

**The Bury St. Edmunds Theatre Management Limited**

(A company limited by guarantee and not having share capital)

Report and Financial Statements

Year ended 31 March 2017

## **Contents**

### **Page:**

3	Chairman's report
4	Report of the directors
13	Independent auditor's report
14	Consolidated Statement of financial activities (including income and expenditure account)
15	Consolidated balance sheet
16	Charity balance sheet
17	Consolidated statement of Cashflows
18	Notes forming part of the financial statements

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## **Directors**

R Quince (Chairman)	P Croft
M Redmond	E Michie
C Poole	A Brown
A Wayne	K Turner
M Wheeler	S Whybrew

## **Chief Executive and Artistic Director**

K Simpson

## **Company Secretary and registered office**

P Turner  
Westgate Street, Bury St Edmunds, Suffolk, IP33 1QR

## **Company number**

842455

## **Registered charity number**

242977

## **Auditors**

RSM UK Audit LLP, Abbotsgate House, Hollow Road, Bury St Edmunds, Suffolk, IP32 7FA

## **Bankers**

Lloyds Bank Plc, 28 Risbygate Street, Bury St Edmunds, Suffolk, IP33 3AH

**THE BURY ST EDMUNDS THEATRE MANAGEMENT LIMITED**  
**(A company limited by guarantee and not having share capital)**  
**Chairman's Report**

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I took over the chairmanship of The Bury St Edmunds Theatre Management Limited in mid-December 2016, following Stephen Bourne's decision to stand down after a successful four year term as Chair. I would like to start by thanking Stephen for his contribution towards ensuring the health of the Theatre, which is now on a solid footing and with great potential to develop further in a range of respects.

My wife and I have been supporters of the Theatre for the past 30 years and we and our family have enjoyed a huge number of performances over that period. It is a great institution for Bury St Edmunds and one in which I feel privileged now to play a more active role. The Charity has a strong Board of trustees, with a wide range of skills, the members of which are all totally committed to further developing the artistic programme and bringing in new audiences. Very ably led by Karen Simpson, Chief Executive and Artistic Director, the executive team is similarly strong and working really effectively as a group. We are well placed for the future.

Since becoming Chair I have undertaken a governance review, not because there were any particular issues but because it is easier to see the overall picture if one is not yet fully part of it. Following that review we have instituted a number of changes. These have two main objectives: first to increase the amount of involvement of the trustee board members (all of whom are non-executive, i.e. not involved in day to day management) so that their skills and experience can be better utilised to the benefit of Theatre Royal; and second to improve overall governance, so that the processes for making decisions are robust. The latter element is a good thing in itself but also crucially important in giving our external funders comfort that we are doing things in the right way and spending their money wisely.

We are deeply grateful to these external funders, of which three groups deserve special mention. We have a loyal band of corporate sponsors and individual benefactors without whom the Theatre's offering would be greatly diminished. Our two Councils, Suffolk County and St Edmundsbury are similarly supportive and have continued to make very significant financial contributions when their own funding has been under great pressure. Finally, Theatre Royal Supporters Group tirelessly raises money to enable us to invest in new equipment and improvements. As many will already know we lease the Theatre from the National Trust who while legally our landlord could not be more helpful and supportive, and who have been generous in the funds they have committed to maintaining and improving the physical fabric of our wonderful Grade 1 listed building.

Although we continue to operate under tight financial constraints, we have a clear strategy for the future focussed on developing the artistic programme and in particular making our own productions (or co-producing with others) and broadening our audience appeal, including but not confined to more work for children and young people, and families. I look forward to helping progress this agenda.

**Roger Quince,**  
**Chairman**

**THE BURY ST EDMUNDS THEATRE MANAGEMENT LIMITED**  
**(A company limited by guarantee and not having share capital)**  
**Report of the directors for the year ended 31 March 2017**

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The directors present their annual report together with the audited financial statements for the year ended 31 March 2017.

**Structure, governance and management**

*Governing document*

The charitable company was formed on 24 March 1965 to manage the Theatre Royal, Bury St Edmunds, which is sub leased from The National Trust. The charitable company is a registered charity, has no share capital and is limited by guarantee. Each member of the charitable company is liable for an amount not exceeding £1 and total members may not exceed 50.

*Organisation*

The directors of the Theatre determine the general policy of the charitable company. The day to day management of the Theatre is delegated to the Chief Executive and Artistic Director and the Executive Team. For this financial year the Chief Executive and Artistic Director was also a director of the charitable company.

Further details have been given in accordance with Charities SORP FRS102 and can be found on page 2.

*Appointment of directors*

The directors of the charitable company are its trustees for the purposes of charity law and throughout this report are collectively referred to as the directors. They serve terms of office in accordance with the charitable company's constitution and are appointed by the directors themselves. Directors are recruited through open advertising and interview. Prior to advertising the directors carry out an audit to identify gaps in expertise or representation among their number and advertise for suitable candidates accordingly.

The directors of the charitable company who have served since 1 April 2016 were:

S Bourne (Resigned 15/12/16))	M Wheeler
R Quince (Appointed 15/12/16)	E Michie
C Poole	A Brown
P Croft	S Whybrew
K Turner	K Simpson (Resigned 01/04/17)
M Redmond	A Wayne (Appointed 15/12/16)

The Directors meet bi-monthly, and there is a sub-committee for Resources (Finance & Administration) which meets in alternate months. A Development (Fundraising) Group also meets to advise on strategy and tactical delivery, but this sits outside the governance structure. The new Chair, Roger Quince undertook a Board review during the year and as a result new sub-committees for Marketing, Property, and Programming will form part of the directors meetings from 1 April 2017 each led by a Board Member.

*Director induction and training*

New directors undergo an induction which provides them with information about the organisation, its work and aspirations; 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 charitable company. They are also invited to meet key employees and discuss aspects of the charitable company's work relevant to their expertise. Guidance and induction is given by fellow Board members and the executive team.

*Connected parties and supporters*

One independent and separately registered charity exists in connection with The Bury St Edmunds Theatre Management Limited which is The Theatre Royal Foundation, registration number 1044027. Given its independence, this charity's results are not incorporated within these accounts. However, the objects of The Theatre Royal Foundation are the provision of financial support to the Theatre Royal. The Theatre Royal Supporters Group is also an independent fundraising group whose sole aim is to raise funds for Theatre Royal.

**THE BURY ST EDMUNDS THEATRE MANAGEMENT LIMITED**  
**(A company limited by guarantee and not having share capital)**  
**Report of the directors for the year ended 31 March 2017 (continued)**

The charitable company works closely with Greene King plc, the ultimate owners of the Theatre Royal building, and the National Trust, who lease the building from Greene King and to the charitable company. The building is a National Trust registered property.

The charitable company was in receipt of annual funding from Suffolk County Council and St Edmundsbury Borough Council during the year, both of whom appoint observers to the Board. The National Trust also appoints an observer.

*Principal risks and uncertainties*

The directors review and approve a budget and update the Business Plan of the charitable company annually. The Business Plan looks at a period of up to five years ahead, and its associated process is undertaken every three to five years and is a comprehensive and strategic plan setting out the major opportunities available to the Theatre and the risks to which it is exposed. The directors assess the major risks to which the charitable company is exposed to satisfy themselves that systems are in place to mitigate, as far as is practical, exposure to identified major risks. The charitable company has a Risk Register which is periodically reviewed by the Resources (Finance & Administration) Committee with any areas thought to be a major unmitigated risk brought to the attention of the full Board of Directors. Included in the Risk Register are issues that the Resources Committee consider to have a total 'high' risk profile. These are listed below together with actions to mitigate the relevant risk, the resulting mitigated risk level is also shown.

