

Company Registration Number 07972082 (England and Wales)
Charity Number 1147697

LICHFIELD GARRICK THEATRE
(A company limited by guarantee)

REPORT OF THE TRUSTEES
AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2019

Lichfield Garrick Theatre

Financial Statements

Year Ended 31 July 2019

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Lichfield Garrick Theatre

Charity Reference and Administrative Details

Year Ended 31 July 2019

Charity registration number	1147697
Company registration number	07972082 (England and Wales)
Trustees	R A Barnes D P Gee A J M Geer P H Richards D F Baker Dr A R Hollyhead C A Maddox M J Wright
Chief Executive Officer	K Foster
Registered office	Lichfield Garrick Castle Dyke Lichfield Staffordshire WS13 6HR
Auditor	UHY Hacker Young 14 Park Row Nottingham NG1 6GR
Bankers	HSBC 49 Market Street Lichfield Staffordshire WS13 6LB

Lichfield Garrick Theatre

Trustees' Annual Report

Year Ended 31 July 2019

The Trustees present their report and the audited financial statements of the charity for the year ended 31 July 2019. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, 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 published on 16 July 2014 (as amended by Update Bulletin 1 published on 2 February 2016).

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 were as follows:

R A Barnes	
D P Gee	
A J M Geer	
J T Leavesley DL	– resigned 02/09/2019
T Marshall	– resigned 24/03/2019
P H Richards	
D F Baker	
K M Tracey	– resigned 25/04/2019
Dr A R Hollyhead	– appointed 24/10/2018
C A Maddox	– appointed 30/01/2019
M J Wright	– appointed 10/09/2019
N F O'Mara	– appointed 25/03/2019 & resigned 17/09/2019

Objectives and activities

The objectives and aims of the Charity are the advancement of the arts for the benefit of the public, in particular through the operation of the Lichfield Garrick Theatre and the advancement of education in relation to the arts for the benefit of the public.

Public benefit statement

The Trustees set and plan activities having regard to the Charity Commission's guidance on public benefit, including the guidance on admission charges to programme events.

Achievements and performance

Charitable activities

The Charity has operated the Lichfield Garrick Theatre ('Theatre') having taken over from Lichfield District Council as from 1 February 2013. During this period via a contractual relationship with Lichfield District Council ('Council') for support services and grant funding, the Charity has been able to provide the services of a theatre to the general public, including production of the annual pantomime which was a huge success.

Financial review

The theatre has had another successful year with increased income from charitable activities (up 15%), and tighter cost control leading to an improved net movement in funds (up 5%) from the prior year. The Entertainment programme has been extended to provide a wider choice of offering thus attracting a more varied clientele. The Pantomime, Dick Whittington, beating last year (which was a record in its own right) was the most successful ever. Lichfield District Council continues its support for the Theatre both in promoting the Garrick as a substantial Community asset and an annual grant of £250,000 plus VAT per annum has been agreed for 2018/19. The theatre has won the What's On Readers Award for Best Venue / Theatre in Staffordshire in 2017, 2018 and 2019, as well as the UK Theatre Awards Most Welcoming Theatre (West Midlands) in 2016 and 2017. All of these factors support the Garrick as a going concern.

Lichfield Garrick Theatre

Trustees' Annual Report

Year Ended 31 July 2019

The Theatre has strong cash flow partially because a high proportion of tickets are sold in advance. In addition, the Theatre addresses itself to grant funding from a wide variety of sources, both theatrical and not, and has received significant support from individuals, corporates and trusts during the year. It seeks sponsors from local business, and, of course, enjoys the LDC grant. New sources of financing are constantly being sought and the Theatre spent much of this year researching and developing plans for a cinema offering in the studio. These funding sources allow the Theatre to keep ticket prices down, build community programs, and improve Lichfield's cultural offering.

