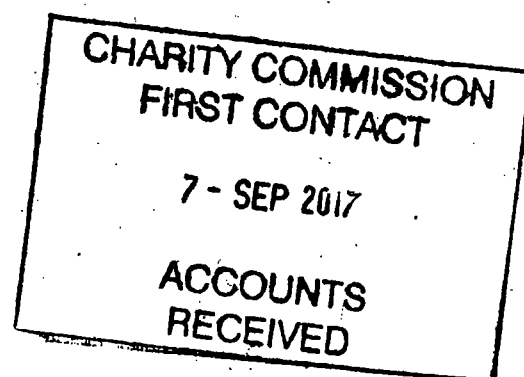


Registered Company No: 02720007  
Registered Charity No: 1034961

**THE ANVIL TRUST LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**31 MARCH 2017**



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**THE ANVIL TRUST LIMITED**  
**(Company Limited by Guarantee)**  
**COMPANY INFORMATION**

**Registered in England on 3 June 1992 - Number 02720007**

**Registered Charity – Number 1034961**

**Registered office**

The Anvil  
Churchill Way  
Basingstoke  
Hampshire  
RG21 7QR

**Directors / Trustees**

Laura Bell  
Ilana Bennett  
Cllr Keith Chapman MBE  
Aleí Duan  
Andrew Finney (Chairman)  
Steven Hayward  
Mary Monfries  
Chris Smith  
Cllr Marilyn Tucker

**Chief Executive**

Christine Bradwell

**Company Secretary**

Christine Bradwell

**Registered Auditor**

RSM UK Audit LLP  
Highfield Court  
Tollgate, Chandler's Ford  
Eastleigh  
Hampshire  
SO53 3TY

**Bankers**

Barclays Bank plc  
Apex Plaza  
Ground Floor  
PO Box 2881  
Reading  
Berkshire  
BX3 2BB

**THE ANVIL TRUST LIMITED**  
**(Company Limited by Guarantee)**  
**DIRECTORS' REPORT INCLUSIVE OF STRATEGIC REPORT**

The trustees are pleased to present their annual directors' report together with the financial statements of the charity for the year ending 31 March 2017 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Structure**

The company is limited by guarantee, and the guarantee of each member is limited to £25. The governing instrument is the Memorandum and Articles of Association.

**Governance and management**

The Anvil Trust benefits from a skilled and committed Board of Directors, who are also known as the Trustees throughout these accounts.

**Directors**

The Directors in office at the end of the year and those who have served during the year under review were:

Laura Bell (Appointed 19<sup>th</sup> April 2016)  
Ilana Bennett  
Frances Candler (retired 19<sup>th</sup> April 2016)  
Cllr Keith Chapman MBE  
Dr Alei Duan (Appointed 19<sup>th</sup> April 2016)  
Andrew Finney (Chairman)  
Steven Hayward (Appointed 19<sup>th</sup> April 2016)  
Cllr John Leek (retired 19<sup>th</sup> April 2016)  
Mary Monfries  
Chris Smith  
Cllr Marilyn Tucker (Appointed 12<sup>th</sup> May 2016)

All of the above are members of the company and are required to contribute up to £25 to the company in the event of it being wound up.

The Board regularly reviews membership and uses "skills set" analysis as the major criterion for recruitment. There is a recruitment committee of the Board which interviews potential new members.

There is a job description for Board members and the Chairman. Induction training for new members includes a briefing and detailed information from the Chief Executive and Chairman about the organisation and the aims of the Trust. Induction on the role and responsibilities of Directors is dependent upon the experience of new members.

Members receive on-going training through away days and professional training on specific issues such as equal opportunities.

**THE ANVIL TRUST LIMITED**  
**(Company Limited by Guarantee)**  
**DIRECTORS' REPORT INCLUSIVE OF STRATEGIC REPORT (continued)**

**Risk management**

The directors have overall responsibility for the system of risk management and internal control. The Anvil Trust has a risk management framework in place, which includes the following:

- The directors monitor progress against the objectives set out in the 3 year business plan and a comprehensive review of the plan is carried out annually;
- Procedures are in place to identify risks that the charity may face and the key risks are reported and reviewed by the directors. The full risk assessment register is reviewed by the trustees on an annual basis;
- Reporting includes the operation of the controls that mitigate risks, including the systems and procedures in place. Key financial controls include; established authorisation levels for expenditure, cheque signing and investment, monthly reviews of key financial and operational information.

Through the procedures and reporting in place, the directors are able to evaluate the effectiveness of internal controls and confirm that key risk areas are being identified and management controls implemented.