<b>Risk</b>	<b>Level</b>	<b>Mitigating action</b>	<b>Mitigated risk</b>
Reduction of Revenue Grants	High	Continue to work with and build relationships with funders. Suffolk County has agreed a 3 year funding deal and we will work with St Edmundsbury Borough Council to seek to do the same.	High
Availability of high quality affordable product	High	Build on relationships with national and regional Companies. Seek coproducing and collaborations with high brand organisations.	Medium
Lack of core funding	High	Ensure that funding core work is the priority. Continue to insure that realistic targets are set to support the core operations and drive the artistic programme.	High
Cashflow and working capital are insufficient to support activity.	High	Continue to ensure rigorous planning and projection regimes are in place to highlight pressure points in order for corrective action to be taken where necessary.	Medium
Equipment Failure – Technical	High	Regular maintenance and servicing. Staff training on best safe use. Identifying where capital investment is needed as funds allow.	Medium
Equipment Failure – Box Office system	High	Maintain service agreement on new system.	Low
Deterioration of building and facilities – Seats	High	Continue to complete seat recovering programme, continue to monitor effects of replacing mechanical seat elements with maintenance as required.	Low
Breaches of Health & Safety	High	Regular monitoring of health and safety practices. Training for staff and volunteers continues. Improve record keeping and related systems. Sign up to UK Theatre's Safertheatres campaign and direct support for the industry.	Medium

**THE BURY ST EDMUNDS THEATRE MANAGEMENT LIMITED**  
**(A company limited by guarantee and not having share capital)**  
**Report of the directors for the year ended 31 March 2017 (continued)**

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*Public benefit*

The directors have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing aims and objectives and in planning future activities. In particular, the directors consider how planned activities will contribute to the aims and objectives they have set. Directors consider that public benefit is achieved through the following strategies:-

- Offering a wide range of artistic programming, aiming to appeal to all sections of the community;
- Support to education, the community and amateur sector, offering space and resources for their productions and activities;
- Tours and workshops to outlying parts of the charitable company's geographical area bringing drama and musical offerings to those not able to visit the theatre premises;
- Programming captioned, signed and audio described performances where possible, enabling deaf, hard of hearing and visually impaired people to enjoy live theatre;
- Providing access for wheelchair users and those with mobility difficulties;
- Offering a wide range of heritage tours and talks in and around the theatre;
- Delivering creative workshops with community bodies and charities working with minority vulnerable and disenfranchised groups and developing engagement with the work on stage and wider opportunities offered by Theatre Royal;
- Working with schools on curriculum and cultural engagement projects at the theatre and in schools;
- Providing drama and theatre activities for people of all ages and ability at the theatre and in community venues enabling a wide range of people throughout the region to benefit;
- Offering subsidised and free places available to those in need;
- Offering a broad range of ticket prices, and further concessions for targeted groups, enable all sections of the community to attend performances at the theatre.

**Objects and Activities**

The mission of the charitable company is:

**Entertaining, exciting, enriching and creatively engaging audiences.**

The Bury St Edmunds Theatre Management Limited's charitable objectives are to:

*'promote, maintain, improve and advance education particularly by the production of educational plays and the encouragement of the Arts including the arts of drama, ballet, music, singing, literature, sculpture and painting and to formulate, prepare and establish schemes therefore provided that all the objects of the company shall be of a charitable nature.'*

The charitable company is committed to delivering great 'Theatre for All' through the presentation of a year round, high quality, entertaining programme of theatre and other performances at Theatre Royal Bury St Edmunds and across the region. It is committed to bringing the best theatre and entertainment to audiences and contributes to the national arts ecology.

The charitable company works in collaboration with artists and partners to ensure work of the highest quality is accessible for people in the region. It offers employment, learning and creative development for artists and the wider community through its participatory, artistic and education programmes.

**THE BURY ST EDMUNDS THEATRE MANAGEMENT LIMITED**  
**(A company limited by guarantee and not having share capital)**  
**Report of the directors for the year ended 31 March 2017 (continued)**

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The charitable company manages the Theatre Royal, Bury St Edmunds, a unique, intimate, 350 seat Grade 1 listed building and National Trust Property situated in a historic town in Suffolk and the only theatre building remaining from the Regency period. It therefore has an artistic and historic role to play within the cultural and educational landscape.

The aims and the activities provided are designed to:

- Develop the quality, diversity and reach of artistic, community and education work.
- Increase and reach more audiences and develop their engagement with the charitable company's work.
- Provide excellent customer care across all areas of operations.
- Increase the income generated and provide sustained investment for operations.
- Provide cultural leadership within the region.
- Further the skills and abilities of staff and volunteers.

### **Achievements and Performance**

Karen Simpson, the Chief Executive and Artistic Director, and her team have continued to achieve real progress in delivering on ambitions for the charitable company by programming and presenting high quality work with the emphasis on drama for adults, families and children, and by engaging and encouraging more people to experience theatre.

They have continued to make improvements to the facilities at the theatre and build important relationships across the region. They are making significant improvements throughout the organisation and have made progress in restoring the confidence in charitable company and turning round the belief in the organisation and the excitement in what is now on offer.

The charitable company has continued and consolidated the significant improvements in financial performance achieved in the three previous years. The General Fund surplus for the year was £20,714.

During 2016/17 The Bury St Edmunds Theatre Management Limited:

- Presented work to 79,500 people in Suffolk.
- Gave employment to an average of 20 full time and 27 part time employees.
- Gave direct employment to 49 professional actors and creative artists.
- Gave employment to over 300 actors and creatives through its visiting company programme.
- Worked with over 80 schools.
- Produced *Once Upon A Festival* for the second year, reaching 4,245 children and their families.
- Produced *Northanger Abbey* which played to 2,500 people at Theatre Royal and toured to 10 further theatres and reaching over 13,500 people nationally.
- Co-produced *Invincible* with Original Theatre Company.
- Continued to develop a partnership with Conservatoire East at West Suffolk College.
- In partnership with Theatre Royal Writers, delivered its first play-writing competition.

#### *Own Artistic Productions and Co-Productions*

- The pantomime *Beauty and the Beast* a new script commissioned from Chris Hannon and directed by Karen Simpson, was the highest grossing show to date with 33% of the audience first time bookers. The production got 4 stars in The Stage, excellent critical feedback and many schools and audiences immediately rebooked for 2017 on the strength of this experience.
- *Northanger Abbey* adapted by Tim Luscombe and directed by Karen Simpson was the first major national tour since 2013 and toured extensively. It was acknowledged as a high quality production and all venues were delighted with audience feedback. The theatre also offered a complete education programme to support this tour which was also very well received. This should build a good relationship for the theatre for any future tours and potential collaborations across the venue.
- *The Wisdom Club* was commissioned from playwright Danusia Iwaszko following her work with older people at Age UK. The play had a very successful rehearsed reading at Theatre Royal and Derby Theatre. The theatre aims to produce the play in 2018/19

*"I normally work with Theatres in York, Ipswich and London, but to work in my home town has been enriching and exciting. To witness the groups' realisations that their stories are of equal worth and value as any other has been a privilege and a very powerful inspiration to me as a writer." Danusia Iwaszko*

- The second Children's Arts Festival was rebranded as 'Once Upon a Festival' and toured work to 25 schools, presented 54 performances by 20 companies/artists and the success of this has led to increased funding from Grants for the Arts through the National Lottery to support its development in 2017 and 2018.
- *Invincible* by Torben Betts underwent two national tours and was invited to take part in Brits Off Broadway. It also received excellent critical feedback and delighted audiences. It was seen as a major achievement also in that touring new work is challenging and in many ways this production met that challenge and indeed was very successful in reaching audiences.
- The theatre produced Barry Hinds *Kes* directed by David Whitney (Associate Artist Youth projects) during the 2016 Summer school which produced some amazing performances by young actors.
- The theatre also produced *The Jungle Book* adapted by award-winning play-write Neil Duffield and with original music by Ivan Stott. This was a Youth theatre production which included young people aged 8-22 years.

