

Registered number: 00593331
Charity number: 219163

Belgrade Theatre Trust (Coventry) Limited

Trustee's report and financial statements

for the year ended 31 March 2016

Belgrade Theatre Trust (Coventry) Limited
(A company limited by guarantee)

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**Reference and administrative details of the Theatre, its trustees and advisers
for the year ended 31 March 2016**

Trustees	Mr S Fergusson Mr A Bhabra Cllr R Bailey (resigned 20 May 2016) Cllr L Bigham (resigned 20 May 2016) Mr P A W Deeley Mr P Fenner ACA Mr W H Glen LLB Ms P Johnstone Mr J McGuigan Ms K J Reid BA Hons Mrs D Williams (resigned 7 April 2016) Mr A F Pollock Lady D Reece (resigned 4 June 2015) Mr G W Brooke-Taylor Mr J F Davidson (appointed 4 June 2015) Cllr J Lepodiev (appointed 20 May 2016) Cllr A C Skipper (appointed 20 May 2016)
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Funding Body Representatives entitled to attend Board meetings:

Arts Council England West Midlands	Ms N Ralston (Relationships Manager)
Coventry City Council	Mr D Cockcroft (Asst. Director, City Centre & Development Services)

Company registered number	00593331
Charity registered number	219163
Registered office	Belgrade Theatre Belgrade Square Coventry West Midlands CV1 1GS
Company secretary and Executive Director	Ms K J Reid BA Hons
Chief executive officer and Artistic Director	Mr W H Glen LLB
Independent auditors	Dains LLP 15 Colmore Row Birmingham B3 2BH
Bankers	National Westminster Bank plc 24 Broadgate Coventry CV1 1NE

Belgrade Theatre Trust (Coventry) Limited
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Trustees' report
for the year ended 31 March 2016

The Trustees (who are also directors of the Theatre for the purposes of the Companies Act) present their annual report together with the audited financial statements of Belgrade Theatre Trust (Coventry) Limited (the Theatre and the Group) for the year ended 31 March 2016. The Trustees confirm that the Annual report and financial statements of the Theatre and the Group comply with the current statutory requirements, the requirements of the Theatre and the Group's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015). This is the first year that the financial statements have been prepared under FRS 102. The transition to FRS 102 has not impacted the result or the charity reserves.

Year Highlights
Financial

- As a registered charity we are pleased to report our increase in the proportion of earned income to 66.2% (2015: 62%).
- Net surplus or net income of £12k (2015 - net loss or resources expended of £244k).
- Operating cash flows up 14% to £413k (2015 : £362k)
- Total funds of £12.5m of which unrestricted funds down 38% to £229k (2015: £371k)
- We are currently beating the benchmark on serving a wide audience and 45% of tickets were sold as concessions.
- Cash and bank balances increase to £1.6m (2015: £1.2m). Designated funds are required for future projects of £2.1m (2015: £1.7m).

Operational

- The theatre produced and presented a record breaking 531 performances of 114 different productions (2015 : 421 performances of 113 productions)
- We produced 17 fully staged productions (2015 : 18) and 26 further sharings (2013 : 24) and delivered an ambitious celebration of the 50th Anniversary of the Belgrade's invention of Theatre in Education (TIE) consisting of two Festivals and a National Conference under the banner INSPIRING CURIOSITY
- Record-breaking Panto Audiences (44,268) / Record-breaking attendances at three Christmas Shows (50,927)
- Record-breaking audiences of 171,000 rising to 183,000 when including Events & Conferencing attendees plus 11,376 participation opportunities
- Successfully reaching audiences from lower social economic groupings (42% Coventry City Council priority postcodes of 45% last year) and playing to 45% concessions (up from 42%)

"Haven't been here for years and I was pleasantly surprised by the changes and the ambience. ... I have been going to Birmingham to see touring shows but the Belgrade seems to be the place to go and at a more reasonable price... Trip Advisor February 2016"

Objectives and Activities

The Belgrade Theatre's Vision

Now established as one of England's major producing houses, our mission is to grow the reach, excellence and engagement of all the work we produce and present.

We will provide a comprehensive performing arts service of the highest possible quality for Coventry and the surrounding regions and act as an ambassador for Coventry and the West Midlands when touring.

Mission

The Belgrade Theatre is the only Theatre in Coventry, England's fastest growing city outside London and the second largest conurbation in the Midlands, and acts as the city and sub-region's commercial and producing theatre.

The Belgrade creates theatre in the belief that it can enrich its community and fundamentally change peoples'

lives for the better.

This mission is expressed by presenting a vibrant programme of produced, visiting and community work in our two auditoria and other spaces that is informed by a distinctive artistic policy designed to attract local and national attention, cater to and develop the different audiences in and around Coventry, lift the profile of the theatre as a producing theatre, bear witness to our community's experiences, find a unique voice for the Belgrade in the context of the region, attract leading theatre artists. In short to continue to build on re-establishing the vision, radicalism and internationalism that marked the opening of the theatre in 1958.

The Theatre's own produced, co-produced work and work developed and produced with our 'in association' artists and companies, is presented in both auditoria and is where the Theatre can best articulate its artistic policy. Each year the Theatre seeks to achieve a good balance between the different types of work we produce, support and present. 2015/16 was a stabilising year after three years of significant funding cuts, and the theatre managed to exceed its NPO obligations by producing 17 fully staged productions including the pantomime and an Alternative Christmas offering.

The programming of the seasons seeks to appeal to and to grow the many different audiences of the City and Region, and the growing audience numbers is evidence of the success of this strategy, playing to a record 171,000. The Belgrade's own work aims to extend the Theatre's reach, develop new talent, provide high quality work for children and young people and expand our work for the Arts Council's Creative Case For Diversity strategy.

A major achievement of the year was the Theatre's celebration of the 50th anniversary of our invention of Theatre in Education (TIE) through a festival called INSPIRING CURIOSITY which took place in July and October 2015; and which led to the Theatre's Acting Out programme being the subject of the BBC TV's On Stage West Midlands documentary and the Theatre then being shortlisted as School of the Year in the prestigious Stage Awards.

Public Benefit

The Trustees have each received copies of the Charity Commission Guidelines on Public Benefit and this forms part of the Induction Pack for new Trustees.

The Public Benefit provided by the Theatre include:

- Promoting artistic appreciation
- providing facilities for recreation

The beneficiaries are all members of the public and access is enabled as follows:

- through concessionary ticket schemes for paid activity
- free access for community activity
- all public areas of the building are wheelchair accessible
- Access Performances are provided for those with hearing or sight impairment

Achievements and performance

The Theatre continues to reap the benefits of its new strategy that was launched with the successful re opening of the building in September 2007. The ambition and excitement of the artistic policy and the quality of the Theatre's work sustains the transformation of its reputation in the profession and allows the Belgrade to attract increasing numbers of co producing partners. The Theatre has built up reasonable levels of reserves which gives it much needed security at this time of economic uncertainty. The Theatre also has developed a flexible business model that has demonstrated its strength under these challenging conditions.

2015/16 again saw the Theatre deliver a very high level of produced work across the professional and community spectrum, achieving a balance in professional work between produced and presented work, programming in both auditoria and lively Community & Education activity as well as the delivery of the exceptional INSPIRING CURIOSITY Festival. The Theatre co-produced three productions all of which also toured: CRUSH a new musical by Kath Gotts and Maureen Chadwick, coproduced with commercial partners; SILVER SWORD a musical adaptation of the Serrallier novel; A RAISIN IN THE SUN by Lorraine Hansberry

with Eclipse. The Belgrade produced five other professional shows BEAUTY AND THE BEAST, the commissioned alternative Christmas show VAMPOMIME, the British premiere of the musical COUGAR by Donna Moore, Moliere's SISTERHOOD, and the UK premiere of RED SNAPPER by Liz Mytton (that emerged out of the Theatre's Critical Mass new writing project aimed at writers of BAME backgrounds). The Theatre also produced eight productions with community participants: THE BEAUTY MANIFESTO from Acting Out Year 11 students; THE IMPOSSIBLE LANGUAGE of the TIME and SLEEPING THROUGH THE ALARM from Senior Youth Theatre; I PINE, I BURN, I PERISH from Middle Youth Theatre and Shine On; BROKEN from Black Youth Theatre; CTR ALT DEL from Canley Youth Theatre; CHILDREN OF KILLERS from Black Youth Theatre; WHAT ARE THEY LIKE from Canley Youth Theatre. In addition the Belgrade also supported 11 companies through our "in association with" model, enabling them to make step changes either in scale of work, or so that they could tour, or in putting non-traditional work on to the stage, and established our Springboard initiative which supports both companies and artists who are under-represented in the Theatre industry.