**OBJECTIVES AND ACTIVITIES**

**Our Vision**

- To be a catalyst for Great Performance – Live, and enhance the lives of those living in, working in, or visiting the Borough of Basingstoke and Deane.
- To be a regional and national example of good practice in innovative support for performing and participatory arts.

**Our Aims**

- To present and support work of the highest quality.
- To create educational and participatory opportunities that include all members of our community.
- To present and create work that celebrates cultural diversity.
- To provide the people of Basingstoke and Deane and beyond with a centre of excellence that enhances the image and reputation of the borough.
- To provide a service that is noted for accessibility, courtesy and efficiency.
- To be an excellent employer.

**For the Benefit of:**

Those who live in, work in or visit the Borough of Basingstoke and Deane, the County of Hampshire and beyond.

Artists and audiences from all sections of society.

**THE ANVIL TRUST LIMITED**  
**(Company Limited by Guarantee)**  
**DIRECTORS' REPORT INCLUSIVE OF STRATEGIC REPORT (continued)**

**Achieved by:**

An annual programme of performances and events that is wide ranging on all levels. In 2016/17 this included professional performances, amateur performances and educational and community workshops.

**Measured by:**

Clearly defined performance indicators that include quantitative and qualitative targets. These include the numbers of ticket sales/users, postcode analysis of users, local authority and commissioned satisfaction surveys.

**Public Benefit**

The Directors have taken due consideration of the Charity Commission guidance on Public Benefit in reviewing the charity's objectives and activities.

**ACHIEVEMENT AND PERFORMANCE**

The Anvil Trust is a registered educational charity limited by guarantee, whose purpose is to provide audiences in Basingstoke and Deane, Hampshire and across the region with positive experiences of a world class arts, entertainment and participation programme.

Contained within our Service Level Agreements with Basingstoke and Deane Borough Council, Arts Council England, and Hampshire County Council are a range of KPIs that indicate how we fulfil this purpose. They include quantitative indicators, for instance audience and performance figures, and qualitative indicators that are evidenced through customer and artist satisfaction and professional peer and critical reviews.

The Anvil Trust continued to be successful while operating in a very challenging economic environment. Another positive financial outturn for the year was achieved while delivering more than 400 performances to almost 180,000 people, engagement with some 35,000 young people and outstanding levels of audience satisfaction, which all contributed to another successful year.

The partnership working which has enabled the organisation to flourish remained at its heart. Our Artistic Associates, the Philharmonia Orchestra, Orchestra of the Age of Enlightenment and Brodowski String Quartet, not only gave outstanding concerts, but revelled in their work with children and families in our community. The excitement and energy produced in the audience by the Orchestra Unwrapped concert was extraordinary. We continued to support the Basingstoke Purple Flag Award and the Basingstoke Festival and developed new partnerships with sheltered housing providers and day centres.

Our engagement with those in our community on the autistic spectrum continued through successful relaxed performances of both Christmas productions, live relaxed relays of selected orchestral concerts, and the extraordinary production *Living with Luke* at The Haymarket.

As an outstanding concert hall, The Anvil played host to memorable performances by the Bergen Philharmonic and Zurich Chamber orchestras, and was pleased to welcome back Sir Simon Rattle with the Orchestra of the Age of Enlightenment. Other types of music were strongly represented by performers such as the Kronos Quartet, Canzoniere Grecanico Salentino and Ernest Ranglin. Together with our Artistic Associates, we continue to seek ways to develop the audience for classical music. The support of Arts Council England and our Great Music of the World fund is invaluable.

The Board finalised negotiations with Basingstoke and Deane Borough to ensure that we not only preserve but enhance the role of Anvil Arts in making the Borough a vibrant and successful place for all those who live in, work in and visit it.

**THE ANVIL TRUST LIMITED**  
**(Company Limited by Guarantee)**  
**DIRECTORS' REPORT INCLUSIVE OF STRATEGIC REPORT (continued)**

Investment in the arts remains uncertain and the Board supports initiatives by the executive to broaden the income base of the Trust. The Board approves the risk strategy and receives regular updates against the risk register.

**FUTURE PLANS**

There is no doubt that the on-going support of Basingstoke and Deane Borough Council is essential to the future of The Anvil Trust. We will be working closely with the Council to ensure we not only preserve but further develop the role that Anvil Arts plays in making Basingstoke and Deane vibrant, successful and welcoming to those who live in, work in and visit the Borough.

Investment in the arts remains uncertain and the Board supports initiatives by the executive to broaden the income base of the Trust.

**Equality and diversity in recruitment**

Of the people who applied for the 2 permanent full time positions, 42 were of a white British background, 2 were of a Black or Black British background, 1 was Mixed White & Black African, 4 white other and 3 were not disclosed.