#### *Visiting Drama*

The programme continues to attract high quality tours of all scales to the theatre. Its unique intimacy enables it to present some innovative small scale productions. However its seating capacity and stage dimensions also enables it to accommodate smaller middle scale productions and these are important for building audiences over week long runs.

The theatre is now able to attract high quality theatrical productions, despite the challenges of the relatively small capacity and consequent financial return. The following productions were key highlights of the year *Shadowlands*, *Rehearsal for Murder*, *Journey's End*, *Hamlet*, *When we were Married*, *Round the Horne*, *Frankenstein*, and *The Machine Stops*.

The theatre also worked with leading Drama school LAMDA which enabled 30 students to live and work there and present their innovative production of *A Midsummer Night's Dream* which was made possible with the support of The Royal Theatrical Support Trust.

In addition to those productions involved with the Children's Arts Festival, other presentations aimed at the Children and Family audience in the year included productions from Scamp Theatre, Story Pocket Theatre, Tall Stories, Big Wooden Horse and Immersion Theatre. This programming strand is proving very popular and the theatre is excited by the developing audiences.



**THE BURY ST EDMUNDS THEATRE MANAGEMENT LIMITED**  
**(A company limited by guarantee and not having share capital)**  
**Report of the directors for the year ended 31 March 2017 (continued)**

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*Visiting Non Drama*

The theatre programmes a range of other genre to ensure they serve the widest audience. It has had some excellent work which includes a variety of musical work *Tell Me on a Sunday*, *Claire Martin OBE*, *Choir of Clare College*, *Dillie Kean*, *Lesley Garrett*, *Ruthie Henshall* and *Lakme* by Swansea City Opera.

It continues to work with Ballet UK who have a long-standing relationship with the theatre but also introduced Ballet Cymru for the first time with their beautiful new ballet *Revolting Rhymes* based on Roald Dahl's work. The programme also included performances by a number of leading comedians and we had talks with a range of key actors as part of our fundraising work.

*Learning and community*

Projects with young people expanded both in and out of school during this year thanks to the skills of the Education projects Officer Georgina Stone and David Whitney, the Youth Projects Associate Artist. The projects included:

- Shakespeare takeover - a highly successful project with 3 primary schools around Black Theatre Live's production of Hamlet which was also a landmark production in that it was the first all black cast and creative team.
- Creative Futures - a day long experience for secondary schools illuminating the careers in Theatre
- 2 weeks of Work Experience opportunities
- Youth Theatre workshops – 5 groups ranging from 8 – 22 years old.
- Workshops in Thetford with the Benjamin Foundation
- Numerous workshops and performances in schools through Once Upon a Festival 2016.

Projects in the community included arts work with and performances of work by Women's Aid Refuge, Bury Homeless Drop In, Age UK, Focus 12 and the Befriending project through our Associate Artist Programme led by Lucinda Meredith and Danusia Iwaskzo. The impact of this work resulted in additional funding from Bury Town Trust for the future. The theatre also piloted a group for older people called 'The Wisdom Club'.

*Hires*

During the year the theatre also had productions from local amateur companies maintaining their relationship with the local groups; Irving Stage, Bury St Edmunds Amateur Operatic and Dramatic Society, Suffolk Young people's Theatre and Bury Theatre Workshop. These amateur companies are and will remain a significant element of the theatre's heritage and future.

The subsidiary company Bury St Edmunds Theatre Productions Limited continued successfully to deliver its contracted services and relationship to the charitable company.

**Financial Review**

The Theatre's Statement of Financial Activities shows that the Unrestricted Fund has seen a net outflow for the year of £29,679 decreasing the Unrestricted General Fund surplus balance at 31 March 2017 to £181,392. The operational element of the General Unrestricted Fund for the year generated a surplus of £20,714 and £50,393 of designated funds were utilised in the year.

At 31 March 2017 net current assets stood at £63,536, an increase of £66,239 from 31 March 2016. The Directors have reviewed the issue of going concern once again, with the steps taken by the Board to assure themselves of this noted at Note 1a.

The theatre continues to be supported by agreed revenue funding from Suffolk County Council and St Edmundsbury Borough Council. The Bury St Edmunds Theatre Management Limited would like to thank its stakeholder partners for their continued support and will work closely with local authority funders to ensure that it provides excellent investment, at a time when the public purse is under increased pressure.

**THE BURY ST EDMUNDS THEATRE MANAGEMENT LIMITED**  
**(A company limited by guarantee and not having share capital)**  
**Report of the directors for the year ended 31 March 2017 (continued)**

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Overall fundraising income for core expenditure, which includes specific Trusts & Foundations, donations, sponsorship and fundraising events, totalled £162,959 (2016 - £163,965). This is an excellent result and, as highlighted above, reflects the hard work of Julia Read, the Head of Development.

The Designated Unrestricted Fund at 31 March 2017 totals £99,624, a reduction of £50,393 during the year. Further details of this fund, which allows the Trustees to designate resources to future projects and actions, are shown in Note 16 (c).

At 31 March 2017 the Restricted Capital Development Project Fund stands at £4,166,359, reflecting the investment in the building, which is being amortised over the life of the lease from National Trust. Heritage Lottery Fund retains a legal charge over the building, reflecting their grant investment from 2005; this charge expires in 2030.

Other significant restricted funds received or taken as accrued income in the year were from the St Edmundsbury Trust, the Royal Theatrical Support Trust, Bury Town Council, Arts Council England Grants for the Arts, Suffolk County & St Edmundsbury Borough Councillors Locality Budgets and The Theatre Royal Supporters Group. The balance of non-building restricted funds at 31 March 2017 stood at £189,445. Further details are shown in Note 16 (d). We would to record our thanks to all those organisations who provided restricted funds in the year which greatly assists us in achieving our charitable objectives.

Total restricted funds at 31 March 2017 stood at £4,355,804.

*Investment powers*

Under the Memorandum and Articles of Association, the company has the power to make any investment which the directors see fit.

*Reserves Policy*

As at 31 March 2017 the Charity's free reserves, excluding designated funds, total £81,768. Whilst the Theatre's Reserves Policy needs to be formulated in detail the overall requirement of free reserves should reflect three months' overhead cost which would equate to approximately £200,000. Until this level of free reserve is reached all future annual surpluses achieved on the operational element of unrestricted general funds should stay as free reserve less any amount specifically designated by the Board as being necessary to meet the organisation's charitable objectives. The reserves policy adopted will be reviewed by the directors annually.

*Senior Management Pay Policy*

Senior Management remuneration is reviewed and set by the Resources (Finance & Administration) Committee utilising current market levels of pay reward for similar posts in similar organisations as a benchmark.

**Plans for Future Periods**

The theatre continues to make significant progress in achieving its aim of an artistically led financially sustainable organisation. Significant challenges will always lie ahead but the theatre must and will continue its efforts to build on the successful progress they have made to date.

The theatre plans for 2017/18 anticipate a surplus of £14,338 for the year on the operational element of Unrestricted General Funds. The designated element of Unrestricted General Funds will reduce by £51,617 as projects and actions utilising funds previously designated by the directors are completed. Overall, the Unrestricted General Fund is planned at 31 March 2018 to stand at a positive balance of £95,766.