In addition to normal business risk, the Lichfield Garrick is exposed to the impact of further Government cuts on local government funding. Lichfield District Council is committed to supporting the Garrick into the future but the potential impact of a lower support grant is a risk. The trustees' long term objective is to become self-sufficient excluding LDC funding and is intending to continue its sales and margin growth strategies to that end. A decision to end plans for a new development near the theatre has lessened one risk to the business.

Senior Management Remuneration is a matter reserved for the Board of Trustees.

Reserves policy

The Trustees keep the reserves of the Theatre regularly under review. The Charity has been able to generate surplus reserves in the year under review and the Trustees are presently satisfied with the overall level of reserves. However, it is the intention of the Trustees to build up and retain sufficient reserves to help cover any period of reduced income, or any unforeseen expenditure should it arise. Charity only reserves at 31 July 2019 stood at £630,519.

It is recognised that in the present difficult financial climate there is a strain on budgets in general and it is hoped that we can continue to increase our activities and funding despite the current uncertainties.

Funds have been transferred to designated funds for essential theatrical equipment replacement, business development, production development, touring development and legal costs.

Principal funding sources

The Theatre's principle funding source is the revenue stream from its prime business. In addition, the Theatre seeks grants from funding bodies/sponsors to promote specific projects. The Council supports the Theatre in return for services to the community and in recognition of the favourable economic impact that the Theatre has on Lichfield and its surrounds.

Going concern

The Trustees have assessed whether there are any significant doubts about the Charity's ability to continue as a going concern. In the opinion of the Trustees the Theatre is a going concern. It has appropriate banking facilities in place, a very close working relationship with its prime sponsors (the Council), a growing income stream, and a strong cash flow. In addition the Trustees are not aware of any uncertainties, which would mean that the accounts should not be prepared using the going concern basis.

Plans for future periods

As a charity, the Theatre can explore funding options that were not open to it when it was run by the Council. It is hoped that this can aid income generation which will further support the activities of the Theatre and mean that over time it will become more self-funding, having to rely less on the Council grant funding being maintained.

The Theatre will continue to provide quality productions for the public.

Lichfield Garrick Theatre

Trustees' Annual Report

Year Ended 31 July 2019

Structure, governance and management

Governing document

Lichfield Garrick Theatre is a registered Charity, registration number 1147697 and also a company limited by guarantee, registration number 07972082. The governing document is the Articles of Association of the charitable company, as amended by Special Resolution on 25 September 2019, which establishes the objects and powers of the charitable company. In the event of the charitable company being wound up members are required to contribute an amount not exceeding £1.

Recruitment and appointment of new trustees

Trustees are recruited based upon the skills and experience that they hold and dependent on the charity's needs and are appointed at board meetings throughout the year.

Organisational structure

The overall responsibility for the Charity lies with the Trustee Directors who have delegated the day to day management of the Charity to the Chief Executive Officer. The Trustee Directors meet regularly to agree strategy, review progress, review financial information, and discuss policy issues. To facilitate effective operation, the Chief Executive Officer has delegated authority within terms of reference approved by the Trustees for some operational matters, including finance.

Induction and training of new trustees

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

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

Key management remuneration

The directors who are the Charity Trustees and the senior management team comprise the key management personnel of the Charity in charge of directing and controlling, running and operating the Charity on a day to day basis. All directors give their time freely and no director received remuneration during the year.

Senior staff remuneration is set competitively, in line with market conditions. The Board of Trustees sets the Chief Executive Officer's remuneration and reviews recommendations for senior staff.

Related parties and principal funding

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

The Charity has a strategic partnership agreement with the Council who provide grant aid. Receipt of this grant aid is crucial for the ongoing operation of the theatre.

The Charity has two wholly owned subsidiaries, Lichfield Garrick (Green Room) Limited, which runs the café/bar for the Theatre and Lichfield Garrick Productions Limited, which produces shows for the Theatre.