Of the 35 people who applied for the 12 permanent part time positions, 27 were of a white British background, 2 white other and 6 were not disclosed.

Of the 2 permanent full time positions we appointed 2 white British.

Of the 12 permanent part time positions we appointed 12 white British.

**FINANCIAL REVIEW**

The statement of financial activities on page 9 shows another successful year with a final unrestricted fund of £1,527,800. The balance on the restricted funds stands at £329,671. The composition of the restricted funds is shown in note 23 to the accounts. The General Fund

The main sources of income are from the public sale of tickets for performances, bar sales, and grant aid from Basingstoke and Deane Borough Council, Arts Council England and Hampshire County Council. Basingstoke and Deane Borough Council provides a revenue grant based on an agreed programme of work to be provided by The Anvil Trust which is defined in its annual Service Level Agreement. Legislation required that The Anvil Trust be charged a fair market rent of £149,250 for The Anvil. The Anvil Trust has also been charged £1,250 for 35-41, Essex Road, £65,000 for The Haymarket during the year. Basingstoke and Deane Borough Council provided a full rent subsidy to cover the amounts due.

**Reserves policy**

A number of reserves are in place to fulfil the objectives and Strategic Plan of The Anvil Trust, in particular to provide a vehicle for innovation and both to educate and entertain in the provision of great performance. The Anvil Trust's reserves policy is reviewed annually to confirm appropriateness of approved levels and that the policy is being operated satisfactorily. All reserves have appropriate limits and objectives, and release of reserves is subject to budgeting and prior authorisation.

The following main reserves are in place:

**Unrestricted Fund:**

To seek to maintain a minimum fund level to cover contingency operating issues for the operational fabric of the building (to a maximum of 6 months).

**Restricted Funds:**

Hampshire County Council awarded grants to Anvil Arts and Turner Simms to deliver the New Dimensions in Music Performance and Participation, these projects are still ongoing. There is a balance left from the grant received from Eli Lilly to enable the trust to investigate Corporate Fundraising. Both

## **THE ANVIL TRUST LIMITED**

**(Company Limited by Guarantee)**

### **DIRECTORS' REPORT INCLUSIVE OF STRATEGIC REPORT (continued)**

grants are restricted funds. In addition, the "Great Music of the World Fund" has been established to fulfil our strategic aims and ensure that programming of international concerts can continue for the foreseeable future. The Great Music of the World fund has an upper limit of £400,000 to ensure that reserves are actively used and a minimum level of £100,000 established to provide sustainable investment.

#### **Designated Fund:**

Designated Funds have been set up to pay for future repairs and maintenance, musical instruments, education projects, programme projects and fundraising projects. Transfers are made when we anticipate future requirements. They will be released over the next five years when the expenditure is incurred.

The board reviews the requirements annually.

#### **Going Concern**

The accounts have been drawn up on the basis of the charitable company continuing as a going concern in the foreseeable future. The company has received assurances from Basingstoke and Deane Borough Council that a revenue grant of £914,468 will be made available during the year to 31 March 2018 and Basingstoke and Deane Borough Council have also indicated their commitment to continue to offer on-going revenue support for a further four years.

#### **Statement as to disclosure of information to the auditor**

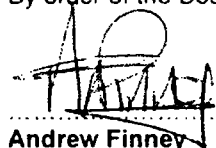
The directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

#### **Auditor**

A resolution to reappoint RSM UK Audit LLP will be put to the members at the next AGM.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (effective 1 January 2015) and in accordance with the exemptions available for small entities under the Companies Act.

By order of the Board



**Andrew Finney**  
Chairman

Date

18th July 2017

The Anvil  
Churchill Way  
Basingstoke  
Hampshire  
RG21 7QE

Charity No: 1034961



**THE ANVIL TRUST LIMITED**  
**(Company Limited by Guarantee)**  
**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees (who are also directors of The Anvil Trust 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:

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

The trustees are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Acts 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.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ANVIL TRUST LIMITED

## Opinion on financial statements

We have audited the financial statements of The Anvil Trust (the 'charitable company') for the year ended 31 March 2017 on pages 9 to 25. 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".

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

## Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report and the incorporated Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements and, based on the work undertaken in the course of our audit, the Directors' Report and the incorporated Strategic Report have been prepared in accordance with applicable legal requirements.

## Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report and the incorporated Strategic Report.

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:

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

## Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' responsibilities 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.

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 (APB's) Ethical Standards for Auditors.

