

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 2020

Lichfield Garrick Theatre

Financial Statements

Year Ended 31 July 2020

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Lichfield Garrick Theatre

Charity Reference and Administrative Details

Year Ended 31 July 2020

Charity registration number	1147697
Company registration number	07972082 (England and Wales)
Trustees	R A Barnes D P Gee D F Baker C A Maddox M J Wright S M Khwaja D L Peach
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 2020

The Trustees present their report and the audited financial statements of the charity for the year ended 31 July 2020. 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 second edition published in October 2019.

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	– resigned 25/03/2020
J T Leavesley DL	– resigned 02/09/2019
P H Richards	– resigned 25/03/2020
D F Baker	
Dr A R Hollyhead	– resigned 08/06/2020
C A Maddox	
M J Wright	– appointed 10/09/2019
S M Khwaja	– appointed 27/01/2020
N F O'Mara	– resigned 17/09/2019
D L Peach	– appointed 24/06/2020

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

During the year the theatre traded normally from August to March 16th, when theatres were ordered to close owing to the coronavirus outbreak and leading to the diminution in trading. During the remainder of the financial year the theatre received furlough payments, emergency funding and was supported by individuals making donations.

Under normal trading conditions, 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. These funding sources allow the Theatre to keep ticket prices down, build community programs, and improve Lichfield's cultural offering.

Lichfield Garrick Theatre

Trustees' Annual Report

Year Ended 31 July 2020

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 less reliant on LDC funding and is intending to continue its sales and margin growth strategies to that end. The future trajectory of the pandemic and government strategies to manage transmission of the virus are the main risks facing the theatre this year.

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 2020 stood at £847,925.

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, legal costs, Education and Community activities, reopening costs post pandemic and the economic value of capital assets designated to future periods.

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, the role it plays in making Lichfield a vibrant city for residents and visitors alike 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 whilst trading, and a strong cash flow. Emergency funding from the government will enable the theatre to continue in the foreseeable future. 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 2020

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. The Trustee Directors meet regularly to agree strategy, review progress, review financial information, and discuss policy issues. To facilitate effective operation, the Chief Executive 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'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 concession services 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 2020

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 2019 (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: 28 January 2021

Lichfield Garrick Theatre

Independent Auditor's Report

Year Ended 31 July 2020

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 2020 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 2020, 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 2020

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 2020

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.



Andrew Timms (Senior Statutory Auditor)
For and on behalf of UHY Hacker Young, Statutory Auditor

Date: 28 January 2021

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 2020

		2020		2019
	Note	Unrestricted funds £	Restricted funds £	Total £
Income and endowments from:				
Donations and legacies	2	26,665	2,527	29,192
Charitable activities	3	1,932,486	39,459	1,971,945
Other trading activities	4	217,374	-	217,374
Investments	5	4,904	-	4,904
Total income and endowments		2,181,429	41,986	2,223,415
Expenditure on:				
Raising funds		174,758	7,664	182,422
Charitable activities	6	1,865,353	245,608	2,110,961
Total expenditure		2,040,111	253,272	2,293,383
Net income / (expenditure)		141,318	(211,286)	(69,968)
Transfers between funds				
Net transfer to designated funds	20	(130,021)	-	(130,021)
Other recognised gains:				
Theatre Tax Relief		58,328	-	58,328
Coronavirus job retention scheme		-	190,249	190,249
ACE emergency response grant		-	30,398	30,398
Net movement in funds	20	69,625	9,361	78,986
Reconciliation of funds:				
Total funds brought forward	20	275,656	2,972	278,628
Designated funds	20	490,444	-	490,444
Total funds carried forward	20	835,725	12,333	848,058

Total designated funds are £490,444, and only £345,281 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 32 form part of these financial statements.

Lichfield Garrick Theatre
Consolidated Balance Sheet
Year Ended 31 July 2020

		2020	2019
	Note	£	£
Fixed assets			
Tangible assets	13	116,507	90,717
		<hr/> 116,507	<hr/> 90,717
Current assets			
Stocks	15	4,001	10,947
Debtors	16	235,945	180,543
Cash at bank and in hand		1,077,943	1,173,162
		<hr/> 1,317,889	<hr/> 1,364,652
Creditors: amounts falling due within one year	17	(559,235)	(795,557)
Net current assets		<hr/> 758,654	<hr/> 569,095
Total assets less current liabilities		<hr/> 875,161	<hr/> 659,812
Provisions for liabilities	19	(27,103)	(20,761)
Net assets	21	<hr/> 848,058	<hr/> 639,051
Charity Funds			
Restricted funds	20	12,333	2,972
Unrestricted funds:			
General funds	20	345,281	275,656
Designated funds	20	490,444	360,423
Total charity funds	20	<hr/> 848,058	<hr/> 639,051

The financial statements were approved and authorised for issue by the Board on 28 January 2021.