SPRING 2015

The completion of the Spring season in 2015 saw new work produced by two of our 'in association' companies: Strictly Arts, a young black led company, produced GREEN LEAVES FALL; and High Time, a new Coventry based Opera Company, produced HANSEL & GRETEL, both to critical and public acclaim. The theatre also produced THE BEAUTY MANIFESTO from our Acting Out company and the British premiere of COUGAR THE MUSICAL again successful with critics and audiences.

The season continued with a programme of visiting work that appealed to the various popular audiences in the city and region combined with quality drama and hosting work from regional theatres including: VIEW FROM THE BRIDGE from The Touring Consortium, MIST IN THE MIRROR from Oldham Coliseum/imitating the dog, OH WHAT A LOVELY WAR from Theatre Royal Stratford East, Watmill Theatre's THE SECRET ADVERSARY alongside JOSEPH & THE AMAZING TECHNICOLLOUR DREAMCOAT, a sing along production of THE SOUND OF MUSIC. HORRIBLE HISTORIES returned with GROOVY GREEKS and INCREDIBLE INVADERS, FROZEN - an interactive screening of the Disney classic, the Opera HANSEL & GRETEL, and the Children's Touring Partnership's THE BOY WITH THE STRIPED PYJAMAS - all aimed at children and families which remains an important thread in our programming.

SUMMER 2015

The summer season expressed our commitment to provide a Creative Hub for the city and region and growing the theatre as a platform for our 'Springboard Companies and artists'. The season included 'New Ventures in Theatre-Making', a showcase for the best of the work that had emerged from Coventry University's Performing Arts Dept; The Belgrade Mela; and INSPIRING CURIOSITY, which was the first part of our celebration of the 50th Birthday of our invention of TIE and a Festival of Theatre by Young People for Young People, in which we produced seven productions from our Youth and Community Groups, working with high profile companies including Frantic Assembly, The RSC, Vamos Theatre and local companies Theatre Absolute and Highly Sprung. The Festival culminated in one exciting weekend showcasing our work alongside some of the best community work from regional and national companies including Bristol Old Vic and Gateway Studio Project.

As the city's major Hub, we open up the theatre to the city's amateur companies to open and showcase their work and included Rotary Coventry's Schools Young Entertainer, The Gang Show, Coventry Musical Theatre Society's production of OLIVER, Freeman Dance School and the Leamington & Warwick Academy of Dance's production of THE LION, THE WITCH & THE WARDROBE. The theatre also produced its final UNPLUGGED a series of rehearsed readings of scenes from our autumn season which toured to venues in Coventry and Warwickshire.

AUTUMN 2015

The Autumn Season opened with a Main Stage co-production with Big Broad Productions of CRUSH by Maureen Chadwick and Kath Gotts which went on to tour to venues in England; SILVER SWORD based on the children's book, in co-production with Sell A Door which also went on tour to venues throughout the UK.

October saw the second part of our INSPIRING CURIOSITY Festival, hosting some of the best professional theatre for children and young people, made by companies from across the UK: POCKET MERCHANT from Propeller; RISE UP from Theatre Centre; THE HATE PLAY developed with Essex Police; THE SNOW DRAGON from Tall Stories; MARTY McDONALD'S FARM, a commercial tour; LIGHT SHOW from Oily Cart for

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children on the autistic spectrum; CAT IN THE HAT, a commercial tour and I WISH I HAD A MOUSTACH by Keisha Thompson.

The Theatre also presented shows from six TIE Companies that took place in schools across the city; and mounted a two day Conference in partnership with Coventry City Council, Warwick University, Warwick Arts Centre and Big Brum to look at the history of TIE, its development and its future. The Theatre's Acting Out programme was the subject of the BBC's Documentary On Stage series that was aired in early November. The Christmas season was our most successful to date, playing to over 50,000 people: the Belgrade's pantomime was BEAUTY AND THE BEAST by Iain Lauchlan, and as a continuation to the "alternative Christmas show" in B2, we produced a new piece VAMPOMIME, commissioned from Nick Walker who also directed the show; and also mounted SANTA'S RUSTY ROBOT with Imagine Theatre designed to introduce two year olds to Pantomime.

Spring 2016 saw three further Belgrade productions and co-productions, THE SISTERHOOD by Moliere in a version by Ranjit Bolt, RED SNAPPER by Liz Mytton, a piece of new work that grew out of our acclaimed playwriting project, Critical Mass and A RAISIN IN THE SUN by Lorraine Hansberry, in a co-production with Eclipse and Sheffield Theatres.

SPRING 2016

The company in the season developed further 'in association with' partnerships which follow two models: one whereby the Theatre supports smaller companies make the transition to larger scale and to touring, and the other which supports non-traditional theatre presentations. This work included CARMEN with OperaUpClose, and we initiated Pilot Nights to showcase for artists to develop their work and try out new ideas. All this work looks to increase the Belgrade's reach and engagement.

Work programmed for children and young people continues to retain its position as an important thread of programming and is presented in both auditoria including Propeller's POCKET DREAM and GANGSTA GRANNY in spring 2016.

Other work presented on the Main Stage included commercial work ABSENT FRIENDS, DIAL M FOR MURDER, MISS NIGHTINGALE, JACKIE THE MUSICAL, Northern Stage's GET CARTER and PERFECT MURDER. Our programme of one night tribute bands also continues to do well at the box office.

B2 was programmed for much of the year and remains a highly popular venue for artists and audiences alike, presenting a sympathetic space for work that may be particularly challenging or likely to appeal to smaller audiences. We present several of the Theatre's own productions and all of the work produced by our young people here and Winter/Spring 2016 saw our "Hidden Histories" season which gathered together stories from BAME writers our production of RED SNAPPER, our co-production A RAISIN IN THE SUN and in the next financial year we host Kali's DISHONoured and our co-production of Ishy Din's WIPERS.

The Belgrade continues to play an active part in touring partnerships such as the Touring Partnership, Touring Consortium Theatre Company, Children's Touring Partnership and this year hosted more work from several regional theatres (Theatre Royal Stratford East, Oldham Coliseum, Watermill and Northern Stage) thereby enabling an increased reach for this quality drama work.

Community & Education Programme

The large part of the participation programme for 2015/16 was given over to delivering work for the Inspiring Curiosity year in 2015 that emerged from the innovative artist residency programme that ran Autumn '13 and to Summer '14. This programme generated exciting production ideas for delivery in partnership with residency artists for the yearlong festival INSPIRING CURIOSITY – IN OUR OWN WORDS and for NT Connections 2016 for which the Theatre was a producer and host venue: THE BEAUTY MANIFESTO from Acting Out Year 11 students; THE IMPOSSIBLE LANGUAGE of the TIME and SLEEPING THROUGH THE ALARM from Senior Youth Theatre; I PINE, I BURN, I PERISH from Middle Youth Theatre and Shine On; BROKEN from Black Youth Theatre; CTRL ALT DELETE from Canley Youth Theatre; CHILDREN OF KILLERS from Black Youth Theatre; WHAT ARE THEY LIKE from Canley Youth Theatre. During this very busy and successful year the participation programme expanded its commercial activity with a weekly programme for adults (alongside those for young people) and increased activity for young people for half terms and holidays. In total the programme

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11,637 participants in 904 workshops and nine productions.