Risk management

The trustees have a duty to identify and review the risks to which the Charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The senior management team and the Board of Trustees regularly review risk through a well-established risk register. The prime risk lies within the ability of the Theatre to maintain existing sponsorship levels, no matter the source. In the opinion of the Trustees, the Charity has established resources and review systems which, under normal conditions, should allow the risks identified by them to be mitigated to an acceptable level in its day to day operations.

Lichfield Garrick Theatre

Trustees' Annual Report

Year Ended 31 July 2019

Trustees' responsibilities

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

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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.

On behalf of the board


R A Barnes, Trustee

Date: 20/2/2020

Lichfield Garrick Theatre

Independent Auditor's Report

Year Ended 31 July 2019

Opinion

We have audited the financial statements of Lichfield Garrick Theatre (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 July 2019 which comprise the Consolidated Statement of Financial Activities (Including Income and Expenditure Account), Consolidated Balance Sheet, Charity Balance Sheet, Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 July 2019, 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Lichfield Garrick Theatre

Independent Auditor's Report

Year Ended 31 July 2019

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 our 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 trustees' 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 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' exemption 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 on page 7, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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.

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

Lichfield Garrick Theatre

Independent Auditor's Report

Year Ended 31 July 2019

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.

Margot Madin BA FCA FRSA (Senior Statutory Auditor)
For and on behalf of UHY Hacker Young, Statutory Auditor

Date:

UHY Hacker Young is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Lichfield Garrick Theatre

Consolidated Statement of Financial Activities (Including Income and Expenditure Account)

Year Ended 31 July 2019

			2019		2018
	Note	Unrestricted funds £	Restricted funds £	Total £	Total £
Income and endowments from:					
Donations and legacies	2	21,050	4,604	25,654	19,554
Charitable activities	3	2,493,487	5,943	2,499,430	2,160,050
Other trading activities	4	309,671	-	309,671	288,655
Investments	5	2,836	-	2,836	608
Total income and endowments		2,827,044	10,547	2,837,591	2,468,867
Expenditure on:					
Raising funds		208,989	-	208,989	216,472
Charitable activities	6	2,434,926	8,011	2,442,937	2,172,527
Total expenditure		2,643,915	8,011	2,651,926	2,388,999
Net income / (expenditure)		183,129	2,536	185,665	79,868
Transfers between funds					
Transfer to designated funds		(137,217)	-	(137,217)	(46,680)
Other recognised gains:					
Other gains – Theatre Tax Relief		68,250	-	68,250	42,811
Net movement in funds	20	114,162	2,536	116,698	75,999
Reconciliation of funds:					
Total funds brought forward	20	161,494	436	161,930	85,931
Designated funds	20	360,423	-	360,423	223,206
Total funds carried forward	20	636,079	2,972	639,051	385,136

A total of £137,217 of the net Income in the year has been designated to spend on essential costs in 2020. Total designated funds are £360,423, and only £275,656 is available to spend on ongoing operational costs.

All income and expenditure derive from continuing activities.

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

The notes on pages 15 to 29 form part of these financial statements.

Lichfield Garrick Theatre
Consolidated Balance Sheet
Year Ended 31 July 2019

		2019	2018
	Note	£	£
Fixed assets			
Tangible assets	13	90,717	50,819
		<u>90,717</u>	<u>50,819</u>
Current assets			
Stocks	15	10,947	9,669
Debtors	16	180,543	113,219
Cash at bank and in hand		1,173,162	938,362
		<u>1,364,652</u>	<u>1,061,250</u>
Creditors: amounts falling due within one year	17	(795,557)	(703,499)
Net current assets		<u>569,095</u>	<u>357,751</u>
Total assets less current liabilities		<u>659,812</u>	<u>408,570</u>
Provisions for liabilities	19	(20,761)	(23,434)
Net assets		<u>639,051</u>	<u>385,136</u>
Charity Funds			
Restricted funds	20	2,972	436
Unrestricted funds:			
General funds	20	275,656	161,494
Designated funds	20	360,423	223,206
Total charity funds	20	<u>639,051</u>	<u>385,136</u>

The financial statements were approved and authorised for issue by the Board on 20/2/2020.....

