

CHICKENSHED

THEATRE CHANGING LIVES



THE CHICKEN SHED THEATRE TRUST ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31st March 2018

Company Registration Number: 2705172

Charity Number: 1012369

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Reference and Administrative Details

Directors:

Joshua Berger CBE (Chairman)
Nick Campsie (Deputy Co-Chairman)
Pete Constanti
Anthony Gibbon
Christine Mason
The Hon. Natasha Rayne
Lady Rayne Lacey
Matthew Rose (Deputy Co-Chairman & Treasurer)
Prof. Jonathan Shalit OBE

Non-Executive Directors:

Dame Judi Dench CH DBE
Sir Trevor Nunn CBE

Executive Officers:

Gill Dodge (Managing Director)
Paul Morrall (Director of Education & Training)
Louise Perry (Director of Strategic Development & Impact)
Lou Stein (Artistic Director)

Honorary Presidents:

The Hon. Natasha Rayne (President)
The Lady Rayne Lacey (President Emeritus)

Ambassadors & Guardians:

Jo Collins MBE D.Univ (Middx) (Founder)
Mary Ward MBE D.Univ (Middx) (Founder)

Company Secretary:

Daniel Beacock

Registered Office:

Chicken Shed Theatre
Chase Side, Southgate, London, N14 4PE

Company Registration:

Number 02705172

Registered Charity:

Number 1012369

Bankers:

Barclays Bank plc
Media Bank Centre
1st Floor, Soho Square
London W1D 3QR

Auditors:

Moore Stephens LLP
Chartered Accountants
150 Aldersgate Street
London E

The Chairman's Summary

It has been my privilege to continue to serve as the Chairman of this amazing charity for a further year. Chickenshed, established over 40 years ago, exists to offer the widest 'educational' opportunities which allow young people to grow and flourish, through experiencing the power of inclusive performance. Every week we work with 1,000 young people (from the age of 5 upwards) of all backgrounds and abilities to encourage their development – both as individuals and ultimately to enable them to become active participants in their communities.

We deliver *Theatre Changing Lives*.

As highlighted in this report, this year has been both an exciting and challenging one for Chickenshed. The organisation has continued to develop its work at its North London and West London bases, around the UK and beyond. (Highlights of the delivery of our charitable objectives can be found on pages 5-11.) Despite the considerable financial pressures faced, and due to the deep commitment of all in the Chickenshed community, we have continued to deliver high quality programmes which have benefitted all those who participate in, and come into contact with, our work. Chickenshed remains determined to develop the flexibility and secure the support for children and young people, for whom, in these difficult and uncertain economic times, the role of the arts and third sector organisations becomes even more important.

Significant focus and resources have continued to be devoted to future planning, with the aim of strengthening our contribution and relevance to society. A key and continuing imperative, given the pervading financial climate, has been to identify how to deliver our future work sustainably. This has, and continues to, require reducing expenditure whilst ensuring we are able to focus on core elements of our work – delivering the maximum impact for our young beneficiaries. (Further detail: Financial Commentary on page 11).

The Board of Directors of The Chicken Shed Theatre Trust convey sincere thanks to all who have supported the organisation over the last year. We would also wish to acknowledge the support of the Boards of The Chicken Shed Property Company and the American Friends of Chickenshed Inc.

Without the inspiration of the young people with whom we work, the unsurpassed commitment and passion of our staff, the time and energy of our volunteers and the encouragement and generosity of all our supporters, Chickenshed would not be able to continue its mission of delivering *Theatre Changing Lives*.

A recent commendation of our work is a testament to our impact. Writing in the Observer Newspaper, Susannah Clapp reflected on Chickenshed - '... it's a stage, an educational establishment, a vision and a fellowship. It supplies eye and mind expanding productions for and by all ages. This is a theatre that changes the idea not only of who is being seen but also of who is looking.'

Thank you.

Joshua Berger
Chairman, The Chicken Shed Theatre Trust

The Organisation

Chickenshed is an inclusive theatre company whose vision is the creation of a society which enables everyone (regardless of background, ability or affluence) to flourish – with the contributions to their communities actively welcomed. Our part in realising that vision, our mission, is to create entertaining and outstanding theatre, which celebrates diversity and inspires positive change.

Structure, Governance & Management

Legal Structure & Objects

The Chicken Shed Theatre Trust is a registered charity and a company incorporated by guarantee with no share capital, exempted under Section 5 of the Companies Act 2006 from the requirement to use "Limited" as part of its name. Members of the Board act as Trustees and Directors of the charity and company respectively. The overall objects and powers of the Trust are set out in the Memorandum and Articles of Association. The object for which the company is established is the advancement of education in the fields of the arts, principally for the benefit of young people including those who may require help with mobility, communication, behaviour or self-help skills and social development with a view to educating them in these areas and integrating them into the community by assisting them in their development as members of society.

Governance

The Board of Directors has full legal responsibility for the corporate governance of the Chickenshed Theatre Trust. Directors/Trustees are required to act in accordance with the company's Memorandum and Articles of Association and as required by Statute. Nine Directors served on the Board this year.