Ticket Sales

The general economic climate continues to bite with large swings in attendance and clear risk aversion to work that is new or without a high profile "brand". The Theatre presented a larger number of different productions and an increase in audience numbers to a record-breaking 171,000, rising to over 183,000 when we take Events & Conferences attendees into account. The Theatre consistently scores Good for Value for Money from its audience surveys and these figures include an increase in the take up of concessions (45% up from 42%) although at the same time attendance from Coventry City Council priority postcodes has decreased from 45% from 42% and In the year, the Theatre presented 531 performances (up from 421 the previous year) of 114 different productions, again reflecting a high number of Belgrade own productions (17) and of one-night productions booked. Some of the Visiting Company work particularly early in 2015 and again early in 2016 did very good business indeed but this was offset by some other Visiting Company work performing poorly. Overall however Box Office income increased by 8% to £2.130 million. The Theatre's programme of free post show discussions is proving increasingly popular and its final "out and about" programme UNPLUGGED Summer 2015 was very successful in performing trailers from the Autumn Season to audiences in unusual venues in the region. We secured the biggest audiences ever for our Panto (over 44,000) which together with the other Christmas offerings meant we hosted over 50,000 people over the Festive period. 2015/16 saw the Community & Education Company deliver 11,376 participation opportunities through 702 workshops. Nine community performances and 26 sharings were seen by 3,239 audience members. The big focus of the year was delivery of INSPIRING CURIOSITY the 50th anniversary celebration of the Belgrade's invention of TIE which consisted of July and October Festivals and a national conference.

Management

The Belgrade seeks to create an organisational culture of involvement, development and continuous performance improvement and used the closure and reopening period (2006-2007) to design and implement this new approach. This is a constant process but the Belgrade considers it has succeeded in its ambition and enjoys the services of a skilled, committed and motivated staff even during this period when, because of funding cuts, a small number of redundancies had to be made April 2013 and another small restructuring April 2016. The Theatre's results speak for themselves. Encouraging continued flexibility and creative problem solving continues. High standards of performance continue to be striven for in all areas and very high standards are recognised by all staff to be essential if the Belgrade's quality aspirations are to be reached particularly in such a tough economic climate as currently exists. The image – and the reality – of the Belgrade must be of an efficient and professional organisation.

The principal aims of the organisation, simply stated, are as follows:

- To develop and implement an artistic policy which furthers the objects of the organisation
- To produce and present a body of work to the highest achievable standards
- To achieve the widest possible engagement with that work from all sections of the community
- To achieve high levels of customer satisfaction and service
- To maintain financial viability and good managerial practice

Training and Development

The theatre's own performance review system assists in identifying and evaluating appropriate training for individuals, as well as monitoring on going performance. The Theatre provided 916 hours to 31 volunteers; 17 weeklong work experience opportunities, hosted 3 University placements, one of which was for a period of 10 months and continued to deliver a healthy Apprenticeship programme with three Apprentices and one Graduate Intern;

and for the second time went into partnership with Creative Access, to provide a one-year paid internship to a graduate from a BAME background, to address the need for greater diversity at all levels of the industry. The Theatre's involvement in the Scheme in the previous year led it to create a new permanent Audience Development post which is held by a member of a BAME community. In all these schemes the Theatre particularly encourages applications from members of society traditionally under-represented in the Arts world.

Capital Development

The major Capital Project that resulted in the creation of B2, provision of on-site rehearsal space and new improved entrances and front of house, launched with the reopening in September 2007. Final settlement and snagging was agreed in 2012. The Company works hard to maintain the fabric of the building so that it continues to hold on to its new shine.

The feasibility study for the development of an underused area of its existing footprint in order to create a rehearsal / workshop space for the community and education work was delivered but remains on hold due to the economic climate.

A new 30 year lease is now in place for the Theatre's workshops, with the Theatre being granted the option to purchase the site, should the Council look to sell it. During Summer 2013 the Board made a major investment in the fabric to make it fit for purpose, secure its use for 50 years and reduce its carbon footprint, as a result of which the Council agreed to an increased lease of 50 years.

The Board are considering plans to deliver some essential works in and to refurbish the public areas of the Theatre, ahead of the City's bid to be City of Culture 2021 and has decided to designate £0.5 million of its reserves towards this project.

Review of Activities

Having successfully met our obligations on our first NPO Agreement with Arts Council England (ACE), 2015/16 sees the beginning of the Theatre's second three-year NPO Agreement with ACE. The Belgrade is supporting ACE's mission GREAT ART & MUSEUMS FOR EVERYONE and making specific contributions to its strategies in Talent Development and the Creative Case for Diversity. The three year business plan continues to see particularly ambitious fund raising targets and while the Theatre has recently been very successful in this area the increase in target to over £237k pa necessitated by reductions in core funding is extremely challenging. The Theatre manages this substantial risk in two main ways: dividing the target into achievable (which can thus be planned to be spent) and ambitious (which can only be spent when it is raised); and underpinning this activity with its reserves (created by trading surpluses in recent years). The new Theatre Tax Relief scheme will also make significant contributions to these targets.

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for the year ended 31 March 2016

Financial Review

Year Result

The positive out-turn for the Theatre and improving its earned vs grant aided ratio to 66.2% (up from 45% in 2008/09) are continuing evidence that the Theatre continues to do very well to increase its earnings from new sources and to recover its ancillary sales to pre-crash levels. Commercial set building BPS has had another year of growth with its turnover breaching £714k, helped in part by the commissioning of a CNC lathe bought at the end of 2014/15 and successfully securing some Wardrobe Services contracts. Events and Conferencing is increasingly contributing more to the Theatre's income, and now enjoys a regular hire by a Pentecostal church on Sundays. These elements of operation come through the Theatre's wholly owned trading subsidiary Enterprises whose turnover continues to grow and this year nearly made it to £1million (£945k), making a surplus during the year of £271k (compared to £274k last year) that is donated in full to the Theatre. The recently introduced Non Voluntary Contribution that forms part of the ticket price is proving a very important income stream.

2015/16 was the first year of the Theatre's second three year contract as an Arts Council National Portfolio Organisation (NPO). It was a stabilising year, being the first for several where the Theatre did not face a cash cut in its core funding, but ticket sales continue to be affected by low public confidence resulting in big swings in sales. Overall however Box Office income increased to £2.130million, representing 38.9% of turnover. The Theatre's very successful step change in fund raising, supported by the full Arts Council Catalyst Award, continued into this year with £256k revenue being raised (cf £77k prior to Catalyst Funding). The successful additional fund raising combined with Catalyst Grant has enabled a significant number of additional artistic projects to take place, as outlined elsewhere in this report.

The principal income for the Charity was self-generated income, achieving 66.2% of turnover. Overall above this the principal funding source over and above the earned income came from Arts Council England and Coventry City Council (core grants totalling £1,787,133, project funding from various sources mainly to support specific projects run by Community & Education Company, and restricted purpose grants totalling £32k. Community & Education self generated income in the year was £133k and this year earned £17k from its additional workshops that are for paid entry. During the year we started our project with over 50s, Arts Gymnasium, having won another major Esmée Fairbairn grant to support it over several years.

Although it has not proved possible to replace entirely the loss of income from statutory and box office sources the Theatre's business model is proving its efficacy in enabling the Theatre to continue to offer a vibrant and successful programme of work on stage and through our community and education programme despite the obvious economic pressures we face. 2015/16 saw the Theatre plan to spend some of its reserves to support the ambitious INSPIRING CURIOSITY festival but the required draw down was less than budgeted in part due to increased earnings from other sources, and the receipt of a legacy. The Theatre is also making best use of the recently introduced Theatre Tax Relief Scheme which benefits this year for the first time, being used to reduce expenditure on artistic projects and thus is supporting increased artistic activity.