Signed on behalf of the board of trustees:



R A Barnes, Trustee

The notes on pages 15 to 32 form part of these financial statements.

Company registration number: 07972082 (England and Wales)

Lichfield Garrick Theatre

Charity Balance Sheet

Year Ended 31 July 2020

		2020	2019
	Note	£	£
Fixed assets			
Tangible assets	13	115,268	82,555
Investments	14	2	2
		<hr/>	<hr/>
		115,270	82,557
Current assets			
Debtors	16	374,492	255,701
Cash at bank and in hand		934,354	1,085,051
		<hr/>	<hr/>
		1,308,846	1,340,752
Creditors: amounts falling due within one year	17	(549,088)	(773,790)
		<hr/>	<hr/>
Net current assets		759,758	566,962
		<hr/>	<hr/>
Total assets less current liabilities		875,028	649,519
		<hr/>	<hr/>
Provisions for liabilities	19	(27,103)	(19,000)
		<hr/>	<hr/>
Net assets		847,925	630,519
		<hr/>	<hr/>
Charity Funds			
Restricted funds	20	12,333	2,972
Unrestricted funds:			
General funds		345,148	267,124
Designated funds	20	490,444	360,423
		<hr/>	<hr/>
Total charity funds		847,925	630,519
		<hr/>	<hr/>

The financial statements were approved and authorised for issue by the Board on 28 January 2021.

Signed on behalf of the board of trustees



R A Barnes, Trustee

The notes on pages 15 to 32 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 2020**

	Note	2020 £	2019 £
Cash flow from operating activities	22	30,282	345,363
Net cash flow from operating activities		<u>30,282</u>	<u>345,363</u>
Cash flow from investing activities			
Payments to acquire tangible fixed assets		(130,405)	(113,399)
Interest received		4,904	2,836
Net cash flow from investing activities		<u>(125,501)</u>	<u>(110,563)</u>
Net increase in cash and cash equivalents		(95,219)	234,800
Cash and cash equivalents brought forward		1,173,162	938,362
Cash and cash equivalents at carried forward		<u>1,077,943</u>	<u>1,173,162</u>
Cash and cash equivalents consists of:			
Cash at bank and in hand		1,077,943	1,173,162
Cash and cash equivalents at 31 July 2020		<u>1,077,943</u>	<u>1,173,162</u>

Lichfield Garrick Theatre

Notes to the Financial Statements

Year Ended 31 July 2020

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.

Notes to the Financial Statements

Year Ended 31 July 2020

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:

Land and buildings	- 50% reducing balance or over the term of the lease
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.

Notes to the Financial Statements

Year Ended 31 July 2020

(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 2020

(o) Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that the theatre has sufficient governmental support and reserves to continue. 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

	2020 £	2019 £
Donations	29,192	25,654
	<hr/> 29,192	<hr/> 25,654

Income from donations and legacies was £29,192 (2019 - £25,654) of which £2,527 (2019 - £4,604) was attributable to restricted and £26,665 (2019 - £21,050) was attributable to unrestricted funds.

Lichfield Garrick Theatre

Notes to the Financial Statements

Year Ended 31 July 2020

3 Income from charitable activities

	2020 £	2019 £
Productions	1,445,783	1,870,646
Technical, marketing & booking fees	125,360	206,983
Theatre/room hire	62,501	102,427
Retail commission & vouchers	11,238	12,938
Grants	44,459	172,610
Lichfield District Council service agreement	250,000	83,333
Memberships	4,695	5,025
Other	27,909	45,468
	<u>1,971,945</u>	<u>2,499,430</u>

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

	2020 £	2019 £
Lichfield District Council	-	166,667
Other grants	44,459	5,943
	<u>44,459</u>	<u>172,610</u>

Income from charitable activities was £2,184,928 (2019 - £2,499,430) of which £39,459 (2019 - £5,943) was attributable to restricted and £1,932,486 (2019 - £2,493,487) was attributable to unrestricted funds.