Signed on behalf of the board of trustees:


R A Barnes, Trustee

The notes on pages 15 to 29 form part of these financial statements.

Company registration number: 07972082 (England and Wales)

Lichfield Garrick Theatre

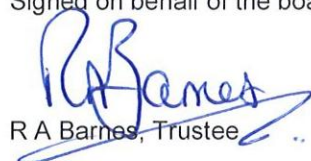
Charity Balance Sheet

Year Ended 31 July 2019

		2019	2018
	Note	£	£
Fixed assets			
Tangible assets	13	82,555	46,742
Investments	14	2	2
		<u>82,557</u>	<u>46,744</u>
Current assets			
Debtors	16	255,701	182,543
Cash at bank and in hand		1,085,051	861,209
		<u>1,340,752</u>	<u>1,043,752</u>
Creditors: amounts falling due within one year	17	(773,790)	(688,136)
Net current assets		<u>566,962</u>	<u>355,616</u>
Total assets less current liabilities		<u>649,519</u>	<u>402,360</u>
Provisions for liabilities	19	(19,000)	(23,000)
Net assets		<u>630,519</u>	<u>379,360</u>
Charity Funds			
Restricted funds	20	2,972	436
Unrestricted funds:			
General funds		267,124	155,718
Designated funds	20	360,423	223,206
Total charity funds		<u>630,519</u>	<u>379,360</u>

The financial statements were approved and authorised for issue by the Board on ... 20/2/2020

Signed on behalf of the board of trustees


R A Barnes, Trustee

The notes on pages 15 to 29 form part of these financial statements.

Company registration number: 07972082 (England and Wales)

Lichfield Garrick Theatre

Consolidated Statement of Cash Flows

Year Ended 31 July 2019

	Note	2019 £	2018 £
Cash flow from operating activities	21	345,363	579,709
Net cash flow from operating activities		<u>345,363</u>	<u>579,709</u>
Cash flow from investing activities			
Payments to acquire tangible fixed assets		(113,399)	(26,258)
Interest received		2,836	608
Net cash flow from investing activities		<u>(110,563)</u>	<u>(25,650)</u>
Net increase in cash and cash equivalents		234,800	554,058
Cash and cash equivalents brought forward		938,362	384,303
Cash and cash equivalents at carried forward		<u>1,173,162</u>	<u>938,362</u>
Cash and cash equivalents consists of:			
Cash at bank and in hand		1,173,162	938,362
Cash and cash equivalents at 31 July 2019		<u>1,173,162</u>	<u>938,362</u>

Lichfield Garrick Theatre

Notes to the Financial Statements

Year Ended 31 July 2019

1 Summary of significant accounting policies

(a) General information and basis of preparation

Lichfield Garrick Theatre is a charitable company limited by guarantee, registered in England & Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the legal and administrative information in these financial statements. The nature of the charity's operations and principal activities are that of a theatre.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with 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), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements are prepared on a going concern basis under the historical cost convention. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

(b) Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

(c) Basis of consolidation

The financial statements consolidate the results of the company and its wholly owned subsidiaries Lichfield Garrick (Green Room) Limited and Lichfield Garrick Productions Limited on a line by line basis as required by FRS 102.

(d) Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Voluntary income includes all donations and gifts that are of a general nature, recognised on a receivable basis.

Lichfield Garrick Theatre

Notes to the Financial Statements

Year Ended 31 July 2019

Incoming resources from charitable activities includes all income deriving from theatre performances provided to the company's beneficiaries and performance related grants received under contract. As the company has cultural exemption status for VAT, all box office receipts are exempt from VAT.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Other income includes Theatre Tax Relief which is recognised when the charity becomes entitled to receive the funds.

(e) Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes costs directly attributable to the operation of the Green Room; and
- Expenditure on charitable activities includes those costs attributable to the operation of the theatre.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

(f) Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

The analysis of these costs is included in note 7.