Following a full tender process, from July 2015 the Theatre's catering was run under a licence to Host Management after the expiry of the previous licence held by Signatures Dining. By the end of the year the Theatre had taken the catering in house, thus returning to the operational model prior to the 2007 development.

Trustees feel that compliance with Charity Accounting Standards gives a potentially misleading picture of the Theatre's financial health, due to the way that an element of the Arts Council revenue grant has to be treated (through restricted funds) plus the way that the Theatre's main asset (the fully funded theatre) is unwound (showing a cost to the SOFA of in excess of £300k). This compliance means the Charity's ongoing operating activities, as reported in the SOFA, last year showed a deficit after depreciation of £244k. This year we are showing a surplus of £11,654 after theatre depreciation and the receipt of a legacy of £362k. The Charity has also generated net operating cash of £412,701 (note 24). Last year's final results after transfer of funds were a deficit of £243,570 (Net Movement in Funds deficit of £243,570) and £361,767 net operating cash. The results during recent years have in fact enabled the Charity to increase its designated and general reserves which shows good financial management and is to be welcomed in these uncertain economic times.

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Investment Policy and Performance

Cash flow is carefully managed to ensure that surplus cash is put on short or long term deposit with financial institutions having appropriate credit ratings. The Theatre does not deal in equities and derivative instruments.

Reserves Policy

The Trustees have established the level of reserves (that is, those funds that are freely available) that the Charity ought to have. Reserves are needed to bridge the funding gaps between spending on productions and events and receiving resources through admission charges and grants that provide funding. Unexpected variations in box office sales, which form a substantial part of the Theatre's income, represents the largest risks to its financial security during any one year. While every effort is made to minimise risk by setting realistic targets, the Board considers it appropriate to hold a level of reserves on the balance sheet to protect the Theatre against this eventuality. The ending of the substantial Capital Project and of the subsequent Workshop Refurbishment Project have been removed as a major financial risk.

This year the Trustees have decided to create a new designated fund of £0.5 million towards the costs of essential works as part of the proposed refurbishment of the public areas anticipated to take place 2018 or 2019. The TIE Festival Reserve was drawn upon as planned. The Theatre's level of unrestricted reserves after this is £229k (2015 £371k). There is also a designated fund of £250,000 towards revenue projects, which will act as a contingency or "venture fund" over the next few years. It is the Trustees' view that it is prudent to use the funds it has available in order to give it the ability to increase its self-generated income while at the same time ensuring that there are sufficient reserves to provide financial flexibility over the course of the forthcoming challenges. The Trustees have decided that as long as the level of free reserves remains sufficient, the Policy shall be to invest a proportion of future trading surpluses in revenue activity, allowing more home produced shows, particularly those with a commercial potential, B2 to be open for more of the year, Community & Education Company to deliver more work and capital projects that would provide the Theatre with new income streams.

Structure, Governance and Management

Constitution

The Theatre is incorporated under the Companies Act 1948 being a Company Limited by Guarantee and not having a share capital with the company number 00593331.

The Theatre is constituted dated 21 October 1957, as updated on 26 March 2015 and is a registered charity number 219163.

Policies Adopted for the Induction and Training of Trustees

New Trustees undergo a briefing on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision making processes, the business plan and recent financial performance of the Theatre. The new Trustees also meet key employees and other Trustees. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Organisational Structure and Decision Making

The Memorandum and Articles specify that the Board shall consist of not less than 11 and no more than 15 persons, two being nominated by Coventry City Council and not less than nine and no more than 13 from outside the said City Council, who shall be nominated by the Board. These nominations are selected to meet a balance of skills and representation in the make up of the Board. A series of committees oversees specific elements of operation and make reports, with recommendations, to the Board. The Board makes the final strategic decisions, delegating decisions regarding day to day operations to the Chief Executive and Executive Management.

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During the year no Extraordinary General Meetings were held

The company is limited by guarantee so the Directors have no interest in any shares. The company is a registered charity. The Directors are Trustees of the charity and, except for the Chairman there is no power for them to receive remuneration for their service as Directors. The senior officers remain employees of the company while also acting as Directors. Approval was granted by the Charity Commission on 11 August 2005 to pay the Chairman a limited sum under specific circumstances and to pay the Artistic Director/Chief Executive and Executive Director, and on 3 August 2006 to make payment to a Director's company in return for professional services.

Stewart Fergusson was appointed as Chairman September 2012. The Theatre is very fortunate to have a very able and committed Board. The composition includes a good cross section of experience and representation.

Detailed work is delegated to committees in the following areas:

Arts Policy – chaired by Jonathan Davidson
Audit – chaired by Paul Fenner
Business Development – chaired by Dianne Williams/Geoff Brooke Taylor
Capital Development – committee in abeyance but about to be restarted
Community & Education – chaired by Pat Johnstone
Communications – chaired by Alan Pollock
Nominations & Governance – chaired by Stewart Fergusson

Each committee is made up of at least one or two Board members and a number of additional members with appropriate expertise. The Chair of the Board, the Artistic Director/Chief Executive and the Executive Director are ex officio members of all committees to provide communication and overall cohesion.

Related Parties

The Charity has a wholly owned trading subsidiary, Belgrade Theatre Enterprises Limited, a company incorporated in England. Its nature of business is to carry out the trading activities of the company and it "gift aids" all profits to the Charity.

During the year, the Charity created two new wholly-owned trading subsidiaries Belgrade Theatre Productions Ltd and Belgrade Theatre Commercial Ltd, companies incorporated in England. Their nature of business is to carry out production activities as agreed with the Charity, to claim Theatre Tax Relief and to gift aid any income to the Charity.

The Charity had an interest in the ordinary shares of a Joint Venture Company Belgrade Ventures Limited. These shares had a nominal value of £1 each. This company was wound down in 2010.

The Charity co operates with other charities (including theatres) and non charities (including commercial theatre companies, governmental and non governmental organisations, businesses) in the pursuit of its charitable objectives.

Risk management

As part of the Stabilisation Technical Assistance programme awarded by Arts Council England prior to the major Capital Project, a review was undertaken of the major risks facing the Theatre in implementing its strategy for change and a Risk Register drawn up. The severity and likelihood of the risks were assessed and measures to mitigate them were identified. These are reviewed at each Board Meeting. A separate review was undertaken of the risks associated with the capital scheme and these were regularly reviewed throughout the Project.

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Trustees' report (continued)
for the year ended 31 March 2016

Plans for future periods

The key challenge facing the Theatre is continuing adaptation to a climate of declining core funding. 2015/16 was a stabilising year of standstill funding from both funders without in-period cuts but towards the end of 2015 it became clear that Coventry City Council needed to pass on substantial cuts that were to be phased over two years 2016/17 and 2017/18. January 2017 also sees the Theatre making its new bid to ACE for its third NPO Agreement, as the current grant expires April 2018.

We have been successful to date in dealing with this drastic reduction in core funding through a combination of increasing ticket prices, increasing earnings from new and existing sources, increasing fund raising and two small restructurings (April 2014 and April 2016) to reduce overhead costs along with a small reduction in artistic output. At the same time we have maximised opportunities of additional funding streams such as the Catalyst Grant and Theatre Tax Relief to boost our artistic activity so that to date we have exceeded our NPO obligations in this regard. In recent years the Board has confirmed that the Theatre should plan to continue to maximise the Theatre's output and if necessary use Theatre's reserves as venture funding to enable this. This approach enabled the Theatre to produce its busiest year yet in 2016/17 with a minimum draw on reserves. In preparation for the further cut, the Theatre has reviewed its ticketing pricing and took the decision to introduce booking fees from Autumn 2016. Plans continue to be based on the Theatre at least meeting its producing obligations under the NPO Agreement, despite the significant funding cut, while programming B2 for most weeks and expanding the Community & Education programmes. The Theatre is only able to do this because of the health of the Theatre's reserves combined with the proven ability of the staff and Executive to manage and control costs and maximise income opportunities, and the critical need of the Theatre to maintain a reasonable balance between in-house and presented work and to deliver on its funding obligations, even in the face of declining levels of public funding.