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

*RSM UK Audit LLP*

KEVIN BARWICK (Senior Statutory Auditor)  
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor  
Chartered Accountants  
Highfield Court  
Tollgate  
SO53 3TY

*28 July 2017*

**THE ANVIL TRUST LIMITED**  
**(Company Limited by Guarantee)**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 MARCH 2017**

		Unrestricted funds	Restricted funds	Total funds 2017	Total funds 2016
	Notes	£	£	£	£
<b>Income</b>					
Donations and legacies	3	2,264	9,338	11,602	91,852
<i>Income from charitable activities:</i>					
Operation of concert hall and theatre	4	4,610,763	-	4,610,763	4,888,029
Investment income	5	17,046	1,227	18,273	18,493
<b>Total income</b>		<b>4,630,073</b>	<b>10,565</b>	<b>4,640,638</b>	<b>4,998,374</b>
<b>Expenditure</b>					
<i>Expenditure on charitable activities:</i>					
Operation of concert hall and theatre	6	4,646,068	55,202	4,701,270	4,819,003
<b>Total expenditure</b>		<b>4,646,068</b>	<b>55,202</b>	<b>4,701,270</b>	<b>4,819,003</b>
<b>Net movement in funds / net income for the year</b>		<b>(15,995)</b>	<b>(44,637)</b>	<b>(60,632)</b>	<b>179,371</b>
Fund balances brought forward at 1 April 2016		1,543,795	374,308	1,918,103	1,738,732
<b>Fund balance carried forward at 31 March 2017</b>		<b>1,527,800</b>	<b>329,671</b>	<b>1,857,471</b>	<b>1,918,103</b>

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

All income and expenditure derive from continuing activities.


**THE ANVIL TRUST LIMITED**  
**(Company Limited by Guarantee)**  
**BALANCE SHEET AS AT 31 MARCH 2017**

**Registered Company No: 02720007**  
**Registered Charity No: 1034961**

		2017 £	2017 £	2016 £	2016 £
	Notes				
<b>Fixed assets</b>					
Tangible assets	14		101,605		82,416
Investments	15		2		2
			<u>101,607</u>		<u>82,418</u>
<b>Current assets</b>					
Stock	16	16,643		15,920	
Debtors	17	254,748		139,465	
Investments	18	1,413,599		1,262,973	
Cash at bank and in hand		<u>1,561,193</u>		<u>1,642,517</u>	
		3,246,183		3,060,875	
<b>Creditors: amounts falling due within one year</b>	19	(1,490,319)		(1,225,190)	
<b>Net current assets</b>			<u>1,755,864</u>		<u>1,835,685</u>
<b>Net assets</b>			<u>1,857,471</u>		<u>1,918,103</u>
<b>The funds of the charity</b>					
Restricted funds	21		329,671		374,308
Designated funds	21		746,941		762,936
Unrestricted funds	21		780,859		780,859
<b>Total charity funds</b>			<u>1,857,471</u>		<u>1,918,103</u>

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The Financial Statements on pages 9 to 25 were approved and authorised for issue by the Board of Trustees on 15th July 2017 and are signed on its behalf by:

  
 Andrew Finney  
 Chairman

**THE ANVIL TRUST LIMITED**  
**(Company Limited by Guarantee)**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

	Notes	2017 £	2016 £
<b>Cash used in operating activities</b>	<b>30</b>	122,535	60,415
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(71,506)	(51,063)
Interest income		18,273	18,493
<b>Cash provided by/(used in) investing activities</b>		<b>(53,233)</b>	<b>(32,570)</b>
Increase in cash and cash equivalents in the year		69,302	27,845
Cash and cash equivalents at the beginning of the year		2,905,490	2,877,645
<b>Total cash and cash equivalents at the end of the year</b>		<b>2,974,792</b>	<b>2,905,490</b>
Relating to:-			
Investments		1,413,599	1,262,973
Cash at Bank and in Hand		1,561,193	1,642,517
		<b>2,974,792</b>	<b>2,905,490</b>

# **THE ANVIL TRUST LIMITED**

**(Company Limited by Guarantee)**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017**

### **1 PRINCIPAL ACCOUNTING POLICIES**

The accounting policies adopted by the charitable company are as follows:-

#### **Basis of preparation**

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) and the Companies Act 2006.

The Anvil Trust 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.

#### **Reconciliation with previous Generally Accepted Accounting Practice**

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required.

#### **Preparation of the accounts on a going concern basis**

The company has received assurances from Basingstoke and Deane Borough Council that a revenue grant of £914,468 will be made available during the year to 31 March 2018 and Basingstoke and Deane Borough Council have also indicated their commitment to continue to offer on-going revenue support for a further four years. The accounts have therefore been drawn up on the basis of the charitable company continuing as a going concern in the foreseeable future.