(g) Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Leasehold property improvements	- 50% reducing balance or over the term of the lease
Plant and equipment	- 50% reducing balance or 20% on cost
Fixtures and fittings	- 50% reducing balance or 10% on cost
Software	- 33% reducing balance or 33% on cost

A full year of depreciation is charged in the year of acquisition with no depreciation charged in the year of disposal.

Lichfield Garrick Theatre

Notes to the Financial Statements

Year Ended 31 July 2019

(h) Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

(i) Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

(j) Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

(k) Provisions

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

(l) Leases

Rentals payable and receivable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

(m) Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charitable company and its subsidiaries operate a defined benefit scheme operated as a result of the TUPE regulations following the charity taking over the running of the theatre from the Council from 1 February 2013. The scheme is not open to new members of staff subsequent to that date.

The assets of the scheme are held separately from those of the group in independently administered funds. The Trustees are unable to confirm the charity's share of underlying assets and liabilities of the defined benefit scheme and therefore the scheme is accounted for as a defined contribution scheme. Contributions payable to the charitable company's pension scheme are charged to the SOFA in the period to which they relate.

(n) Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. The subsidiaries are chargeable to corporation tax on their taxable profits.

Lichfield Garrick Theatre

Notes to the Financial Statements

Year Ended 31 July 2019

(o) Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

(p) Judgements and key sources of estimation uncertainty

There have been no judgements (apart from those involving estimates) made in the process of applying the above accounting policies that have had a significant effect on amounts recognised in the financial statements.

There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

2 Income from donations and legacies

	2019 £	2018 £
Donations	25,654	19,554
	<hr/> 25,654	<hr/> 19,554

Income from donations and legacies was £25,654 (2018 - £19,554) of which £4,604 (2018 - £6,543) was attributable to restricted and £21,050 (2018 - £13,011) was attributable to unrestricted funds.

Lichfield Garrick Theatre

Notes to the Financial Statements

Year Ended 31 July 2019

3 Income from charitable activities

	2019 £	2018 £
Productions	1,870,646	1,473,352
Technical, marketing & booking fees	206,983	176,149
Theatre/room hire	102,427	157,135
Retail commission & vouchers	12,938	14,649
Grants	172,610	296,560
Service agreement	83,333	-
Memberships	5,025	4,165
Other	45,468	38,040
	<u>2,499,430</u>	<u>2,160,050</u>

Grants received, included in the above, are as follows:

	2019 £	2018 £
Lichfield District Council SPA	166,667	290,000
Other grants	5,943	6,560
	<u>172,610</u>	<u>296,560</u>

Income from charitable activities was £2,499,430 (2018 - £2,160,050) of which £5,943 (2018 - £7,560) was attributable to restricted and £2,493,487 (2018 - £2,152,490) was attributable to unrestricted funds.

4 Income from other trading activities

	2019 £	2018 £
Sponsorships	3,360	3,111
Green Room trading income	306,311	285,544
	<u>309,671</u>	<u>288,655</u>

Income from other trading activities was wholly attributable to unrestricted funds.

5 Income from investments

	2019 £	2018 £
Interest - deposits	2,836	608
	<u>2,836</u>	<u>608</u>

Income from investments was wholly attributable to unrestricted funds.

Lichfield Garrick Theatre

Notes to the Financial Statements

Year Ended 31 July 2019

6 Analysis of expenditure on charitable activities

	Activities undertaken directly £	Support costs £	Total £
Theatre	2,330,783	112,154	2,442,937
	<hr/> 2,330,783	<hr/> 112,154	<hr/> 2,442,937

£8,011 (2018 - £28,731) of the above costs were attributable to restricted funds. £2,434,926 (2018 - £2,143,796) of the above costs were attributable to unrestricted funds.