The pantomime for 2017/18, *Dick Whittington*, will be written by Chris Hannon and directed by Karen Simpson. building on the success of the past two years. The success of this production is a vital element to their year round success and sustainability.

High on the list of ambitions, for the theatre is to continue to produce and present its own productions which will build and enhance a positive 'made in Bury' reputation building on the success of *Northanger Abbey*. The Summer school will give young people the unique experience of performing as part of a professional production alongside professional adult actors in 2017 when it produces *Our Day Out* by Willy Russell and directed by Karen Simpson and David Whitney.

**THE BURY ST EDMUNDS THEATRE MANAGEMENT LIMITED**  
**(A company limited by guarantee and not having share capital)**  
**Report of the directors for the year ended 31 March 2017 (*continued*)**

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2017/18 will see a third 'Once Upon a Festival', with increased funds from the National Lottery and others, expanding to provide performances and workshops across a greater number of schools and to venues across Suffolk and Norfolk. In addition to the Festival in June 2017 the theatre will continue to develop its children and families audience.

The theatre will also continue to build on the Associate Artist programme creating new projects with Women's Aid Refuge, Befriending Club for adults with learning disabilities, Focus 12 for those in addiction recovery, and others.

The visiting programme of work in 2017/18 will continue to build quality visiting drama productions. Productions include *Cyrano*, *Our Man in Havana*, *Private Lives*, *All or Nothing*, *Jekyll and Hyde*, *A Judgement in Stone*, *For Love or Money*, *Birdsong*, and *Great Expectations*.

In 2017/18 the theatre will programme throughout the year with enough time for maintenance.

Whilst they have made progress, the theatre is still suffering from the serious lack of investment in recent years, particularly in maintaining the fabric of the building and keeping up to date with production equipment facilities. It plans to continue to make further progress in 2017/18, and working with the National Trust, and will undergo a programme of redecoration of Front of House, the refurbishment and remodelling of the Premier Bar into a hospitality and meeting room, planting and new furniture for the garden area and repairs to seating and equipment.

**THE BURY ST EDMUNDS THEATRE MANAGEMENT LIMITED**  
**(A company limited by guarantee and not having share capital)**  
**Report of the directors for the year ended 31 March 2017 (continued)**

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**Directors' responsibilities**

The Directors (who are also Trustees of The Bury St Edmunds Theatre Management for the purposes of charity 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 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 estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

**Statement as to the disclosure of information to auditors**

The directors who were in office on the date of approval of the financial statements have confirmed that as far as they are aware, there is no relevant audit information of which the auditors are unaware. Each of the directors has 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 auditors.

**Auditors**

A resolution to reappoint RSM UK Audit LLP, Chartered Accountants, as auditors will be put to the members at the annual general meeting.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption

On behalf of the Board on 9 November 2017



Roger Quince, Director

**THE BURY ST EDMUNDS THEATRE MANAGEMENT LIMITED**  
**(A company limited by guarantee and not having share capital)**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BURY ST EDMUNDS THEATRE**  
**MANAGEMENT LIMITED**

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**Opinion on financial statements**

We have audited the financial statements of The Bury St Edmunds Theatre Management Limited (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2017 which comprise the Group Statement of Financial Activities, the Group and Company Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (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 group's and the parent charitable company's affairs as at 31 March 2017 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.

**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 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 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 group and the parent charitable company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' 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 by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Directors Report.

**Respective responsibilities of trustees and auditor**

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

We have been appointed auditors under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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*

CLAIRE SUTHERLAND (Senior Statutory Auditor)  
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor  
Chartered Accountants  
Abbotsgate House  
Hollow Road  
Bury St Edmunds  
Suffolk, IP32 7FA

*1 December 2017*

**THE BURY ST EDMUNDS THEATRE MANAGEMENT LIMITED**  
**(A company limited by guarantee and not having share capital)**  
**Consolidated statement of financial activities (including income and expenditure account) for the year ended 31 March 2017**

	Note	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Unrestricted Funds 2016 £	Restricted Funds 2016 £	Total 2016 £
<b>Income from</b>							
Grants, donations and legacies	1	310,634	176,774	487,408	306,341	82,731	389,072
Other trading activities							
<i>Fundraising</i>		61,237	-	61,237	86,767	-	86,767
<i>Front of House activities</i>		190,809	-	190,809	164,219	-	164,219
<i>Other Income</i>		40,038	-	40,038	78,544	-	78,544
Investments		527	-	527	154	-	154
		603,245	176,774	780,019	636,025	82,731	718,756
<b>Charitable activities:</b>							
Operation of theatre and artistic programmes	2	969,014	-	969,014	902,435	-	902,435
<b>Total</b>		1,572,259	176,774	1,749,033	1,538,460	82,731	1,621,191
<b>Expenditure on</b>							
<b>Raising funds:</b>							
Fundraising costs of grants and donations	5	79,281	-	79,281	98,952	-	98,952
Front of House activities	5	121,250	-	121,250	109,386	-	109,386
<b>Charitable activities:</b>							
Operation of theatre and artistic programmes	4	1,401,407	149,370	1,550,777	1,269,669	183,151	1,452,820
<b>Total</b>		1,601,938	149,370	1,751,308	1,478,007	183,151	1,661,158
<b>Net movement of funds in year</b>	6	(29,679)	27,404	(2,275)	60,453	(100,420)	(39,967)
<b>Reconciliation of funds</b>							
Total funds brought forward		211,071	4,328,400	4,539,471	150,618	4,428,820	4,579,438
<b>Total funds carried forward</b>		181,392	4,355,804	4,537,196	211,071	4,328,400	4,539,471

The statement of financial activities includes all gains and losses recognised in the year. All incoming resources and resources expended derive from continuing activities.

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

**THE BURY ST EDMUNDS THEATRE MANAGEMENT LIMITED**  
**(A company limited by guarantee and not having share capital)**  
**Consolidated balance sheet at 31 March 2017**

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Tangible assets	10	4,473,660	4,542,174
<b>Current assets</b>			
Stocks	12	5,034	5,519
Debtors	13	164,770	123,266
Cash at bank and in hand		290,798	235,814
		<u>460,602</u>	<u>364,599</u>
<b>Creditors: amounts falling due within one year</b>	14	<u>397,066</u>	<u>367,302</u>
<b>Net current assets/(liabilities)</b>		63,536	(2,703)
<b>Net assets</b>		<u>4,537,196</u>	<u>4,539,471</u>
<b>Represented by</b>			
<b>Funds</b>			
Unrestricted:-	16		
- General Funds		81,768	61,054
- Designated Fund		99,624	150,017
		<u>181,392</u>	<u>211,071</u>
Restricted	16	4,355,804	4,328,400
<b>Total funds</b>		<u>4,537,196</u>	<u>4,539,471</u>

The financial statements on pages 14 to 32 were approved by the board of directors and authorised for issue on 9 November 2017 and are signed on its behalf by:

  
 Roger Quince, Director

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

**THE BURY ST EDMUNDS THEATRE MANAGEMENT LIMITED**  
**(A company limited by guarantee and not having share capital)**  
**Charity Balance Sheet at 31 March 2017**

**Company no: 842455**

	Note	2017	2016
		£	£
<b>Fixed assets</b>			
Tangible assets	10	4,473,660	4,542,174
Investments	11	100	100
		<u>4,473,760</u>	<u>4,542,274</u>
<b>Current assets</b>			
Stocks	12	5,034	5,519
Debtors	13	164,670	123,266
Cash at bank and in hand		290,798	235,814
		<u>460,502</u>	<u>364,599</u>
<b>Creditors: amounts falling due within one year</b>	14	<u>397,066</u>	<u>367,402</u>
<b>Net current assets/(liabilities)</b>		63,436	(2,803)
<b>Net assets</b>		<u>4,537,196</u>	<u>4,539,471</u>
<b>Represented by</b>			
<b>Funds</b>			
Unrestricted:-	16		
- General Funds		81,768	61,054
- Designated Fund		99,624	150,017
		<u>181,392</u>	<u>211,071</u>
Restricted	16	4,355,804	4,328,400
<b>Total funds</b>		<u>4,537,196</u>	<u>4,539,471</u>