#### **Donations and grants**

Income from donations and grants, including capital grants, is included in incoming resources when these are receivable, except as follows:

- When donors specify that donations and grants given to the charity must be used in future accounting periods, the income is deferred until those periods.
- When donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met.
- When donors specify that donations and grants, including capital grants, are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable.

#### **Legacies**

Income from legacies is recognised the earlier of the date on which either:

- The charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or
- When a distribution is received from the estate.

**THE ANVIL TRUST LIMITED**  
**(Company Limited by Guarantee)**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31**  
**MARCH 2017**

**1 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**

**Legacies (continued)**

Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

**Charitable trading activities**

Income from performance admission fees and hire income is included in incoming resources in the period in which the relevant show / event takes place. Ancillary income is accounted for as and when it is received.

**Interest receivable**

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

**Expenditure and irrecoverable VAT**

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

- Costs of raising funds comprise the costs of commercial trading including the bar and coffee lounge and their associated support costs.
- Expenditure on charitable activities includes the costs of performances, exhibitions and other educational activities undertaken to further the purposes of the charity and their associated support costs.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

**Allocation of support costs**

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the Trusts artistic programmes and activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The basis on which support costs have been allocated are set out in notes 6, 7 and 8.

**Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or are capitalised as an intangible fixed asset or a tangible fixed asset.

Employees are entitled to carry forward up to 5 days of any unused holiday entitlement at the reporting date. The cost of any unused entitlement is recognised in the period in which the employee's services are received.

**THE ANVIL TRUST LIMITED**  
**(Company Limited by Guarantee)**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31**  
**MARCH 2017**

**1 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**

**Pension contributions**

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

**Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. The lower limit for capitalisation is £1,000. Items connected to the maintenance of the fabric and contents of the Anvil which are not deemed to be assets of the Trust are expensed in accordance with the terms of the lease referred to in note 25.

Depreciation is calculated to write off the cost of fixed assets to their estimated residual value over their expected useful lives to the business. The annual depreciation rates and method of calculation are as follows, additions have been charged a full year's depreciation:-

Improvements to premises	20% p.a. straight line
Bar and catering equipment	20% - 33⅓% p.a. straight line
Musical instruments	10% - 20% p.a. straight line
Plant and technical equipment	10% - 33⅓% p.a. straight line
Computer and office equipment	33⅓% p.a. straight line

**Operating leases**

Rentals payable under operating leases are charged to the statement of financial activities on a straight line basis over the term of the lease.

**Stock**

Stock is stated at the lower of cost and net realisable value.

**Liquid resources**

Liquid resources represent funds held by banks on short term deposit.

**Gifts in kind**

Gifts in kind are accounted for by charging the relevant expense with the value of the gifts and recognising the amount as sponsorship income or donation.

**Debtors**

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

**Cash at bank and in hand**

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

**Creditors and provisions**

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



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**1 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**

**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 the unrestricted general funds for specific future purposes or projects.
- Restricted funds – these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

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

**Financial instruments**

The trust 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**Judgements and key sources of estimation uncertainty**

In the application of the Charity's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying value 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 estimates is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The following judgements have had the most significant effect on amounts recognised in the financial statements.

**Stock**

No stock provision has been made based on experience that none is required.

**Debtors**

Where it is probable that debts will not be recovered, a bad debt provision will be made"

**THE ANVIL TRUST LIMITED****(Company Limited by Guarantee)****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017****2 LEGAL STATUS OF THE CHARITY**

The company is limited by guarantee and therefore has no share capital. In the event that the company is wound up the members together with any member in the preceding 12 months, are liable to contribute to the company up to a maximum of £25.

**3 INCOME FROM DONATIONS AND LEGACIES**

	2017 £	2016 £
Donations	11,602	6,852
Legacies	-	85,000
	<b>11,602</b>	<b>91,852</b>

The income from donations and legacies was £11,602 (2016: £91,852) of which £2,264 was unrestricted (2016: £2,322) and £9,338 (2016: £89,530) is restricted.

**4 INCOME FROM CHARITABLE ACTIVITIES**

	2017 £	2016 £
<i>Income from shows and performances:</i>		
Ticket income	2,457,967	2,745,762
Hiring fees	209,035	199,251
Income ancillary to the above	746,463	630,015
<i>Support from sponsors and local authorities:</i>		
Basingstoke and Deane Borough Council	983,299	1,035,052
Hampshire County Council	75,050	79,000
Arts Council England	138,949	138,949
Other grants	-	60,000
	<b>4,610,763</b>	<b>4,888,029</b>

The income from charitable activities was £4,610,763 (2016: £4,888,029) of which £4,610,763 was unrestricted (2016: £4,828,029) and £0 (2016: £60,000) is restricted.