Looking forward we are confident in our ability to earn more and in recent years we have appointed additional staff to our Development and Communications teams and during this year appointed permanent staff to our BPS Team, all with the charge that these Teams must increase income in all of these areas. However despite our success in earning and raising more of our own income we will always remain reliant on a reasonable level of core revenue funding to enable us to operate. If we fail to secure NPO funding from the Arts Council, or Coventry City Council funding continues to decline, the Theatre cannot continue, even simply as a presenting theatre, because our main auditorium is not big enough to allow us to generate sufficient income to do so. Both our chief funders recognise the crucial creative and community work of the Belgrade, and the important role we play in the economy of the City and Region.

The Theatre will however continue to make the case for sustained revenue funding from ACE and CCC and will continue to make the case to the public and to government for subsidy for the arts because of the economic and social benefits the arts bring cities and their citizens, particularly in times of stress such as these. The Belgrade Theatre's vision does not exist in isolation from the City of Coventry strategic vision and indeed it supports it. This means the Belgrade is and must remain a major contributor to the Local Authority's main targets within its current Community Plan, as well as strategic targets within Economic Development, including the Growth Agenda for the City. Evidence from around the UK demonstrates conclusively that cities can regenerate and reinvent themselves through the success of their cultural institutions because those institutions not only help to project the city's profile nationally, they also serve the City's needs locally. The Belgrade is excited by the City's support for the bid to become UK City of Culture in 2021 and has been working with key partners towards submitting the bid in 2017, and looks to play a leading part in its delivery in 2021.

The Theatre has an excellent recent track record of successful adaptation and we believe we are in an excellent position to continue to secure our future core funding. The Company believes this because of our robust business model driving our current successful trajectory in serving wider audiences, increasing engagement from a wide range of audiences, increasing our earnings from non-grant income to the impressive 66.2% this year (up from 45% in 2008/09), and because of the fact that the Belgrade Theatre is Coventry's only producing and commercial theatre and is critical to the City's Community Plan and crucial to the City's desire to bid for UK City of Culture 2021.

Artistically speaking we believe that we are meeting the key challenge of continuing to articulate a bold artistic policy intended to differentiate the Belgrade in the region, and to contribute on a national level to the Arts

Belgrade Theatre Trust (Coventry) Limited
(A company limited by guarantee)

Trustees' report (continued)
for the year ended 31 March 2016

Council's strategic plan GREAT ART & MUSEUMS FOR EVERYONE and on a regional level to the City's strategic plans, while responding to a more conservative audience attitude toward new and challenging work. Our success at winning a second NPO Award and being key players in the City's bid for UK City of Culture supports those beliefs but we recognise that there is no room for complacency and we will continue to be ambitious in how we make our contribution to the City, Region and Nation's cultural health.

Setting the Pay and Remuneration of the Charity's Key Management Personnel

The Board approves the specific pay levels of senior staff, and the level of the general pay award to all staff.

Belgrade Theatre Trust (Coventry) Limited
(A company limited by guarantee)

Trustees' report (continued)
for the year ended 31 March 2016

Statement of Trustees' Responsibilities

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

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

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

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Provision of Information to Auditors

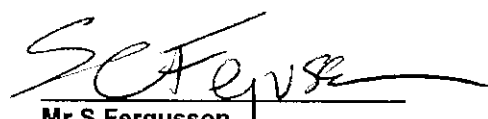
Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

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

Auditor

The auditors, Dains LLP, have indicated their willingness to continue in office. The Designated Trustees will propose a motion re-appointing the auditors at a meeting of the Trustees.

This report was approved by the Trustees on 22 September 2016 and signed on their behalf by:


Mr S Fergusson
Chair

Belgrade Theatre Trust (Coventry) Limited
(A company limited by guarantee)

Independent auditors' report to the members of Belgrade Theatre Trust (Coventry) Limited

We have audited the financial statements of Belgrade Theatre Trust (Coventry) Limited for the year ended 31 March 2016 which comprise the consolidated statement of financial activities, the consolidated and Theatre balance sheets, the consolidated cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland."

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

Respective responsibilities of Trustees and auditors

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable Theatre 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.

We have been appointed auditor under the Companies Act 2006. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the parent Theatre's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the parent charitable Theatre's affairs as at 31 March 2016 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' report, incorporating the Group strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

Belgrade Theatre Trust (Coventry) Limited
(A company limited by guarantee)

Independent auditors' report to the members of Belgrade Theatre Trust (Coventry) Limited

Matters on which we are required to report by exception

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

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



Andrew Morris FCA (Senior statutory auditor)

for and on behalf of

Dalns LLP

Statutory Auditor
Chartered Accountants

Birmingham
22 September 2016

Belgrade Theatre Trust (Coventry) Limited
(A company limited by guarantee)
Consolidated statement of financial activities (Incorporating Income and expenditure account)
for the year ended 31 March 2016

	Note	Designated funds 2016 £	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Income and endowments from:						
Donations and legacies	4	361,586	31,914	1,925,525	2,319,025	1,886,765
Other trading activities	5	-	-	944,784	944,784	903,722
Investments	6	-	-	5,429	5,429	5,203
Charitable activities	7	-	-	2,727,001	2,727,001	2,245,857
Total income and endowments		361,586	31,914	5,602,739	5,996,239	5,041,547
Expenditure on:						
Raising funds	5, 8	-	-	687,265	687,265	713,903
Charitable activities	11,12	64,519	323,784	4,909,017	5,297,320	4,571,214
Total expenditure		64,519	323,784	5,596,282	5,984,585	5,285,117
Net income / (expenditure) before transfers		297,067	(291,870)	6,457	11,654	(243,570)
Transfers between Funds	22	148,414	-	(148,414)	-	-
Net income / (expenditure)		445,481	(291,870)	(141,957)	11,654	(243,570)
Net movement in funds		445,481	(291,870)	(141,957)	11,654	(243,570)
Reconciliation of funds:						
Total funds at 1 April 2015		1,702,485	10,461,702	370,732	12,534,919	12,778,489
Total funds at 31 March 2016		2,147,966	10,169,832	228,775	12,546,573	12,534,919

All activities relate to continuing operations.

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

The notes on pages 20 to 39 form part of these financial statements.

Belgrade Theatre Trust (Coventry) Limited
(A company limited by guarantee)
Registered number: 00593331

Consolidated balance sheet
as at 31 March 2016

	Note	£	2016 £	£	2015 £
Fixed assets					
Tangible assets	15		12,220,964		12,575,647
Current assets					
Stocks	18	57,696		40,934	
Debtors	19	344,397		186,566	
Cash and cash equivalent	25	1,585,757		1,271,210	
		1,987,850		1,498,710	
Creditors: amounts falling due within one year	20	(1,409,905)		(1,272,988)	
Net current assets			577,945		225,722
Total assets less current liabilities			12,798,909		12,801,369
Creditors: amounts falling due after more than one year	21		(252,336)		(266,450)
Net assets			12,546,573		12,534,919
Charity funds					
Designated funds	22		2,147,966		1,702,485
Restricted funds	22		10,169,832		10,461,702
Unrestricted funds	22		228,775		370,732
Total funds			12,546,573		12,534,919

The financial statements were approved by the Trustees on 22 September 2016 and signed on their behalf, by:


Mr S Fergusson, Chair

The notes on pages 20 to 39 form part of these financial statements.