The financial statements on pages 14 to 32 were approved by the board of directors and authorised for issue on ~~9 November~~ 2017 and are signed on its behalf by:



**Roger Quince, Director**

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



**THE BURY ST EDMUNDS THEATRE MANAGEMENT LIMITED**  
**(A company limited by guarantee and not having share capital)**  
**Consolidated Cash Flow at 31 March 2017**

	<b>Note</b>	<b>2017 Group</b>	<b>2016 Group</b>
<b><i>Cashflows generated by/(used in) operating activities</i></b>	<b>24</b>	<b>54,457</b>	<b>(85,748)</b>
<b><i>Cashflows from investing activities</i></b>			
Interest income		527	154
Purchase of tangible fixed assets		-	(28,226)
Net cash provided by investing activities		<u>527</u>	<u>(28,072)</u>
<b><i>Change in cash and cash equivalents in the year</i></b>		<u>54,984</u>	<u>(113,820)</u>
<b><i>Cash and cash equivalents at the beginning of the year</i></b>		<b>235,814</b>	<b>349,634</b>
<b><i>Total cash and cash equivalents at the end of the year</i></b>		<u><u>290,798</u></u>	<u><u>235,814</u></u>

## **1a Accounting policies**

### **Basis of preparation of financial statements**

The financial statements have been prepared on the going concern basis, there are no material uncertainties when applying the going concern basis of preparation. A surplus of £20,714 has been recorded on the operational element of the unrestricted funds for the year ended 31 March 2017 whilst on the designated element £50,393 was utilised on planned projects and action. Overall unrestricted funds were reduced by £29,679 during the year leaving a general fund positive balance of £181,392 at 31 March 2017.

Net current assets / (liabilities) have improved from (£2,703) at 31 March 2016 to £63,536 at 31 March 2017. Included within creditors due within one year are deposits and ticket income received in advance of £199,560 which will be taken to income at the time of performance of the relevant event.

These results continue and consolidate the significant improvements in financial performance following the appointment of the new senior management team in the autumn of 2013.

The subsidiary company, Bury St Edmunds Theatre Productions Limited allows the Theatre to take advantage of the new theatre tax relief regime recently introduced by HMRC which in the year ended 31 March 2017 results in a net benefit of £17,264 after costs which is included in the results of the Company.

The directors are confident that future sustainable business activity can be maintained. Financial projections have been prepared for the year to 31 March 2018 and for the year to 31 March 2019 which the directors have considered in their assessment of the going concern position. The following are included in the director's assessment for each year:

#### **Year to 31 March 2018**

- A new 3 year funding agreement with Suffolk County Council (SCC) has been agreed commencing 1st April 2017. Under the agreement SCC has awarded the charity an annual amount of £100,000 per year for the financial years 2017/18, 2018/19 and 2019/20 all payable as a lump sum in the first quarter of 2017/18. The Trustees will allocate to each financial year £100,000 to ensure that annual activities are adequately funded.
- A detailed revised forecast was completed in October 2017 for 2017/18 which anticipates a surplus of £14,338 on the operational element of unrestricted general funds for the year ended 31 March 2018. This forecast surplus again highlights the effectiveness of the actions taken by senior management over the last three years to mitigate long running sustainability issues and to offset the loss of Arts Council England core funding and the reduction in funding from local authorities. The designated element of unrestricted general funds will reduce by £51,617 as projects and actions utilising funds previously designated by the directors are completed. Overall this will result in a £144,113 positive balance on the unrestricted general fund at 31 March 2018, £96,106 of which is the operational element and £48,007 the designated element. The revised detailed Balance Sheet forecast highlights that funding requirements for the remainder of the 2017/8 financial year will be maintained within funding limits.
- Fundraising is a significant and vital part of the theatre's funding model, however the directors consider it necessary to be realistic in their assessment of likely outcomes. Accordingly they are forecasting income for 2017/18 to be £171,617 and for 2018/19 to be £173,754 this compares to the actual for 2016/17 of £168,373

#### **Year to 31 March 2019**

- A detailed forecast for 2018/19 was also completed in October 2017. This anticipates that the operational element of the unrestricted general fund will achieve a surplus of £13,390 for the year. As in prior years a detailed register will be completed for the period highlighting the risks to the achievement of the forecast. This will be monitored at regular points in the year to identify adverse movements in order that corrective action can be undertaken to ensure that the anticipated surplus is achieved. Monthly management accounts and detailed quarterly.
- Forecasts will also assist in ensuring targets are met. The detailed forecast highlights that funding requirements for the 2018/19 financial year will be maintained within funding limits.

**1a Accounting policies(Continued)**

- Borrowing facilities in the form of an overdraft facility from Lloyds Banking Group of £60,000 are in place until 30 April 2018. The Charity's forecasts and projections show that the charity will be able to operate within the level of its current facility during the period under review. The Charity will hold renewal negotiations with the bank in due course. Within the current year the charity has held its annual discussion with its bankers about its future borrowing needs and no matters have been drawn to its attention to suggest that renewal may not be forthcoming on acceptable terms.

The directors believe that the above measures will enable the Charity to continue to be able to meet its liabilities. The directors therefore consider it appropriate to prepare the financial statements on a going concern basis.

**Basis of accounting**

The financial statements have been prepared under the historical cost convention and 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 (FRS102) (effective 1 January 2016) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

The Bury St Edmunds Theatre Management Limited is an incorporated charity domiciled and registered in England, which constitutes a Public Benefit entity as defined by FRS 102. Assets and liabilities are initially recognised at cost or transaction value unless otherwise stated in the relevant accounting policy notes.

**Debtors**

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

**Cash at bank and in hand**

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

**Creditors or 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 part and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised and their settlement amount after allowing for any trade discounts due.

**Financial instruments**

The charity 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.

**Basis of consolidation**

The consolidated financial statements incorporate the accounts of the charity and those of its trading subsidiary, Bury St Edmunds Theatre Productions Limited for the period ended 31 March 2017 on a line by line basis. A separate Statement of Financial Activity (SOFA) is not presented because the charity has taken advantage of the exemptions afforded by Section 408 of the Companies Act 2006. Under section 479A of the Companies Act 2006, Bury St Edmunds Theatre Productions Limited is exempt from the requirement for its financial statements to be audited.

## **1a Accounting policies(Continued)**

### **Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost, less depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Equipment	- 3 - 5 years
Motor vehicles	- 3 - 4 years
Property improvements	- over the period of the lease

Property improvements in excess of £10,000 and equipment additions in excess of £500 are capitalised at the discretion of the directors.

### **Investments**

In the Charity balance sheet, investments include the investment in the subsidiary which is recorded at cost.

### **Income**

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income has been met, it is probable that the income will be received and the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

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

### **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 on notification of the interest paid or payable by the Bank.

### **Expenditure**

Theatre expenditure is recognised on an accruals basis. Contractual arrangements and performance related grants are recognised as goods or services supplied.

- Costs of raising funds are those costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.
- Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources.
- 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.

### **Pensions**

The group operates a Peoples Pension Plan for the benefit of its employees. The assets and liabilities of the scheme are held separately to those of the group. The annual contributions payable are included in the Statement of Financial Activities.

