295)		-	**19,986**
Friends: Legacy	-	-	-		-	-	35,000	-		-	**35,000**
Skills Development	-	*4,100*	*(2,000)*		-	*2,100*	2,000	-		-	**4,100**
Other Staffing	-	*14,000*	*(14,000)*		-	-	-	-		-	**-**
						-					**-**
Capital:						-					**-**
Capital grants & donations received	*29,000*	-	*(14,000)*		-	*15,000*	-	-		-	**15,000**
Capital grants & donations expended	*3,551,050*	-	*(121,840)*		-	*3,429,210*	-	(119,449)		-	**3,309,761**
	3,651,456	*92,135*	*(268,000)*	-	-	*3,475,591*	930,992	(514,621)	-	(127,017)	**3,764,945**
Total Funds	*4,849,301*	*3,161,155*	*(3,343,855)*	*139,784*	-	*4,806,385*	2,269,351	(1,478,590)	4,289	-	**5,601,435**

19 STATEMENT OF FUNDS (continued)

Restricted fund balances at the year end are held for the following purposes.

Cultural Recovery Fund 1

To enable the theatre to meet the challenges of the pandemic and relaunch its activities in a Covid secure way whilst managing the financial risk.

Changing Culture

To pay for management and freelance practitioner costs incurred in the management of the relationship between industry hosts, mentors and students on the Changing Culture Programme

Education & Participation

The charity has received grants from Keswick Town Council, Cumbria County Council and donations from Friends of Theatre by the Lake and private individuals towards the general aim of encouraging participation of young people and communities in the arts.

Friends: Legacy

Transferred by the friends for a purpose to be specified by them.

Capital grants received

This represents amounts received to fund the purchase of fixed assets. Items purchased and not capitalised are charged as revenue costs in the year of acquisition, and amounts spent on capitalised assets are transferred to either unrestricted funds or capital grants expended, depending upon whether restrictions remain or not on the assets so acquired.

Capital grants & donations expended

This records the expenditure on capital assets funded by capital grants where there are continuing restrictions on the assets, and provides a fund against which depreciation can be charged in future periods. Depreciation of £121,842 has been charged to this fund this year.

Restrictions relate both to funds given for the construction and fitting out of Theatre by the Lake and its continued use by the Charity as a theatre, and also to the redevelopment of the Café by the Lake.

The trust plans to utilise all remaining restricted revenue reserves within the next financial year. Funds are transferred to 'capital grants & donations expended' if used to purchase capital equipment.

20 ANALYSIS OF CHARITY FUNDS

As at March 31 2021	**Unrestricted funds**	**Restricted Funds**	**Total**
	£	**£**	**£**
Fixed assets	1,297,487	3,309,761	**4,607,248**
Net Current assets	539,003	455,184	**994,187**
	1,836,490	3,764,945	**5,601,435**
As at March 31 2020			
Fixed assets	*1,320,794*	*3,429,210*	***4,750,004***
Net Current assets	*10,000*	*46,381*	***56,381***
	1,330,794	*3,475,591*	***4,806,385***

21 CONSTITUTION

The company is limited by guarantee and does not have a share capital. In the event of winding up, the members are liable to contribute £1 each. The number of members at 31 March 2021 was 9 (2020: 9).

The company is controlled by its members in general meeting. No individual member or group of members has overall control of the company.

22 TAXATION

The company is a registered charity and is entitled to claim annual exemption from UK Corporation Tax.

23 CAPITAL COMMITMENTS

At the year end, the company had no capital commitments.

24 CONTINGENT LIABILITIES

The Arts Council of England lottery award (£4,685,704) is repayable in the event of the company being wound up. The written consent of the grantor is required before the theatre can be disposed of.

Similar conditions apply to past capital grants from Cumbria County Council (£282,500), European Regional Development Fund (£200,000) and Northern Rock Foundation (£200,000).

Should the company face an insolvent winding up, ACE is entitled to the title of the building.

These liabilities are not expected to crystallise.

25 RELATED PARTY TRANSACTIONS

Friends of Theatre by the Lake is an independent charity which has the right to nominate one member to the Board of Cumbria Theatre Trust as detailed in the Trustees' Report. Donations totalling £126,355 (2020 - £77,169) were received from Friends of Theatre by the Lake during the year

Keswick Town Council is also entitled to nominate one member to the Board. A grant of £3,000 was received from Keswick Town Council towards our education and participation work in Keswick and the surrounding area. (2020: £3,500)

Allerdale Borough Council is also entitled to nominate one member to the Board. The group received £64,875 in business support grants from Allerdale Borough Council during the year (2020: none).

Donations totalling £646 were received in aggregate from trustees during the year (2020: £14,000).

There were no other outstanding balances with related parties at the end of the year (2020: Nil) and no other transactions with charity trustees during the year.

26 OPERATING LEASE COMMITMENTS

At 31 March 2021 the company had the following commitments under non-cancellable operating leases:

	2021 Property	**2021 Others**	***2020 Property***	***2020 Others***
	£	**£**	***£***	***£***
Minimum amounts payable:				
within one year	**8,000**	**-**	*8,000*	*2,018*
within two to five years	**17,846**	**-**	*25,846*	-
Total	**33,846**	**2,018**	33,846	2,018

27 Parent charity - Statement of Financial Activities

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	*Total 2020 £*
Total incoming resources	1,363,951	930,992	**2,294,943**	*4,471,184*
Total resources expended	985,272	514,621	**1,499,893**	*4,515,824*
Net income / (expenditure) for the	378,679	416,371	**795,050**	*(44,640)*

28 Subsidiary undertaking - commercial and trading activities

A summary of the results and closing balances of the subsidiary, TBTL Services Ltd, is shown below.

		2021 £		*2020 £*
Turnover		**20,750**		*340,429*
Intercompany adjustments		**-**		*-*
Activities for generating funds: trading operations		**20,750**		*340,429*
Cost of sales	**2,746**		*72,210*	
Administration & premises expenses	**20,291**		*85,600*	
Management charge	**-**		*95,000*	
Cost of trading operations		**23,037**		*252,810*
		(2,287)		87,619
Other income		**15,950**		*-*
Net profit/(loss) reported in consolidated accounts		**13,663**		*87,619*
Add back intercompany adjustments		**-**		*-*
Net profit for the year reported by TBTL Services Ltd		**13,663**		*87,619*
Gift Aid		**(13,663)**		*(87,619)*
Retained in the subsidiary		**-**		*-*

As at the balance sheet date, the assets and liabilities of the subsidiary were:

Current assets	**23,400**	*84,474*
Creditors: amounts due within one year	**(23,300)**	*(84,374)*
	100	*100*
Represented by:		
Aggregate share capital and reserves	**100**	*100*
Profit and Loss Account	**-**	*-*
	100	*100*

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	100	*100*
Represented by:		
Aggregate share capital and reserves	**100**	*100*
Profit and Loss Account	**-**	*-*
	100	*100*