The revenue grant for funding normal activities was £983,299 (2015: £1,035,052). This was paid by Basingstoke and Deane Borough Council in instalments during the financial year.

**5 INVESTMENT INCOME**

	2017 £	2016 £
Bank interest received	18,273	18,493
	<b>18,273</b>	<b>18,493</b>

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**6 ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES**

	Performances £ 2017	Performances £ 2016
Fees and direct costs on performances	2,222,789	2,367,368
Education and outreach	97,176	80,408
Marketing & Box Office	551,386	536,266
Buildings & Premises	515,352	402,239
Depreciation /Profit on Disposal	52,317	44,150
Governance costs (see note 8)	12,764	13,907
Support costs (see note 8)	1,249,486	1,374,665
<b>Total</b>	<b>4,701,270</b>	<b>4,819,003</b>

Expenditure on charitable activities was £4,701,270 (2016: £4,819,003) of which £4,646,068 was unrestricted (2016: £4,734,001) and £55,202 (2016: £85,002) is restricted.

**7 SUMMARY ANALYSIS OF EXPENDITURE AND RELATED INCOME FOR CHARITABLE ACTIVITIES**

Performances are the main charitable activity of the Trust, the cost of the charitable activities and the sources of income directly to support these activities are ticket income and hiring fees.

	Performances £ 2017	Performances £ 2016
Costs	2,222,789	2,367,368
Ticket Income & Hire Fees	2,667,002	2,745,762
	444,213	378,394
Direct grant support – Arts Council	138,949	138,949
	583,162	517,343

Arts Council England grant investment is received to support the artistic programme as The Anvil Trust is a Music client in the ACE National Portfolio of funded organisations 2015-18.

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**8 ANALYSIS OF GOVERNANCE AND SUPPORT COSTS**

The Anvil Trust Limited initially identified the costs of its support functions. It then identified those costs which relate to the governance function.

	<b>Governance</b>	<b>Support</b>	<b>Total</b>	<b>Basis of Appointment</b>
General	19	452,415	452,434	
Salaries, wages and related costs	1,309	797,071	798,380	% of staff time
Audit fees	11,400	-	11,400	Governance
Accountancy services	0	-	0	Governance
Bank Charges	36	-	36	Governance
	<b>12,764</b>	<b>1,249,486</b>	<b>1,262,250</b>	

Governance costs include an element of management time allocated on the basis of time spent in this area.

**9 NET INCOME FOR THE YEAR**

	<b>2017 £</b>	<b>2016 £</b>
<b>This is stated after charging:</b>		
Operating leases – equipment	4,728	2,930
Depreciation	51,271	45,700
Loss /(Profit) on Disposal	1,046	(1,550)
Trustee indemnity insurance	1,095	1,208
Auditor's remuneration:		
Audit fees	11,400	10,920
Accountancy	-	825

During the year The Anvil Trust Limited received a rent subsidy of £149,250 for the use of The Anvil concert hall in Basingstoke, £65,000 for the use of The Haymarket Theatre and £1,250 for the use of 35-41, Essex Road.

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**10 STAFF COSTS**

The average monthly head count was 111 staff (2016: 117 staff) and the average monthly number of full time equivalent employees during the year was as follows :

	2017 No.	2016 No.
Management	3	3
Administration and Sales	19	15
Buildings, Production and Technical	17	20
Operations and Front of House	14	16
	<u>53</u>	<u>54</u>

The aggregate payroll costs of these persons were as follows:-

	2017 £	2016 £
Wages and salaries	1,221,678	1,167,388
Social security costs	83,355	74,926
Pension costs	27,898	66,855
	<u>1,332,931</u>	<u>1,309,169</u>

In addition there were 11 directors (2016: 7) who served in office during the year who are not included above. No director received any remuneration or had any expenses reimbursed (2016: none).

The number of employees who earned over £60,000 p.a. is analysed as follows:-

	2017 £	2016 £
From £90,000 to £99,999	1	1
	<u>1</u>	<u>1</u>

During the year, the higher paid employee received benefits totalling £nil (2016: £10,098) under a money purchase pension scheme.

The key management personnel of the parent charity, the Trust, comprise the Trustees, the Chief Executive Officer, Deputy Chief Executive and Finance & HR Director of The Anvil Trust Limited. The total employee remuneration and benefits of the key management personnel of the Trust were:

	2017 £	2016 £
Wages and salaries	192,353	188,471
Social security costs	23,186	19,049
Pension costs	5,923	15,898
	<u>221,462</u>	<u>223,418</u>

**THE ANVIL TRUST LIMITED****(Company Limited by Guarantee)****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017****11 TAXATION**

The company is a registered charity and is exempt from corporation tax on non-trading activities for so long as the income is applied for charitable purposes within the original terms of the exemption. It is also exempt from corporation tax on minor trading activities, which are ancillary to its charitable activities.