## **1a Accounting policies (Continued)**

### **Leasing commitments**

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

### **Payments to volunteers**

The theatre's operation relies heavily on volunteers, with advantage taken of exemptions awarded to charitable organisations in respect of the Minimum Wage regulations. Volunteers are engaged in all aspects of the operation, but most extensively in front of house operations. The Theatre engages voluntary workers to work for short periods (3-6 months) in career development opportunities in administrative, marketing and production capacities. The company's directors are also engaged in a voluntary capacity. The company offers out-of-pocket expenses to all volunteers, with many claiming modest travel expenses. No other payments are offered in respect of their work as volunteers.

### **Stocks**

Stocks are valued at the lower of cost and net realisable value.

### **Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense. The holiday year for the Theatre ends at the reporting date, however in certain circumstances employees are entitled to carry forward unused holiday. The cost of any unused entitlement is recognised in the period in which the employee's services are received.

The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the Theatre is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

### **Fund accounting**

Unrestricted funds comprise accumulated surpluses and deficits on the General Fund and a Designated Fund. They are available for use at the discretion of the directors in furtherance of the company's charitable objectives. Restricted funds are created when grants or donations are made available for a particular purpose, the use of which is restricted to that purpose.

### **Critical Accounting Estimates and Areas of Judgement**

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, not always equal the related actual results. There are not considered to be any estimates or assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

### **Critical areas of judgement**

The directors consider there to be no critical areas of judgement relating to the preparation of these financial statements.

**THE BURY ST EDMUNDS THEATRE MANAGEMENT LIMITED**  
**(A company limited by guarantee and not having share capital)**  
**Notes forming part of the financial statements for the year ended 31 March 2017 (Continued)**

**1 Grants**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total 2017 £</b>	<b>Total 2016 £</b>
<b>Grants</b>				
Suffolk County Council	125,000	-	125,000	130,000
St Edmundsbury Borough Council	61,250	-	61,250	66,250
<b>Trusts &amp; Foundations</b>				
Arts Council England -Children's Arts Festival	-	90,000	90,000	15,000
Suffolk Community Foundation	-	-	-	2,000
Williams Charitable Trust	-	2,000	2,000	-
Arts Council England – Wisdom Club	-	14,500	14,500	-
National Trust	-	3,050	3,050	-
St Edmunds Trust	-	6,474	6,474	-
Bury Town Council	-	26,000	26,000	-
Alfred Williams Charitable Trust	500	-	500	-
<b>Donations</b>				
Friends of Theatre Royal	11,068	-	11,068	10,745
Others	62,674	32,750	95,424	127,427
<b>Sponsorship</b>	50,142	2,000	52,142	37,650
	<u>310,634</u>	<u>176,774</u>	<u>487,408</u>	<u>389,072</u>

**2 Income from charitable activities**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total 2017 £</b>	<b>Total 2016 £</b>
Professional events	425,679	-	425,679	449,908
Touring productions	108,909	-	108,909	-
Pantomime	339,666	-	339,666	324,383
Education programme	29,680	-	29,680	22,059
Amateur events	43,155	-	43,155	57,325
Agency events	4,625	-	4,625	6,903
Heritage Tours	4,118	-	4,118	4,609
Other	13,182	-	13,182	37,248
	<u>969,014</u>	<u>-</u>	<u>969,014</u>	<u>902,435</u>

### 3 Allocation of support costs

The Theatre allocates its support costs as shown in the table below and then further apports those costs between the charitable activities undertaken. Support costs are allocated on a basis consistent with the use of resources.

	Theatre operation £	Fundraising costs of grants and donations £	2017 Total £	2016 Total £
<b>Support costs</b>				
Administration staff	81,973	9,108	91,081	95,946
Administration costs	241,466	3,671	245,137	279,874
Premises costs	101,281	-	101,281	84,840
	<u>424,720</u>	<u>12,779</u>	<u>437,499</u>	<u>460,660</u>

### 4 Analysis of charitable expenditure

The charity undertakes direct charitable activities only and does not make grant payments.

	Productions and performances £	Education programme £	2017 Total £	2016 Total £
Professional events	404,008	-	404,008	449,182
Touring productions	130,171	-	130,171	-
Pantomime	152,860	-	152,860	151,644
Education programme	-	58,079	58,079	48,042
Artistic staff	81,973	9,108	91,081	78,502
Box office	49,203	7,124	56,327	53,707
Marketing	119,399	17,288	136,687	143,336
Technical	72,971	10,565	83,536	69,232
Wardrobe	11,625	1,683	13,308	13,235
Support costs (note 3)	371,002	53,718	424,720	445,940
	<u>1,393,212</u>	<u>157,565</u>	<u>1,550,777</u>	<u>1,452,820</u>

### 5 Analysis of cost of raising funds

	Staff costs £	Other costs £	Support costs £	2017 Total £	2016 Total £
Fundraising costs of grants and donations	47,546	18,956	12,779	79,281	98,952
Front of house activities	33,025	88,225	-	121,250	109,386
	<u>80,571</u>	<u>107,181</u>	<u>12,779</u>	<u>200,531</u>	<u>208,338</u>

## **6 Movement in total funds for the year**

This has been arrived at after charging:

		<b>2017</b>	<b>2016</b>
		<b>£</b>	<b>£</b>
Depreciation	- Owned	68,519	74,264
Operating Leases	- Land & Building	11,095	13,375
	- Plant and machinery	2,194	2,880
Auditor's remuneration	- Statutory Audit Fee	12,000	11,525
	- Other services	11,143	12,775
Stock	- Amount expensed to cost of sales	65,922	65,665
		<u>          </u>	<u>          </u>

## **7 Employees**

The average monthly number of employees of the company during the year, excluding directors, was as follows:

	<b>2017</b>	<b>2016</b>
	<b>Number</b>	<b>Number</b>
Full time	<b>20</b>	15
Part time	<b>24</b>	26
	<u>          </u>	<u>          </u>
	<b>44</b>	41

Staff costs consist of:	<b>£</b>	<b>£</b>
Wages and salaries	<b>678,846</b>	547,809
Social security costs	<b>38,445</b>	35,065
Pension costs	<b>5,569</b>	4,542
	<u>          </u>	<u>          </u>
	<b>722,860</b>	587,416

No employee earned more than £60,000 in the year. (2016/17: no employee earned more than £60,000)

Termination payments totalling £2,800 were made in the year. (2015/16: £nil)

Key Management Personnel of the charitable company and group comprise of the Directors, the Chief Executive and Artistic Director and the General Manager. The total employee remuneration of Key Management Personnel is £98,173 during the year. (2015/16: Total remuneration - £109,038)

## **8 Directors**

No directors received emoluments for their duties as directors during the year (2016 – none). No expenses were reimbursed to the directors during either year. Karen Simpson, under a contract of employment and authorised by the Charity Commission, for her services as 'Chief Executive and Artistic Director' was remunerated £58,377 (2016: £57,211) during the year. Pension contributions of £523 (2016: £512) were also made on her behalf during the year.

## **9 Taxation**

The Bury St Edmunds Theatre Management Limited is a registered charity and as such its income and gains are exempt from corporation tax to the extent that they are applied to its charitable objectives.