4 Income from other trading activities

	2020 £	2019 £
Sponsorships	5,445	3,360
Green Room trading income	211,929	306,311
	<u>217,374</u>	<u>309,671</u>

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

5 Income from investments

	2020 £	2019 £
Interest - deposits	4,904	2,836
	<u>4,904</u>	<u>2,836</u>

Income from investments was wholly attributable to unrestricted funds.

Lichfield Garrick Theatre

Notes to the Financial Statements

Year Ended 31 July 2020

6 Analysis of expenditure on charitable activities

2020	Activities undertaken directly £	Support costs £	Total £
Theatre	1,951,302	159,659	2,110,961
	<hr/> 1,951,302	<hr/> 159,659	<hr/> 2,110,961

£245,608 of the above costs were attributable to restricted funds. £1,865,353 of the above costs were attributable to unrestricted funds.

2019	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 of the above costs were attributable to restricted funds. £2,434,926 of the above costs were attributable to unrestricted funds.

7 Allocation of support costs

Support cost - 2020

	Basis of allocation £	Raising funds £	Theatre £	Total £
Governance (note 8)	Apportioned	3,280	32,233	35,513
Finance	Apportioned	5,672	2,325	7,997
Information technology	Apportioned	-	9,075	9,075
Depreciation	Apportioned	6,920	97,695	104,615
Health and safety	Apportioned	-	6,290	6,290
Pension contributions	Apportioned	-	12,041	12,041
Utilities	Apportioned	6,376	-	6,376
Total		<hr/> 22,248	<hr/> 159,659	<hr/> 181,907

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 £22,248 of support costs allocated to raising funds is included within total expenditure on raising funds of £183,783 on the face of the Statement of Financial Activities on page 11.

Lichfield Garrick Theatre

Notes to the Financial Statements

Year Ended 31 July 2020

Support cost - 2019

	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		19,996	112,154	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.

8 Governance costs

		2020 £	2019 £
Auditor's remuneration	10	14,090	13,540
Legal and professional fees		21,423	6,290
		<u>35,513</u>	<u>19,830</u>

9 Net income for the year

Net income is stated after charging:

	2020 £	2019 £
Depreciation of tangible fixed assets	104,615	73,501
Hire of plant and equipment	15,277	33,784
	<u> </u>	<u> </u>

Lichfield Garrick Theatre

Notes to the Financial Statements

Year Ended 31 July 2020

10 Auditor's remuneration

	2020 £	2019 £
Fees payable to the charity's auditor for the audit of the charity's annual accounts	7,500	7,400
Fees payable to the charity's auditor for other services:		
Audit of the charity's subsidiaries	3,200	3,795
Taxation advisory	840	795
Accountancy	2,550	1,550
	6,590	6,140
Total auditor's remuneration	14,090	13,540

11 Trustees' and key management personnel remuneration and expenses

The trustees neither received nor waived any remuneration during the year (2019 - £nil).

The total amount of employee benefits received by key management personnel is £258,271 (2019 - £265,825). The Trust considers its key management personnel comprise the Chief Executive Officer and department heads.

The trustees had no expenses reimbursed during the year or the previous year.

Lichfield Garrick Theatre

Notes to the Financial Statements

Year Ended 31 July 2020

12 Staff costs and employee benefits

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

	2020 Number	2019 Number
Raising funds	18	20
Charitable activities	65	54
	<hr/> 83	<hr/> 74

The total staff costs and employees benefits were as follows:

	2020 £	2019 £
Wages and salaries	766,471	722,924
Coronavirus job retention scheme income	(190,249)	-
Social security	47,579	45,845
Pension costs (note 22)	17,781	13,480
	<hr/> 641,582	<hr/> 782,249

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 2020

13 Tangible fixed assets – Group

	Land and buildings £	Equipment £	Fixtures and fittings £	Software £	Total £
Cost or valuation:					
At 1 August 2019	38,687	111,953	57,481	11,510	219,631
Additions	-	105,711	24,694	-	130,405
At 31 July 2020	38,687	217,664	82,175	11,510	350,036
Depreciation:					
At 1 August 2019	11,782	78,917	32,062	6,153	128,914
Charge for the year	170	73,090	25,998	5,357	104,615
At 31 July 2020	11,952	152,007	58,060	11,510	233,529
Net book value:					
At 31 July 2020	26,735	65,657	24,115	-	116,507
At 31 July 2019	26,905	33,036	25,419	5,357	90,717

The net book value of land and buildings comprised:

	2020 £	2019 £
Land	26,000	26,000
Long leasehold improvements	735	905

Lichfield Garrick Theatre

Notes to the Financial Statements

Year Ended 31 July 2020

13 Tangible fixed assets (continued) – Charity

	Land and buildings £	Equipment £	Fixtures and fittings £	Software £	Total £
Cost or valuation:					
At 1 August 2019	38,687	111,953	47,744	6,950	205,334
Additions	-	105,711	24,694	-	130,405
At 31 July 2020	38,687	217,664	72,438	6,950	335,739
Depreciation:					
At 1 August 2019	11,782	78,917	27,446	4,634	122,779
Charge for the year	170	73,090	22,116	2,316	97,692
At 31 July 2020	11,952	152,007	49,562	6,950	220,471
Net book value:					
At 31 July 2020	26,735	65,657	22,876	-	115,268
At 31 July 2019	26,905	33,036	20,298	2,316	82,555

The net book value of land and buildings comprised:

	2020 £	2019 £
Land	26,000	26,000
Long leasehold improvements	735	905

14 Fixed Asset Investments - Company

	Shares in group undertakings £
Cost or valuation:	
At 1 August 2019 & 31 July 2020	2
Net book value:	
At 31 July 2019 & 31 July 2020	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 2020 the company had net assets of £136 (2019 - net assets as restated of £5,296).

The principal activity of Lichfield Garrick Productions Limited is that of a theatre production company. At 31 July 2020 the company had net assets of £1 (2019 – net assets of £1).

Lichfield Garrick Theatre

Notes to the Financial Statements

Year Ended 31 July 2020

15 Stocks - Group

	2020 £	2019 £
Green Room	4,001	10,947
	<u>4,001</u>	<u>10,947</u>

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

16 Debtors

	2020 Group £	2020 Charity £	2019 Group £	2019 Charity £
Trade debtors	309	309	7,946	7,946
Prepayments and accrued income	234,498	107,359	172,597	105,650
Other debtors	1,138	1,138	-	-
Amounts owed by subsidiaries	-	265,686	-	142,105
	<u>235,945</u>	<u>374,492</u>	<u>180,543</u>	<u>255,701</u>

17 Creditors: amounts falling due within one year

	2020 Group £	2020 Charity £	2019 Group £	2019 Charity £
Trade creditors	6,718	6,414	99,189	94,059
Accruals	429,445	419,543	643,505	638,105
Other creditors	69,761	69,700	26,858	26,682
Social security & other taxes	53,311	53,431	26,005	14,944
	<u>559,235</u>	<u>549,088</u>	<u>795,557</u>	<u>773,790</u>

18 Leases

Operating leases - lessee

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

	2020 £	2019 £
Not later than one year	2,155	1,840
Later than one and not later than five years	5,387	5,269
	<u>7,542</u>	<u>7,109</u>

Lichfield Garrick Theatre

Notes to the Financial Statements

Year Ended 31 July 2020

19 Provisions for liabilities – Group

	Other £	Deferred Tax: ACAs £	Total £
At 1 August 2019	19,000	1,761	20,761
Additions during the year	8,103	-	8,103
Released during the year	-	(1,761)	(1,761)
At 31 July 2020	27,103	-	27,103

Provisions for liabilities – Charity

	Other £	Total £
At 1 August 2019	19,000	19,000
Additions during the year	8,103	8,103
At 31 July 2020	27,103	27,103

The other provision relates in part to legal and professional costs expected to give rise to a resulting payment of £19,000 in the year ending 31 July 2021 and in part to redundancy costs expected to give rise to a resulting payment of £8,103 in the year ending 31 July 2021.

Lichfield Garrick Theatre

Notes to the Financial Statements

Year Ended 31 July 2020

20 Fund reconciliation - Group

Unrestricted funds - 2020

	Balance at 1 August 2019 £	Income £	Expenditure £	Transfers £	Other gains / (losses) £	Balance at 31 July 2020 £
General fund	275,656	2,181,429	(2,024,971)	(145,161)	58,328	345,281
Designated funds:						
Theatrical equipment fund	152,933	-	-	-	-	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	39,000	-	-	-	-	39,000
Repairs & maintenance fund	42,500	-	-	-	-	42,500
Rebrand fund	25,990	-	(15,140)	-	-	10,850
Education & community fund	-	-	-	37,893	-	37,893
Covid-19 reopening fund	-	-	-	18,000	-	18,000
Economic value of capital assets designated to future periods	-	-	-	89,268	-	89,268
	636,079	2,181,429	(2,040,111)	-	58,328	835,725