**12 GOVERNMENT GRANTS**

Income from government grants comprises performance related grants made by local authorities to fund the artistic and theatrical programme of The Anvil Trust Limited. See note 4 for more information and to the amount and source of these grants.

**13 PENSION COSTS**

The company pays contributions, based on a percentage of salary, into one individual employee personal pension plan as stipulated in the terms and conditions of employment. The company paid 3% into the stakeholder pension scheme until April 2014. This pension scheme was converted to a work place pension scheme and the company pays 3% employers pension scheme for all eligible employees and other staff who were previously contracted into the stakeholder pension scheme. There was a balance outstanding at the year-end of £4,576 (2016: £4,204). The employer's contributions in the year were £27,898 (2016: £27,113).

**14 TANGIBLE FIXED ASSETS**

	Computers, furniture & office equipment £	Plant & technical equipment £	Bar and catering equipment £	Musical instruments £	Total £
<b>Cost</b>					
At 1 April 2016	212,042	425,775	125,647	99,968	863,432
Additions	26,779	44,727	-	-	71,506
Disposals	(102,563)	(30,151)	(28,335)	-	(161,049)
<b>At 31 March 2017</b>	<b>136,258</b>	<b>440,351</b>	<b>97,312</b>	<b>99,968</b>	<b>773,889</b>
<b>Depreciation</b>					
At 1 April 2016	191,825	383,032	106,191	99,968	781,016
Charge for the year	15,975	27,076	8,220	-	51,271
Disposals	(101,517)	(30,151)	(28,335)	-	(160,003)
<b>At 31 March 2017</b>	<b>106,283</b>	<b>379,957</b>	<b>86,076</b>	<b>99,968</b>	<b>672,284</b>
<b>Net book value</b>					
<b>At 31 March 2017</b>	<b>29,975</b>	<b>60,394</b>	<b>11,236</b>	<b>-</b>	<b>101,605</b>
<b>Net book value</b>					
<b>At 31 March 2016</b>	<b>20,217</b>	<b>42,743</b>	<b>19,456</b>	<b>-</b>	<b>82,416</b>

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**15 FIXED ASSET INVESTMENTS**

	Shares in group undertakings £
At 1 April 2016 and 31 March 2017	<u>2</u>

Subsidiary undertaking included as investment at the balance sheet date is:-

<b>Name of company:</b>	<b>Class of shares:</b>	<b>Holding:</b>	<b>Nature of business:</b>
Forge Enterprises Limited	Ordinary	100%	Dormant

The subsidiary undertaking is incorporated in England and Wales.

**16 STOCKS**

	2017 £	2016 £
Raw materials and consumables	702	338
Goods for resale	15,941	15,582
	<u>16,643</u>	<u>15,920</u>

**17 DEBTORS**

	2017 £	2016 £
Trade debtors	149,778	84,633
Other debtors	59,336	36,146
Prepayments and accrued income	45,634	18,686
	<u>254,748</u>	<u>139,465</u>

**18 CURRENT ASSET INVESTMENTS**

	2017 £	2016 £
Term deposits held with bankers	1,413,599	1,262,973
	<u>1,413,599</u>	<u>1,262,973</u>

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**19 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2017 £	2016 £
Trade creditors	423,116	222,278
Other taxation and social security	47,356	36,684
Other creditors	119,410	181,404
Amount owed to subsidiary	2	2
Accruals and deferred income	900,435	784,822
	<u>1,490,319</u>	<u>1,225,190</u>

**20 DEFERRED INCOME**

Deferred income comprises of advance ticket sales for shows after 31<sup>st</sup> March 2017 and of friends and corporate membership received during the year but relates in part to the following year(s).

	£
Balance as at 1 April 2016	638,946
Amount released to income earned from charitable activities	(3,026,359)
Amount deferred in year	3,180,164
Balance as at 31 March 2017	<u>792,751</u>

**21 FUNDS**

At 31 March 2017, unrestricted and restricted funds are analysed as follows:

	General funds £	Restricted funds £	Designated funds £	Total £
At 1 April 2016	780,859	374,308	762,936	1,918,103
Surplus/(deficit) for the year	44,096	(24,637)	(80,091)	(60,632)
Transfer between reserves	(44,096)	(20,000)	64,096	-
At 31 March 2017	<u>780,859</u>	<u>329,671</u>	<u>746,941</u>	<u>1,857,471</u>