Belgrade Theatre Trust (Coventry) Limited
(A company limited by guarantee)
Registered number: 00593331

Theatre balance sheet
as at 31 March 2016

	Note	£	2016 £	£	2015 £
Fixed assets					
Tangible assets	15		12,220,964		12,575,647
Investments	17		4		4
			<u>12,220,968</u>		<u>12,575,651</u>
Current assets					
Stocks	18	38,027		18,727	
Debtors	19	782,224		608,145	
Cash and cash equivalent		1,064,227		813,652	
		<u>1,884,478</u>		<u>1,440,524</u>	
Creditors: amounts falling due within one year	20	<u>(1,304,291)</u>		<u>(1,214,806)</u>	
Net current assets			<u>580,187</u>		<u>225,718</u>
Total assets less current liabilities			<u>12,801,155</u>		<u>12,801,369</u>
Creditors: amounts falling due after more than one year	21		<u>(252,336)</u>		<u>(266,450)</u>
Net assets			<u>12,548,819</u>		<u>12,534,919</u>
Charity funds					
Designated funds	22		2,017,022		1,702,485
Restricted funds	22		10,169,832		10,461,702
Unrestricted funds	22		361,965		370,732
Total funds			<u>12,548,819</u>		<u>12,534,919</u>

The financial statements were approved by the Trustees on 22 September 2016 and signed on their behalf, by:


Mr S Fergusson, Chair

The notes on pages 20 to 39 form part of these financial statements.

Belgrade Theatre Trust (Coventry) Limited
(A company limited by guarantee)

Consolidated cash flow statement
for the year ended 31 March 2016

	Note	2016 £	2015 £
Net cash inflow from operating activities			
Net cash provided by operating activities	24	<u>412,701</u>	<u>361,767</u>
Cash flows from investing activities:			
Interest received / paid		(8,750)	(9,437)
Proceeds from fixed asset		417	-
Purchase of fixed assets		<u>(76,380)</u>	<u>(168,090)</u>
Net cash used in Investing activities		<u>(84,713)</u>	<u>(177,527)</u>
Cash flows from financing activities:			
Repayments of long term loans		<u>(13,441)</u>	<u>(12,800)</u>
Net cash used in financing activities		<u>(13,441)</u>	<u>(12,800)</u>
Change In cash and cash equivalents in the year	25	314,547	171,440
Cash and cash equivalents brought forward		<u>1,271,210</u>	<u>1,099,770</u>
Cash and cash equivalents carried forward		<u>1,585,757</u>	<u>1,271,210</u>

Designated funds are required for future projects of £2.1m.

Belgrade Theatre Trust (Coventry) Limited
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 March 2016

1. Accounting policies

1.1 Basis of preparation of financial statements

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) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and the Generally Accepted Practice as it applies from 1 January 2015.

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

The Statement of financial activities (SOFA) and Balance sheet consolidate the financial statements of the Theatre and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the Theatre alone as permitted by section 408 of the Companies Act 2006.

The financial statements are prepared in sterling which is the functional currency of the charity.

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.

1.2 Reconciliation with previous Generally Accepted Accounting Practice

In preparing these financial statements, the Trustees have considered and confirmed no restatements were required in applying the accounting policies required by FRS 102.

1.3 General information

Belgrade Theatre Trust (Coventry) Limited is a charitable company incorporated under the Companies Act in England and Wales. The address of the registered office is given in the reference and administration section. The nature of the charity and groups activities are given in the Trustees report.

1.4 Going concern

The financial statements have been prepared on a going concern basis, the validity of which is dependent upon the charitable company continuing to receive adequate financial support from Coventry City Council and Arts Council England. Coventry City Council support is agreed on a one year rolling agreement and Arts Council England support has been agreed until March 2018.

The Trustees have prepared cash flow forecasts through to September 2017, incorporating the confirmed financial support from Coventry City Council and Arts Council England, which demonstrates that the group continues to be able to meet its liabilities as they fall due for a period of at least twelve months from the date of approval of these financial statements. The Trustees therefore feel that it is appropriate to prepare the financial statements on a going concern basis.

Belgrade Theatre Trust (Coventry) Limited
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 March 2016

1. Accounting policies (continued)

1.5 Fund accounting

Funds held by the Charity are either:

Unrestricted general funds - these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.

Designated funds - these are funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects.

Restricted funds - these are funds that can only be used for particular restricted purposes for specific future purposes or projects.

Further explanation of the nature and purpose of each fund is in the notes to the financial statements.

1.6 Income

All incoming resources including donations, gift, legacies and grants that provide core funding or are of general nature are included in the Statement of Financial Activities and are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when:

- a) the donors specify that donations and grants given to the charity must be used in future accounting periods; or
- b) the donor has imposed conditions which must be met before the charity has unconditional entitlement.

Income from commercial trading activities is recognised as earned (as the related goods and services are provided).

Investment income is recognised on a receivable basis.

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific service performance conditions is recognised as earned (as the related goods or services are provided). Grant income included in this category provides funding to support performance activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

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

Income is deferred when admission fee or performance related grants are receivable in advance of the performances or event to which they relate.

1. Accounting policies (continued)

1.7 Expenditure

Expenditure is recognised when a liability is incurred. Contractual arrangements and performance related grants are recognised as goods or services are supplied. Other grants payments are recognised when a constructive obligation arises that results in the payment being unavoidable.

Expenditure on raising funds are those costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities include expenditure associated with the staging of concerts, stage productions and educational programmes and include both the direct costs and support costs relating to these activities.

Governance costs included those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources.

1.8 Pensions

The company pays pension contributions into individual pension schemes on behalf of certain employees. The assets of each scheme are held separately from those of the company in independently administered funds. Contributions are charged to the income and expenditure account as they become payable in accordance with the rules of the schemes.

1.9 Tangible fixed assets and depreciation

Depreciation is charged by equal annual instalments commencing with the date of acquisition at rates estimated to write off their cost or valuation less any residual value over the expected useful lives which are as follows:

Long leasehold property	-	50 years
Furniture and fittings	-	3 to 10 years
Computer equipment	-	3 to 5 years
Event programme equipment	-	10 years
Sundry equipment	-	3 to 10 years
Motor vehicles	-	5 years
Theatre refurbishment	-	2 - 50 years

1.10 Investments

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

1.11 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Theatre; this is normally upon notification of the interest paid or payable by the Bank.

1. Accounting policies (continued)

1.12 Operating leases

Rentals under operating leases are charged on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.13 Debtors

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

1.14 Cash and Cash equivalents

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

1.15 Creditors and provisions

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

1.16 Financial instruments

The Theatre only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

1.17 Taxation

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 Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purpose.

1.18 Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less the estimated cost of disposal.

2. Legal constitution

The Belgrade Theatre Trust (Coventry) Limited is a company limited by guarantee and not having a share capital. The liability of each member in the event of winding up is limited to £1.

Belgrade Theatre Trust (Coventry) Limited
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 March 2016

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 1, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

Management have exercised their judgements on the depreciation rates used on tangible fixed assets.

4. Voluntary income

	Designated funds 2016 £	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Donations and legacies	361,586	-	93,780	455,366	59,225
Coventry City Council	-	-	844,918	844,918	844,918
Arts Council England	-	-	942,215	942,215	942,215
Arts Council England - Catalyst Arts	-	-	44,612	44,612	40,407
ERDF Capital Development income	-	19,914	-	19,914	-
Esmée Fairbairn funding	-	12,000	-	12,000	-
	<u>361,586</u>	<u>31,914</u>	<u>1,925,525</u>	<u>2,319,025</u>	<u>1,886,765</u>

In 2015, of the total income from donations, legacies and grant income of £1,886,765 was to unrestricted funds.

Belgrade Theatre Trust (Coventry) Limited
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 March 2016

5. Commercial trading operations and Investment in trading subsidiaries

The charity has two wholly owned trading subsidiaries Belgrade Theatre Enterprises Limited and Belgrade Theatre Productions Limited which are incorporated in England and Wales.

The financial results for Belgrade Theatre Enterprises Limited are shown below.