7 Allocation of support costs

Support cost	Basis of allocation £	Raising funds £	Theatre £	Total £
Governance (note 8)	Apportioned	3,010	16,820	19,830
Finance	Apportioned	5,958	3,151	9,109
Information technology	Apportioned	-	7,925	7,925
Depreciation	Apportioned	4,098	69,403	73,501
Health and safety	Apportioned	-	6,290	6,290
Pension contributions	Apportioned	-	8,565	8,565
Utilities	Apportioned	6,930	-	6,930
Total		<hr/> 19,996	<hr/> 112,154	<hr/> 132,150

The support costs for raising funds are made up of the overheads apportioned and recharged to Green Room based upon the percentage of floor space occupied within the shared premises by the Green Room. The £19,996 of support costs allocated to raising funds is included within total expenditure on raising funds of £208,989 on the face of the Statement of Financial Activities on page 11.

Lichfield Garrick Theatre

Notes to the Financial Statements

Year Ended 31 July 2019

8 Governance costs

		2019 £	2018 £
Auditor's remuneration	10	13,540	15,330
Legal and professional fees		6,290	1,085
		<u>19,830</u>	<u>16,415</u>

9 Net income for the year

Net income is stated after charging:

	2019 £	2018 £
Depreciation of tangible fixed assets	73,501	23,989
Hire of plant and equipment	33,784	18,562
	<u></u>	<u></u>

10 Auditor's remuneration

	2019 £	2018 £
Fees payable to the charity's auditor for the audit of the charity's annual accounts	7,400	7,000
Fees payable to the charity's auditor for other services:		
Audit of the charity's subsidiaries	3,795	3,000
Taxation advisory	795	2,830
Accountancy	1,550	2,500
	<u>6,140</u>	<u>6,250</u>
Total auditor's remuneration	<u>13,540</u>	<u>15,330</u>

11 Trustees' and key management personnel remuneration and expenses

The trustees neither received nor waived any remuneration during the year (2018 - £nil).

The total amount of employee benefits received by key management personnel is £265,825 (2018 - £209,851). The Trust considers its key management personnel comprise the Chief Executive Officer and department heads.

The trustees had expenses reimbursed during the year of £nil (2018 - £102).

Lichfield Garrick Theatre

Notes to the Financial Statements

Year Ended 31 July 2019

12 Staff costs and employee benefits

The average monthly number of employees during the year was as follows:

	2019 Number	2018 Number
Raising funds	20	20
Charitable activities	54	47
	<hr/> 74	<hr/> 67

The total staff costs and employees benefits were as follows:

	2019 £	2018 £
Wages and salaries	722,924	655,549
Social security	45,845	43,470
Pension costs (note 22)	13,480	8,599
	<hr/> 782,249	<hr/> 707,618

No employees received total employee benefits (excluding employer pension costs) of more than £60,000.

Lichfield Garrick Theatre

Notes to the Financial Statements

Year Ended 31 July 2019

13 Tangible fixed assets – Group

	Land and buildings £	Equipment £	Fixtures and fittings £	Software £	Total £
Cost or valuation:					
At 1 August 2018	12,687	70,809	15,786	6,950	106,232
Additions	26,000	41,144	41,695	4,560	113,399
At 31 July 2019	38,687	111,953	57,481	11,510	219,631
Depreciation:					
At 1 August 2018	5,217	41,257	6,622	2,317	55,413
Charge for the year	6,565	37,660	25,440	3,836	73,501
At 31 July 2019	11,782	78,917	32,062	6,153	128,914
Net book value:					
At 31 July 2019	26,905	33,036	25,419	5,357	90,717
At 31 July 2018	7,470	29,552	9,164	4,633	50,819

The net book value of land and buildings comprised:

	2019 £	2018 £
Land	26,000	-
Long leasehold improvements	905	7,470

Lichfield Garrick Theatre

Notes to the Financial Statements

Year Ended 31 July 2019

13 Tangible fixed assets (continued) – Charity

	Land and buildings £	Equipment £	Fixtures and fittings £	Software £	Total £
Cost or valuation:					
At 1 August 2018	12,687	70,809	9,672	6,950	100,118
Additions	26,000	41,144	38,072	-	105,216
At 31 July 2019	38,687	111,953	47,744	6,950	205,334
Depreciation:					
At 1 August 2018	5,217	41,257	4,585	2,317	53,376
Charge for the year	6,565	37,660	22,861	2,317	69,403
At 31 July 2019	11,782	78,917	27,446	4,634	122,779
Net book value:					
At 31 July 2019	26,905	33,036	20,298	2,316	82,555
At 31 July 2018	7,470	29,552	5,087	4,633	46,742

The net book value of land and buildings comprised:

	2019 £	2018 £
Land	26,000	-
Long leasehold improvements	905	7,470

14 Fixed Asset Investments - Company

	Shares in group undertakings £
Cost or valuation:	
At 1 August 2018 & 31 July 2019	2
Net book value:	
At 31 July 2018 & 31 July 2019	2

There were no investment assets outside the UK.

The charitable company owns the entire share capital of Lichfield Garrick (Green Room) Limited and Lichfield Garrick Productions Limited, companies incorporated in England and Wales.

The principal activity of Lichfield Garrick (Green Room) Limited is the operation of the restaurant and bar facilities at Lichfield Garrick Theatre. At 31 July 2019 the company had net assets of £8,533 (2018 - net assets of £5,774).

The principal activity of Lichfield Garrick Productions Limited is that of a theatre production company. At 31 July 2019 the company had net assets of £1 (2018 – net assets of £1).

Lichfield Garrick Theatre

Notes to the Financial Statements

Year Ended 31 July 2019

15 Stocks - Group

	2019 £	2018 £
Green Room	10,947	9,669
	<u>10,947</u>	<u>9,669</u>

Green Room stock held is for raising funds. The Theatre does not hold stock.

16 Debtors

	2019 Group £	2019 Charity £	2018 Group £	2018 Charity £
Trade debtors	7,946	7,946	4,743	2,804
Prepayments and accrued income	172,597	105,650	108,476	65,665
Amounts owed by subsidiaries	-	142,105	-	114,074
	<u>180,543</u>	<u>255,701</u>	<u>113,219</u>	<u>182,543</u>

17 Creditors: amounts falling due within one year

	2019 Group £	2019 Charity £	2018 Group £	2018 Charity £
Trade creditors	99,189	94,059	96,757	94,859
Accruals	643,505	638,105	546,736	542,187
Other creditors	26,858	26,682	22,859	22,859
Social security & other taxes	26,005	14,944	37,147	28,231
	<u>795,557</u>	<u>773,790</u>	<u>703,499</u>	<u>688,136</u>

18 Leases

Operating leases - lessee

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2019 £	2018 £
Not later than one year	1,840	688
Later than one and not later than five years	5,269	343
	<u>7,109</u>	<u>1,031</u>

Lichfield Garrick Theatre

Notes to the Financial Statements

Year Ended 31 July 2019

19 Provisions for liabilities – Group

	Other £	Deferred Tax: ACAs £	Total £
At 1 August 2018	23,000	434	23,434
Additions during the year	-	1,327	1,327
Unused amounts reversed	(4,000)	-	(4,000)
At 31 July 2019	19,000	1,761	20,761

Provisions for liabilities – Charity

	Other £	Total £
At 1 August 2018	23,000	23,000
Unused amounts reversed	(4,000)	(4,000)
At 31 July 2019	19,000	19,000

The other provision relates to legal and professional costs and is expected to give rise to a resulting payment of £19,000 in the year ending 31 July 2020.