**THE BURY ST EDMUNDS THEATRE MANAGEMENT LIMITED**  
**(A company limited by guarantee and not having share capital)**  
**Notes forming part of the financial statements for the year ended 31 March 2017 (Continued)**

**10 Tangible assets (Charity and Group)**

	Long Leasehold property improvements £	Motor Vehicles £	Equipment £	Total £
<i>Cost</i>				
At 1 April 2016	5,041,254	14,846	261,058	5,317,158
<b>At 31 March 2017</b>	<b>5,041,254</b>	<b>14,846</b>	<b>261,058</b>	<b>5,317,158</b>
<i>Depreciation</i>				
At 1 April 2016	519,775	14,846	240,363	774,984
Charge for year	57,233	-	11,281	68,514
<b>At 31 March 2017</b>	<b>577,008</b>	<b>14,846</b>	<b>251,644</b>	<b>843,498</b>
<i>Net book value - owned assets</i>				
<b>At 31 March 2017</b>	<b>4,464,246</b>	<b>-</b>	<b>9,414</b>	<b>4,473,660</b>
At 31 March 2016	4,521,479	-	20,695	4,542,174

**11 Investments (Charity only)**

	Total £
<b>Cost</b>	
1 April 2016 and 31 March 2017	100

<b>Subsidiary</b>	<b>Country</b>	<b>Holding</b>	<b>Principal activity</b>
Bury St Edmunds Theatre Productions Limited	England	100%	Theatre Productions

The charity owns the whole share capital of The Bury St Edmunds Theatre Productions Limited (company number 09240786). The principal activities of the company are theatre productions. The address of its registered office is the same as the Charity as noted on Page 2. At 31st March, the company had turnover of £363,981, loss before taxation of (£23,437) and net assets of £100.

**THE BURY ST EDMUNDS THEATRE MANAGEMENT LIMITED**  
**(A company limited by guarantee and not having share capital)**  
**Notes forming part of the financial statements for the year ended 31 March 2017 (Continued)**

**12 Stocks (Charity and Group)**

	2017 £	2016 £
Goods for resale	<u>5,034</u>	<u>5,519</u>

There is no material difference between the replacement cost of stocks and the amounts stated above.

**13 Debtors**

	2017 Group £	2017 Charity £	2016 Group £	2016 Charity £
Trade debtors	51,330	51,330	28,636	28,636
Other debtors	50,973	4,894	49,642	1,168
Prepayments and accrued income	62,467	62,467	44,988	44,988
Amounts owed by group undertakings	-	45,979	-	48,474
	<u>164,770</u>	<u>164,670</u>	<u>123,266</u>	<u>123,266</u>

All amounts within debtors fall due for payment within one year.

**14 Creditors: amounts falling due within one year**

	2017 Group £	2017 Charity £	2016 Group £	2016 Charity £
Trade creditors	59,616	59,616	80,529	80,529
Taxation and social security	24,711	24,711	10,918	10,918
Other creditors	2,381	2,381	43	43
Accruals	110,798	110,798	64,164	64,164
Deferred income (see note 18)	199,560	199,560	211,648	211,648
Amounts owed to group undertakings	-	-	-	100
	<u>397,066</u>	<u>397,066</u>	<u>367,302</u>	<u>367,402</u>

**15 Pensions**

The charity contributes to a defined contribution scheme for its employees.

The charge for the year is £5,569 (2015/16: £4,542) and at the balance sheet date there were £629 of outstanding contributions (2015/16: £43) which were included within creditors.

**16 Funds**

**(a) Group Unrestricted Funds**

Unrestricted funds consist of the general funds and designated funds.

	At 1 April 2016 £	Income £	Expenditure £	Transfers £	At 31 March 2017 £
General Funds	61,054	1,572,259	(1,601,938)	50,393	81,768
Designated Funds	150,017	-	-	(50,393)	99,624
	<u>211,071</u>	<u>1,572,259</u>	<u>(1,601,938)</u>	<u>-</u>	<u>181,392</u>

**THE BURY ST EDMUNDS THEATRE MANAGEMENT LIMITED**  
**(A company limited by guarantee and not having share capital)**  
**Notes forming part of the financial statements for the year ended 31 March 2017 (Continued)**

**16 Funds (continued)**

**(b) Charity Unrestricted Funds**

Unrestricted funds consist of the general funds and designated funds.

	At 1 April 2016 £	Income £	Expenditure £	Transfers £	At 31 March 2017 £
General Funds	61,054	1,548,822	(1,578,501)	50,393	81,768
Designated Fund	150,017	-	-	(50,393)	99,624
	<u>211,071</u>	<u>1,548,822</u>	<u>(1,578,501)</u>	<u>-</u>	<u>181,392</u>

**(c) Charity and Group Designated Funds**

	At 1 April 2016 £	Income 2017 £	Expenditure 2017 £	Transfers £	At 31 March 2017 £
Artistic	61,000	-	-	(19,750)	41,250
Operational	89,017	-	-	(30,643)	58,374
Designated Fund	<u>150,017</u>	<u>-</u>	<u>-</u>	<u>(50,393)</u>	<u>99,624</u>

Artistic Fund: After contributing towards the Theatre Royal production Northanger Abbey and towards the 2016 Children's Arts Festival, the directors have agreed to increase the remaining funds to £41,250. This will provide a degree of ongoing protection for some of the more challenging elements of the visiting company programme, and to provide assistance with future Theatre Royal productions.

Operational Fund: The directors have agreed to reallocate some of these funds to the Artistic fund, maintaining a level of operational fund at £58,374, which will assist with operational requirements in equipment and building improvement and maintenance, signage, staff and audience development. This will include the ongoing projects to relocate the wardrobe and scenery store to Sentinel Works and the planned improvements to the Premier Bar.

**THE BURY ST EDMUNDS THEATRE MANAGEMENT LIMITED**  
**(A company limited by guarantee and not having share capital)**  
**Notes forming part of the financial statements for the year ended 31 March 2017 (Continued)**

**16 Funds (continued)**

<b>(d) Charity and Group Restricted Funds</b>	<b>At 1 April 2016 £</b>	<b>Incoming resources £</b>	<b>Resources expended £</b>	<b>At 31 March 2017 £</b>
Capital Development Project Fund	4,223,593	-	(57,234)	<b>4,166,359</b>
Access Project Fund	9,374	6,474	(3,338)	<b>12,510</b>
Associate Artist Programme Fund	15,051	10,100	(11,416)	<b>13,735</b>
'Our Day Out' Fund	-	1,000	-	<b>1,000</b>
Seating Fund	28,726	-	(11,604)	<b>17,122</b>
Small Equipment Fund	-	4,060	(2,760)	<b>1,300</b>
Garden Improvements Fund	-	2,050	-	<b>2,050</b>
Once Upon A Festival Fund	17,900	120,200	(28,788)	<b>109,312</b>
Sign of the Times Fund	1,500	-	-	<b>1,500</b>
Transition Fund	3,576	-	(1,677)	<b>1,899</b>
Wisdom Club Project Fund	-	14,500	(9,095)	<b>5,405</b>
Black Theatre Live Project Fund	6,456	6,390	(2,848)	<b>9,998</b>
Northanger Abbey Project Fund	-	2,000	(2,000)	<b>-</b>
LAMDA Project Fund	5,005	-	(5,005)	<b>-</b>
Premier Bar Project Fund	-	5,000	-	<b>5,000</b>
Sound Equipment Fund	17,219	-	(8,605)	<b>8,614</b>
Night Light Project Fund	-	2,000	(2,000)	<b>-</b>
Seed Funding – Just An Ordinary Laywer	-	3,000	(3,000)	<b>-</b>
	<b>4,328,400</b>	<b>176,774</b>	<b>(149,370)</b>	<b>4,355,804</b>

Capital Development Project Fund: In 2002 the company launched its Restoration Appeal to raise £5.1 million to restore and develop the Regency Theatre Royal Bury St Edmunds. The project commenced in October 2005, this fund contains all the monies raised for the project and all the expenses relating to it.