	2016	2015
	£	£
Income		
Ice cream and merchandise	119,862	96,802
Conferencing	61,450	84,195
BPS	714,175	671,878
Drama classes	17,440	13,311
Royalty receivable	31,857	37,536
	<hr/>	<hr/>
Total income	944,784	903,722
	<hr/>	<hr/>
Expenditure		
Cost of sales	623,257	613,113
Administrative expenses	49,833	16,185
Gift aid to parent	271,694	274,424
	<hr/>	<hr/>
Profit for the financial year	-	-
	<hr/>	<hr/>

In 2015, the income from trading activities of £903,722 was to unrestricted funds.

Belgrade Theatre Trust (Coventry) Limited
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 March 2016

The assets and liabilities of the subsidiary were:

	2016	2015
	£	£
Current assets	512,603	494,348
Creditors: amounts falling due within one year	(512,601)	(494,346)
	<hr/>	<hr/>
Total net assets	2	2
	<hr/>	<hr/>
Represented by:		
Called up share capital	2	2
	<hr/>	<hr/>
Shareholders funds	2	2
	<hr/>	<hr/>

Belgrade Theatre Trust (Coventry) Limited
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 March 2016

The financial results for Belgrade Theatre Productions Limited are shown below:

	2016 £
Sales	1,132,051
Cost of Sales	(1,132,051)
Administrative expenses	(2,244)
Theatre tax relief	67,705
Gift aid to parent	(67,705)
	<hr/>
Loss for the year	(2,244)
	<hr/> <hr/>

The assets and liabilities of the subsidiary were:

	2016 £
Current assets	67,675
Creditors: amounts falling due within one year	(69,918)
	<hr/>
Total net assets	(2,243)
	<hr/> <hr/>

Represented by:

Called up share capital	1
Profit and loss account	(2,244)
	<hr/>
Shareholders funds	(2,243)
	<hr/> <hr/>

Belgrade Theatre Trust (Coventry) Limited
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 March 2016

6. Income from Investments

	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Interest receivable	-	5,429	5,429	5,203

In 2015, the interest receivable of £5,203 was to unrestricted funds.

7. Income from charitable activities

	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Box office	-	2,130,281	2,130,281	1,971,182
Grant and other income	-	596,720	596,720	274,675
	-	2,727,001	2,727,001	2,245,857

In 2015, the income from charitable activities of £2,245,857 was to unrestricted funds.

8. Expenditure on raising funds

	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Fundraising cost of grants and donations	-	81,880	81,880	84,605

In 2015, the fundraising costs of £84,605 was to unrestricted funds.

9. Direct costs

	Operational Theatre Total 2016 £	Operational Theatre Total 2015 £
Production costs	3,407,729	2,986,199
Community education projects	409,337	247,935
Front of house costs	162,153	150,944
Production/activity, marketing and advertising	612,297	550,447
Premises costs	94,224	78,671
Interest payable	13,999	14,640
	4,699,739	4,028,836

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9. Direct costs (continued)

In 2015, of the total expenditure, £31,371 was from designated funds and £309,792 was from restricted funds.
 Number of performances in 2016 was 531 (2015: 421).

10. Support costs

	Operational Theatre Total 2016 £	Operational Theatre Total 2015 £
Administration staff costs	341,009	285,519
Administration overheads	167,977	164,794
IT costs	67,237	67,044
Legal and professional charges	7,580	12,134
	<u><u>583,803</u></u>	<u><u>529,491</u></u>

In 2015, expenditure of £529,491 was from unrestricted funds.

11. Analysis of resources expended by activities

	Activities undertaken directly 2016 £	Support costs 2016 £	Total 2016 £	Total 2015 £
Operational Theatre	<u><u>4,699,739</u></u>	<u><u>583,803</u></u>	<u><u>5,283,542</u></u>	<u><u>4,558,327</u></u>

12. Governance costs

	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Auditors' remuneration	-	6,300	6,300	6,300
Legal and professional services	-	7,478	7,478	6,587
	<u><u>-</u></u>	<u><u>13,778</u></u>	<u><u>13,778</u></u>	<u><u>12,887</u></u>

The amount of administration support costs in connection with governance matters is considered insignificant.

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13. Net incoming resources/(resources expended)

This is stated after charging:

	2016 £	2015 £
Auditors' remuneration	6,300	6,300
Depreciation on tangible fixed assets:		
- owned by the charitable group	429,240	424,658
Operating lease rentals	41,000	41,000
	<u>476,540</u>	<u>471,958</u>

14. Staff costs

	2016 £	2015 £
Wages and salaries (including actors)	2,543,583	2,140,434
Social security and pension costs	167,160	146,971
	<u>2,710,743</u>	<u>2,287,405</u>

Trustees' emoluments including pension contributions

	2016 £	2015 £
Senior officers' emoluments	146,032	134,657

All other members of the board of management act in an unpaid capacity.

The senior officers were appointed directors / trustees on 6 October 2005; Joanna Reid and Hamish Glen. They are paid in respect of their duties as employees, notwithstanding that they may also be directors / trustees of the charity company. Following approval from the Charity Commission the Charity's Memorandum & Articles of association have been altered accordingly.

Two senior officers received reimbursement of expenses of £2,963 (2015: £2,351). These expenses related to expenses paid on behalf of the Charity. They did not relate to expenses incurred in acting as a Trustee of the Charity.

Employees

One employee earned between £60,000 - £70,000 p.a. (2015: one)

One employee earned between £70,000 - £80,000 p.a. (2015: one)

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14. Staff costs note (continued)

Average number employed

	2016 Number	2015 Number
Actors and production	41	33
Front of house, box office and cleaning	50	47
Marketing	7	6
Administration	10	8
	<hr/> 108 <hr/>	<hr/> 94 <hr/>

Full time equivalent

	2016 Number	2015 Number
Actors and production	36	28
Front of house, box office and cleaning	26	30
Marketing	7	6
Administration	9	8
	<hr/> 78 <hr/>	<hr/> 72 <hr/>

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15. Tangible fixed assets

Group and Theatre	Long leasehold property £	Theatre refurbishment £	Events equipment £	Furniture, equipment & vehicles £	Total £
Cost					
At 1 April 2015	740,026	15,035,417	505,920	1,533,378	17,814,741
Additions	-	29,886	-	46,494	76,380
Disposals	-	-	-	(12,866)	(12,866)
At 31 March 2016	740,026	15,065,303	505,920	1,567,006	17,878,255
Depreciation					
At 1 April 2015	122,819	3,490,501	505,920	1,119,854	5,239,094
Charge for the year	14,801	321,576	-	92,863	429,240
On disposals	-	-	-	(11,043)	(11,043)
At 31 March 2016	137,620	3,812,077	505,920	1,201,674	5,657,291
Net book value					
At 31 March 2016	602,406	11,253,226	-	365,332	12,220,964
At 31 March 2015	617,207	11,544,916	-	413,524	12,575,647

Secured assets

The fixed assets of the charity are secured by way of a legal charge, made on 16 November 2005, securing all monies and obligations should it be necessary to repay a grant made by the Arts Council England to the Charity for the purposes of the acquisition, re-development, extending and equipping of The Belgrade Theatre, Coventry

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Notes to the financial statements
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16. Operating lease commitments

At 31 March 2016 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Land and buildings		2016	Other
	2016	2015		
Group and Charity	£	£	£	£
Expiry date:				
Within 1 year	53,520	52,520	-	-
Between 2 and 5 years	214,080	214,080	-	-
After more than 5 years	1,749,640	1,803,160	-	-
Total	2,017,240	2,069,760	-	-

17. Fixed asset investments

	Shares in group undertakings £
Theatre	
Cost	
At 1 April 2015 and 31 March 2016	4
Theatre investments at cost comprise:	
	2016 £
Group undertakings	4

Investments in group undertakings are in the following subsidiaries:

Belgrade Theatre Enterprises Limited
Belgrade Theatre Productions Limited
Belgrade Theatre Commercial Limited (dormant)

18. Stocks

	Group		Theatre	
	2016	2015	2016	2015
	£	£	£	£
Materials and goods for resale	55,306	22,999	38,027	18,727
Work in progress	2,390	17,935	-	-
	57,696	40,934	38,027	18,727

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19. Debtors

	<u>Group</u>		<u>Theatre</u>	
	2016	2015	2016	2015
	£	£	£	£
Trade debtors	53,016	77,815	15,602	72,160
Amounts owed by group undertakings	-	-	476,906	436,162
Other debtors	49,927	32,602	48,262	24,337
Prepayments and accrued income	241,454	76,149	241,454	75,486
	<u>344,397</u>	<u>186,566</u>	<u>782,224</u>	<u>608,145</u>

The amounts due from the group undertakings represent the gift aid payment due together with normal commercial recharges.