Lichfield Garrick Theatre

Notes to the Financial Statements

Year Ended 31 July 2020

Unrestricted funds - 2019

	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 2020

Restricted funds - 2020

	Balance at 1 August 2019 £	Income £	Expenditure £	Transfers £	Other gains / (losses) £	Balance at 31 July 2020 £
BFI	-	1,500	(1,500)	-	-	-
Peoples Postcode	-	4,179	(4,179)	-	-	-
Youth Board	2,972	-	(2,604)	-	-	368
Rathbone Trust / McClay	-	4,280	-	-	-	4,280
Arts Council	-	-	(30,398)	-	30,398	-
Garrick Charitable Trust	-	2,500	-	-	-	2,500
Saintbury Trust	-	3,000	-	-	-	3,000
Garrick Cares At Christmas	-	709	-	-	-	709
Caption Campaign	-	69	-	-	-	69
Platform Lift Campaign	-	1,407	-	-	-	1,407
Stage on Screen	-	342	(342)	-	-	-
SBEN	-	20,000	(20,000)	-	-	-
Coronavirus Job Retention Scheme	-	-	(190,249)	-	190,249	-
Swinfen Brown Charitable Trust	-	4,000	(4,000)	-	-	-
	2,972	41,986	(253,272)	-	220,647	12,333

Restricted funds - 2019

	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

Lichfield Garrick Theatre

Notes to the Financial Statements

Year Ended 31 July 2020

Fund descriptions

Restricted funds

The BFI fund is to support dementia friendly cinema.

The People's Postcode fund is towards an assisted hearing and fire alert system.

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 Rathbone Trust / McClay fund is to support dementia friendly cinema.

The Arts Council Grant was provided as emergency funding in response to the restrictions imposed as a result of the Coronavirus pandemic.

The Garrick Charitable Trust fund is a grant for the Young Director Scheme.

The Saintbury Trust fund is for the Early Years Christmas Show Tour.

The Garrick Cares at Christmas fund is donations raised towards the Early Years Tour.

The Caption Campaign fund is donations raised to support captioned performances.

The Platform Lift Campaign fund is donations raised towards the purchase of a new platform lift.

The Stage on Screen fund is donations raised towards the Stage on Screen projects.

The Staffordshire Business & Environment Network (SBEN) fund is a grant made to support the Low Carbon Business Evolution Programme.

The Swinfen Brown Charitable Trust fund is a grant made to contribute to live stream theatre and live events.

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 and education and community activities.

The economic value of capital assets designated to future periods represents the net book value of the Charity's fixed assets, excluding land, to be depreciated through the Statement of Financial Activities in future accounting periods across their useful economic life.

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 2020

21 Analysis of net assets between funds

	Unrestricted funds £	Designated funds £	Restricted funds £	Total £
Fixed assets	27,239	89,268	-	116,507
Cash at bank and in hand	664,434	401,176	12,333	1,077,943
Current assets	239,946	-	-	239,946
Current liabilities	(559,235)	-	-	(559,235)
Provisions	(27,103)	-	-	(27,103)
Total	345,281	490,444	12,333	848,058

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

	2020 £	2019 £
Net income for year before transfers between funds	209,007	253,915
Interest receivable	(4,904)	(2,836)
Depreciation and impairment of tangible fixed assets	104,615	73,501
Provisions less payments	6,342	(2,673)
(Increase) / decrease in stock	6,946	(1,278)
(Increase) / decrease in debtors	(55,402)	(67,324)
Increase / (decrease) in creditors	(236,322)	92,058
Net cash flow from operating activities	30,282	345,363

23 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 £17,781 (2019 - £13,480); £11,993 (2019 - £8,898) for the defined contribution scheme and £5,788 (2019 - £4,582) for the defined benefit scheme.

The defined contribution liability is allocated to unrestricted funds.

24 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 one Trustee representatives on the Board. In the year to July 2019, the Theatre received £nil (2019 - £166,667) in grant funding and £250,000 (2019 - £83,333) under a concession services agreement. The Theatre purchased managed services and other non-standard services from the Council amounting to £7,534 (2019 - £14,592).

The Theatre received sponsorships of £nil (2019 - £288) from companies in which Trustees had an interest.

The Theatre reimbursed expenditure of £nil (2019 - £3,895), paid on behalf of the Theatre, to companies in which Trustees had an interest.