Access Project Fund: Funding towards providing Audio Described and Captioned performances and for equipment for the visual and hearing impaired. Funding provided by: St Edmunds Trust

Associate Programme Fund: Associate Artists working with Women's Refuge, YMCA, the drop in centre, Age UK, young adults with disabilities and homeless people on an ongoing series of projects. Funding provided by: St Edmunds Trust (Balance at 31/03/2017 - £3,550), Bury Town Council (Balance at 31/03/2017 - £8,682), Suffolk Community Foundation (Balance at 31/03/2017 - £nil), Rural Youth Trust (Balance at 31/03/2017 - £nil) and the Theatre Royal Supporters Group (Balance at 31/03/2017 - £1,503).

Our Day Out Fund: Funds to support the summer 2017 production of 'Our Day Out'. Funded provided by Bury Town Council.

Seating Fund: Funding towards the refurbishment of the Theatres seating. Funding provided by: the National Trust

Small Equipment: Theatre Royal Supporters Group contribution towards replacement of small equipment in the bar.

Garden Improvements Fund: Funding towards the renovation and upkeep of the theatre's garden. Funding provided by: the National Trust.

**16 Funds (continued)**

**(d) Charity and Group Restricted Funds (continued)**

Once Upon a Festival Fund: An annual Children's Arts Festival in Bury St Edmunds, taking children's productions to local schools and venues across the region. Funding provided by: the Arts Council England (Balance at 31/03/2017 - £88,812), Bury Town Council (Balance at 31/03/2017 - £15,500), National Trust (Balance at 31/03/2017 - £1,000) and the Theatre Royal Supporter Group (Balance at 31/03/2017 - £4,000).

Sign of the Times Fund: Funding towards this production and affiliated creative learning programme. Funding provided by: Foyle Foundation.

Transition Fund: Provided by the Arts Council England to assist in the office relocation and the transition to non NPO status.

Wisdom Club Project Fund: A project culminating in a series of rehearsed readings of a new stage play derived from the Associate Artists work with Age UK. Funding provided by: Arts Council England.

Black Theatre Live Project Fund: A three year project to promote and celebrate diversity. Funding provided by: Tara Arts.

Northanger Abbey Project Fund: Funding towards this production and tour. Funding provided by: the Williams Trust.

LAMDA Project Fund: To provide support for the LAMDA (London Academy of Music and Drama Arts) presentation of *A Midsummer Night's Dream*. Funding provided by: Royal Theatrical Support Trust.

Premier Bar Project Fund: Theatre Royal Supporters Group contribution towards the refurbishment of the Premier Bar.

Sound Equipment Fund: Theatre Royal Supporters Group contribution toward replacement sound equipment.

Night Light Project Fund: towards the production of Night Light. Funding provided by: Suffolk County Council.

Seed Funding: for Tayo Aluko's production, Just an Ordinary Lawyer. Funding provided by: Black Theatre Live.

**17 Analysis of group net assets between funds**

	<b>General Funds £</b>	<b>Designated Funds £</b>	<b>Restricted Funds £</b>	<b>Total 2017 £</b>
Tangible fixed assets	298,687	-	4,174,973	4,473,660
Net current assets	(216,919)	99,624	180,831	63,536
	<b>81,768</b>	<b>99,624</b>	<b>4,355,804</b>	<b>4,537,196</b>

**THE BURY ST EDMUNDS THEATRE MANAGEMENT LIMITED**  
**(A company limited by guarantee and not having share capital)**  
**Notes forming part of the financial statements for the year ended 31 March 2017 (Continued)**

**18 Analysis of charity net assets between funds**

	<b>General Funds £</b>	<b>Designated Funds £</b>	<b>Restricted Funds £</b>	<b>Total 2017 £</b>
Tangible fixed assets	298,687	-	4,174,973	4,473,660
Investments	100	-	-	100
Net current liabilities	(217,019)	99,624	180,831	63,436
	<b>81,768</b>	<b>99,624</b>	<b>4,355,804</b>	<b>4,537,196</b>

**19 Deferred income of charity and group**

	<b>2017 £</b>	<b>2016 £</b>
Balance at 1 April	<b>211,648</b>	219,865
Amount released to income	<b>(211,648)</b>	(219,865)
Amount deferred in the year	<b>199,560</b>	211,648
<b>Balance at 31 March</b>	<b>199,560</b>	211,648

Deferred income comprises box office receipts received in advance and deposits.

**20 Commitments of Charity & Group under operating leases**

The total future minimum lease payments under non-cancellable operating leases for Plant and Machinery are as follows:

	<b>2017 Plant and Machinery £</b>	<b>2016 Plant and Machinery £</b>
Amounts due:		
within one year	<b>2,016</b>	2,016
between one and five years	<b>4,032</b>	6,048
	<b>6,048</b>	8,064

The total future minimum lease payments under non-cancellable operating leases for Land and Buildings are as follows:

	<b>2017 Land and Buildings £</b>	<b>2016 Land and Buildings £</b>
Amounts due:		
within one year	<b>12,500</b>	12,500
between one and five years	<b>50,000</b>	50,000
After five years	<b>912,500</b>	925,000
	<b>975,000</b>	987,500

## **21 Contingent liability**

The Trustees of the National Heritage Memorial Fund (NHMF) hold a legal charge over the property occupied by The Bury St Edmunds Theatre Management Limited for the amount of £1,950,000. This sum becomes payable under the following conditions:

- A change of ownership of the whole or part of the property
- A material change in the status of The Bury St Edmunds Theatre Management Ltd
- A deviation from the Approved Purposes or Approved Usage of the HLF grant or
- The Bury St Edmunds Theatre Management Ltd ceases to operate due to its merger with or the transfer of its functions to another body.

In any of these circumstances The Bury St Edmunds Theatre Management Ltd, the new body or new owner must, within 90 days of the relevant breach, submit a revised application to NHMF for consideration. This charge automatically expires on 2 March 2030. The directors consider that these conditions are unlikely to arise and as such there is no probable outflow of funds to be provided for within these financial statements.

Under group registration, the charity is jointly and severally liable to Value Added Tax with the subsidiary company, The Bury St Edmunds Theatre Productions Limited. At 31 March 2017, there was no potential liability.

## **22 Related party transactions**

During the year the following transactions took place with The Bury St Edmunds Theatre Productions Limited, who are considered to be a related party of The Bury St Edmunds Theatre Management Limited as a wholly owned subsidiary.

	2017 £	2016 £
Costs recharged	254,914	227,487
Management charges paid	231,477	204,853
Owed by BSE Theatre Productions Limited	46,079	48,475
Owed to BSE Theatre Productions Limited	100	100

## **23 Financial Instruments**

The carrying amount of the Charitable Company's, and group, financial instruments at 31 March 2017 were:

	2017 Group £	2017 Charity £	2016 Group £	2016 Charity £
Financial Assets:				
Debt Instruments measured (at amortised cost)	152,820	152,720	97,029	97,129
Financial Liabilities:				
Measured at amortised cost	(170,414)	(170,414)	(144,736)	(144,836)

**THE BURY ST EDMUNDS THEATRE MANAGEMENT LIMITED**  
**(A company limited by guarantee and not having share capital)**  
**Notes forming part of the financial statements for the year ended 31 March 2017 (Continued)**

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**24 Cash Flow**

<b>Reconciliation of operating surplus to net cash inflow from operating</b>	<b>2017 Group</b>	<b>2016 Group</b>
Operating deficit	(2,275)	(39,967)
Deduct Interest	(527)	(154)
Depreciation charges	68,514	74,264
(Increase)Decrease in stock	485	609
(Increase)/ Decrease in debtors	(41,504)	42,202
Increase/ (Decrease) in creditors	29,764	(162,702)
<b>Net cash flow from operating activities</b>	<b>54,457</b>	<b>(85,748)</b>