20. Creditors: Amounts falling due within one year

	<u>Group</u>		<u>Theatre</u>	
	2016	2015	2016	2015
	£	£	£	£
Coventry City Council loan	14,113	13,440	14,113	13,440
Trade creditors	220,725	239,301	198,974	232,495
Other taxation and social security	41,643	46,268	7,481	46,268
Deferred income	732,494	684,596	689,616	648,183
Accruals	400,930	289,383	394,107	274,420
	<u>1,409,905</u>	<u>1,272,988</u>	<u>1,304,291</u>	<u>1,214,806</u>

	<u>Group</u>	<u>Theatre</u>
	£	£
Deferred income		
Deferred income at 1 April 2015	(684,596)	(648,183)
Resources deferred during the year	(732,494)	(689,616)
Amounts released from previous years	684,596	648,183
Deferred income at 31 March 2016	<u>(732,494)</u>	<u>(689,616)</u>

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Notes to the financial statements
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21. Creditors: Amounts falling due after more than one year

	Group		Theatre	
	2016	2015	2016	2015
	£	£	£	£
Coventry City Council loan	252,336	266,450	252,336	266,450

Included within the above are amounts falling due as follows:

	Group		Theatre	
	2016	2015	2016	2015
	£	£	£	£
Between one and two years				
Other loans	14,805	14,110	14,805	14,110
Between two and five years				
Other loans	49,051	46,720	49,051	46,720
Over five years				
Other loans	188,480	205,620	188,480	205,620

Creditors include amounts not wholly repayable within 5 years as follows:

	Group		Theatre	
	2016	2015	2016	2015
	£	£	£	£
Repayable by instalments	188,480	205,620	188,480	205,620

The Coventry City Council loan is repayable in annual repayments of £27,440 from 1 April 2010 to 31 March 2029 and the sum of £17,310 from 1 April 2029 to 31 March 2030. Interest on the loan is calculated at 5%.

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Notes to the financial statements
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22. Statement of funds

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers In/out £	Carried Forward £
Unrestricted funds					
General fund	370,732	5,602,739	(5,596,282)	(148,414)	228,775
Designated funds					
Leasehold office buildings	267,316	-	(7,638)	-	259,678
Renewals reserve	69,473	-	-	-	69,473
Lighting & sound desks 2013	50,832	-	(5,725)	-	45,107
Capital development project 2007	600,000	-	-	10,000	610,000
Revenue projects/ UK City of Culture	250,000	-	-	-	250,000
E-Marketing project	25,000	-	-	-	25,000
Red Lane improvement 2013	249,319	-	(7,163)	-	242,156
Air cooling project 2012	73,345	-	(10,918)	-	62,427
TiE festival celebration reserve	30,000	-	(25,605)	-	4,395
CNC router project 2015	87,200	-	(7,470)	-	79,730
Auditorium refurbishment	-	361,586	-	138,414	500,000
	<u>1,702,485</u>	<u>361,586</u>	<u>(64,519)</u>	<u>148,414</u>	<u>2,147,966</u>
Restricted funds					
	Brought Forward £	Incoming resources £	Resources Expended £	Transfers In/out £	Carried Forward £
Capital development projects	10,461,702	-	(309,792)	-	10,151,910
ERDF - Capital grant	-	19,914	(1,992)	-	17,922
Esmée Fairbairn Foundation funding	-	12,000	(12,000)	-	-
	<u>10,461,702</u>	<u>31,914</u>	<u>(323,784)</u>	<u>-</u>	<u>10,169,832</u>
Total of funds	<u>12,534,919</u>	<u>5,996,239</u>	<u>(5,984,585)</u>	<u>-</u>	<u>12,546,573</u>

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Designated funds

Leasehold office buildings

This designated fund represents the capital element of the asset less the loan from Coventry City Council. The loan has now been repaid hence the outstanding amount is the capital element.

Renewals reserve

This designated fund is being built up to cover any required renewals, repairs or maintenance on the Theatre and its equipment.

Lighting & sound desks 2013

This designated fund represents the cost of renewals made in 2013.

Capital development project 2007

This designated fund represents the element of the capital development project which the charity is to fund itself.

Revenue projects

This designated fund is being created from trading surpluses to allow the Theatre to increase its core activity of producing shows, the Community & Education programme and programming the new B2 auditorium.

E-Marketing projects

This designated fund has been created to cover known and anticipated web and new media marketing projects.

Red Lane Improvement project 2013

This designated fund has been created to cover known and anticipated improvements to the leased property.

Air cooling retification project 2012

This designated fund represents retifications made to the air cooling system within the Theatre. It is represented by fixed assets.

TiE festival celebration reserve

This designated fund has been created to fund a celebration in 2015 on the occasion of the 50th Anniversary of the birth of TiE.

CNC Project

This designated fund has been created to fund the installation of a CNC router for set making.

Auditorium refurbishment

This designated fund has been created towards known and anticipated costs for a future Front of House refurbishment project.

Restricted funds

Capital development projects

This fund was established out of the various grants and donation awarded for the above projects. It is represented by fixed assets.

ERDF funding

Part funding for the CNC Router and associated capital works at Red Lane, applied for through the Growth Hub

Esmée Fairbairn funding

1st annual instalment for a three-year project "Arts Gymnasium", working with older people, using theatre as a way to improve physical and emotional health & well being.

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22. Statement of funds (continued)

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Carried Forward £
Unrestricted funds	370,732	5,602,739	(5,596,282)	(148,414)	228,775
Designated funds	1,702,485	361,586	(64,519)	148,414	2,147,966
Restricted funds	10,461,702	31,914	(323,784)	-	10,169,832
	<u>12,534,919</u>	<u>5,996,239</u>	<u>(5,984,585)</u>	<u>-</u>	<u>12,546,573</u>

23. Analysis of net assets between funds

	Designated funds 2016 £	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	1,211,898	10,169,832	839,234	12,220,964	12,575,646
Current assets	936,068	68,000	983,781	1,987,849	537,610
Creditors due within one year	-	(68,000)	(1,341,904)	(1,409,904)	(1,272,978)
Creditors due in more than one year	-	-	(252,336)	(252,336)	(266,450)
	<u>2,147,966</u>	<u>10,169,832</u>	<u>228,775</u>	<u>12,546,573</u>	<u>12,534,919</u>

24. Reconciliation of net movement in funds to net cash flow from operating activities

	2016 £	2015 £
Net income/(expenditure) for the year (as per Statement of financial activities)	11,654	(243,570)
Adjustment for:		
Depreciation of tangible fixed assets	429,240	424,658
Returns on investments and servicing of finance	8,750	9,437
Loss on the sale of fixed assets	1,406	-
Increase in stocks	(16,762)	(7,205)
Increase in debtors	(157,831)	(27,328)
Increase in creditors	136,244	205,775
Net cash provided by operating activities	<u>412,701</u>	<u>361,767</u>

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25. Analysis of cash and cash equivalents

	2016	2015
	£	£
Cash in hand	522,795	483,889
Cash held in deposit accounts	1,062,962	787,321
Total	<u>1,585,757</u>	<u>1,271,210</u>

26. Related party transactions

The charity has claimed the exemption not to disclose transactions with companies within the group under section 33, Financial Reporting Standard 102 on the basis that consolidated financial statements are produced.