General funds are the 'free reserves' after allowing for designated funds



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**22 DESIGNATED FUNDS**

	At 1 April 2016 £	Transfers £	Outgoing resources £	At 31 March 2017 £
Repairs and maintenance	445,731	34,096	(5,543)	474,284
Box Office	40,000	-	-	40,000
Basingstoke Partnerships	50,000	-	(43,215)	6,785
Development fund	12,895	-	(7,530)	5,365
Musical Instruments	-	10,000	-	10,000
Birthday Fund	-	20,000	-	20,000
Programme	137,000	-	(15,750)	121,250
Education	50,000	-	-	50,000
Consultancy	10,000	-	(4,950)	5,050
Equality Action Plan	10,000	-	(3,103)	6,897
Corporate Fundraising	7,310	-	-	7,310
	762,936	64,096	(80,091)	746,941

Designated funds represent monies set aside for specific purposes or projects in the short to medium term. The trustees regularly review the required future expenditure relating to premises and service delivery in order to ensure that adequate funds are designated for these purposes from general reserves.

**23 RESTRICTED FUNDS**

	At 1 April 2016 £	Incoming Resources £	Outgoing Resources £	At 31 March 2017 £
Great Music of the World	289,891	10,565	(20,011)	280,445
Linden Room Wines	670	-	(66)	604
New Dimensions	81,023	-	(35,125)	45,898
Eli Lilly – Corporate Fundraising	2,724	-	-	2,724
	374,308	10,565	(55,202)	329,671

Great Music of the World enables the Anvil to bring the best international music to Basingstoke and to increase the number and range of concerts.

New Dimensions was the grant receivable from Hampshire County Council awarded to Anvil Arts and Turner Simms to deliver the New Dimensions in Music Performance and Participation.

Linden Room Wines is the balance left from Linden Trust to be used for wine from Sainsbury's for receptions on Great Music of the World events.

Eli Lilly awarded a grant to be spent on consultants to investigate corporate fundraising.

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**24 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	General funds £	Designated funds £	Restricted funds £	Total Funds £
Tangible fixed assets	101,605	-	-	101,605
Investments	2	-	-	2
Cash at bank and in hand	1,898,180	746,941	329,671	2,974,792
Other current assets	271,391	-	-	271,391
Current liabilities	(1,490,319)	-	-	(1,490,319)
	<u>780,859</u>	<u>746,941</u>	<u>329,671</u>	<u>1,857,471</u>

**25 FINANCIAL COMMITMENTS**

The total future minimum lease payments under non-cancellable operating leases for plant and machinery (note 9) are as follows:

	2017 £	2016 £
Amounts due:		
Within one year	9,932	2,940
Expiring within two to five years	33,212	2,940
	<u>43,144</u>	<u>5,880</u>

The freehold of The Anvil is owned by Basingstoke and Deane Borough Council. Rent is payable at an annual rent of £149,250 in accordance with the lease dated 31 March 2014 the lease term is 20 years from 1 April 2014. The rent is fully subsidised by Basingstoke and Deane Borough Council.

The freehold of The Haymarket is owned by Basingstoke and Deane Borough Council and rent is payable at an annual rate of £65,000. The lease term is 15 years from 25 September 2007. The rent is fully subsidised by Basingstoke & Deane Borough Council.

**26 CAPITAL COMMITMENTS**

At 31 March 2017 The Anvil Trust Limited had contracted capital commitments of £nil (2016: £nil).

**27 ULTIMATE CONTROLLING PARTY**

The directors of The Anvil Trust Limited (who are also the trustees) are considered to be the ultimate controlling party of the group.

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**28 RELATED PARTIES**

In the year under review, John Leek and Marilyn Tucker were Borough Councillors of Basingstoke and Deane Borough Council and Keith Chapman was a Councillor of Hampshire County Council. These respective Bodies provide grant funding to The Anvil Trust Limited, the Councillors are not on the committees which determine such funding. Christine Bradwell, Chief Executive is also a trustee of UK Theatres, the Anvil Trust pays an annual membership fee of £nil (2016: £999) and purchases training for various staff of £200 (2016: £2,215).

**29 POST BALANCE SHEET EVENTS**

There have been no post balance sheet events.

**30 RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2017 £	2016 £
Net movement in funds	(60,632)	179,371
Add back depreciation charge	51,271	45,700
Loss on Disposal	1,046	-
Deduct interest income shown in investing activities	(18,273)	(18,493)
(Increase) / Decrease in stock	(723)	573
(Increase) / Decrease in debtors	(115,283)	161,479
Increase / (Decrease) in creditors	265,129	(308,215)
<b>Net cash used in operating activities</b>	<b>122,535</b>	<b>60,415</b>