Lichfield Garrick Theatre

Notes to the Financial Statements

Year Ended 31 July 2019

20 Fund reconciliation - Group

Unrestricted funds

	Balance at 1 August 2018 £	Income £	Expenditure £	Transfers £	Other gains / (losses) £	Balance at 31 July 2019 £
General fund	161,494	2,827,044	(2,643,915)	(137,217)	68,250	275,656
Designated funds:						
Theatrical equipment fund	113,206	-	-	39,727	-	152,933
Business development fund	50,000	-	-	-	-	50,000
Production development fund	25,000	-	-	-	-	25,000
Touring development fund	25,000	-	-	-	-	25,000
Legal costs fund	10,000	-	-	29,000	-	39,000
Repairs & maintenance fund	-	-	-	42,500	-	42,500
Rebrand fund	-	-	-	25,990	-	25,990
	384,700	2,827,044	(2,643,915)	-	68,250	636,079

Lichfield Garrick Theatre

Notes to the Financial Statements

Year Ended 31 July 2019

Restricted funds

	Balance at 1 August 2018 £	Income £	Expenditure £	Transfers £	Other gains / (losses) £	Balance at 31 July 2019 £
Barchester Choir	436	-	(436)	-	-	-
Garrick 300	-	943	(943)	-	-	-
Youth Board	-	5,000	(2,028)	-	-	2,972
Seating Fund	-	182	(182)	-	-	-
Stage on Screen	-	2,125	(2,125)	-	-	-
Sponsor a Costume	-	1,158	(1,158)	-	-	-
Defibrillator Fund	-	1,039	(1,039)	-	-	-
Captioned Performance	-	100	(100)	-	-	-
	436	10,547	(8,011)	-	-	2,972

Fund descriptions

Restricted funds

The Barchester Choir Fund relates to a grant received from Barchester's Charitable Foundation to help fund the running of the new 'Day Choir' launched in February 2018.

The Youth Board covers staffing and room hire costs for the "Youth Board" which exists to promote theatre in young children and drive interest throughout life.

The Seating Fund relates to donations collected online and at the point of ticket sales for the specific purpose of refurbishing the seating in the main auditorium and studio.

The Stage on Screen Fund relates to donations collected online and at point of ticket sales for the specific purpose of raising funds for cinema and live screenings or recordings.

The Sponsor a Costume Fund relates to a donation campaign to raise funds for costumes for the community musical.

The Defibrillator Fund relates to a donation campaign to fund the purchase of a new defibrillator.

Designated funds

The designated funds represent allocations of general funds to allow for essential theatrical equipment replacement, business development, production development, touring development, legal costs, rebrand and repairs and maintenance.

General fund

The general fund represents unrestricted funds available to cover ongoing operational expenditure.

Lichfield Garrick Theatre

Notes to the Financial Statements

Year Ended 31 July 2019

21 Reconciliation of net income to net cash flow from operating activities

	2019 £	2018 £
Net income for year before transfers between funds	253,915	122,679
Interest receivable	(2,836)	(608)
Depreciation and impairment of tangible fixed assets	73,501	23,989
Provisions less payments	(2,673)	23,000
(Increase) / decrease in stock	(1,278)	1,339
(Increase) / decrease in debtors	(67,324)	297,232
Increase / (decrease) in creditors	92,058	112,078
Net cash flow from operating activities	<u>345,363</u>	<u>579,709</u>

22 Pensions and other post-retirement benefits

The charity operates both a defined contribution and a defined benefit pension plan for its employees. (See note 1(m) for details).

The amount recognised as an expense in the period was £13,480 (2018 - £8,599); £8,898 for the defined contribution scheme and £4,582 for the defined benefit scheme.

The defined contribution liability is allocated to unrestricted funds.

23 Related party transactions

The group has taken advantage of the exemption for the requirements to disclose transactions with group companies eliminated on consolidation.

The Council provides funding to the Theatre and had two Trustee representatives on the Board. In the year to July 2019, the Theatre received £166,667 (2018 - £290,000) in grant funding and £83,333 (2018 - Nil) under a concession services agreement. The Theatre purchased managed services from the Council amounting to £7,925 (2018 - £13,830).

The Theatre received sponsorships of £288 from companies in which Trustees had an interest.

The Theatre reimbursed expenditure of £3,895, paid on behalf of the Theatre, to companies in which Trustees had an interest.