Directors are appointed on the basis of specific skills and knowledge to enable them to make a contribution to the management of the company. In order to understand their role and current issues facing the organisation, each new Director is provided with specific tailored information, including; copies of Governing Documents, Board Minutes, Annual Accounts and the Charity Commission's booklet *"The Essential Trustee: What you need to know"*. Opportunities are provided for new Directors to engage with the Chairman and Managing Director, as well as meeting with staff working within their own area of specialism.

In accordance with the Articles of Association the following Directors retired by rotation at the Annual General Meeting (27th June 2018) and, being eligible, sought re-election. Lady Rayne Lacey, The Hon. Natasha Rayne and Prof. Jonathan Shalit OBE were re-appointed.

The Board meet quarterly and review cross-organisation performance and development. Finance is the responsibility of the Finance Committee, consisting of the two Co-Deputy Chairs (one of whom is the Treasurer of the Trust), Head of Finance (who is the Company Secretary) and Managing Director. This Committee convenes monthly. It oversees the development of business plans and recommends the Annual Budget to the Board. It reviews progress through the management account and re-forecasting process, tightly monitors overheads and exerts rigorous control over all outlays. Being responsible for monitoring income delivery is an essential part of the discussions of the Finance Committee.

The main Board is also supported by the Development Board (co-chaired by a trustee), which welcomes supporters to assist in the growth of new fundraising initiatives on behalf of the organisation. This group has continued to generate significant incremental revenue in the past year – their contribution is much appreciated.

Management

The operational running of the theatre company is delegated to the Managing Director, supported by the Executive Team and Management Board. All groups meet regularly to discuss the operations of the company, assessing progress against artistic, education and business plans. Communication within the company, and to the wider Chickenshed community, is facilitated

The Organisation (continued)

through face-to-face briefings (including departmental, staff and volunteer meetings), complemented by communications via the Sharepoint intranet and bespoke bulletins.

Key areas discussed by the Management Board include, Education Reports, Health and Safety and Human Resources. It is important to note that alongside paid staff, Chickenshed welcomes the support of over 300 volunteers, who continue to play a vital role in supporting our work.

Risk Assessment

Systems of internal control within the Trust are designed to provide reasonable reassurance against material mis-statement or loss. These include:

- Strategic and operational plans and an annual budget
- Consideration of financial and non-financial results on a regular basis
- Identification and management of risks

The Board has overall responsibility for ensuring that risk is managed in a constructive and considered manner and judge that the systems currently established mitigate the major risks identified and are appropriate for the present size of the charity.

The most significant risks affecting the Charity are liquidity and cash flow risk. The Finance Committee continues to monitor this aspect of the company's operations on behalf of the Directors, through review of management accounts and re-forecasting, particularly in relation to income.

Reserves Policy

The Charity continues its commitment to build meaningful reserves. This year has been a very challenging period which has seen the erosion of our reserve levels. At the year end the charity had free reserves of (£93,902) (2017: £281,716). The Directors are aware of the need to restore and build these (see page 19, Going Concern) so that the Charity can meet unexpected shortfalls or cash flow difficulties. In the longer-term the Directors would wish to establish reserves of six months cover.

Statement of Public Benefit

The Directors confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Commission in determining the activities undertaken by the charity.

Format of Accounts

The accounts attached on pages 17 to 30 have been drawn up in compliance 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 1st January 2015), (Charities SORP FRS 102) and, the Companies Act 2006.

Report of the Directors – Year ended 31st March 2018

Overview

Over the last 3 years, significant work has been done to create a strategic context for the future of Chickenshed – with areas of organisational focus and impact goals having been identified. Our core work – Performance, Education and Outreach and Membership – continues to deliver public benefit, in line with our charitable objectives. The economic climate has continued to impact significantly on our financial position – measures taken to date, along with further savings and a planned remodelling of the organisation, target a return to a surplus position by 2019/20. Chickenshed's existence relies on the recognition and quality of our work and the support (financial and other) that this generates. We remain confident that the benefit we demonstrably deliver, will secure the funding needed to benefit children and young people into the future.

Plans for Future Periods

The Strategic Review conducted in September 2015 continues to guide our future work. Our vision and mission remained unchanged. Our key measure of success was identified to be our ability to deliver measurable, positive change in the lives and opportunities of those we work and engage with. Key outcomes over the next 10 years would be to increase access to our work, deliver and demonstrate our impact and ensure we engage persuasively to promote an inclusive society. Five key areas of organisational focus were identified:

- *Pure Theatre* - create a wider theatrical range of offerings, leveraging theatrical & digital channels.
- *Reach them Young* - develop an education programme that penetrates the wider Education Landscape.
- *Sphere of Influence* - adopt a strategic approach to external engagement, which delivers reach and influence within targeted groups.
- *A Sustainable Future* - develop a level of reserves which ensure continuity of services and allow investment for future development.
- *Invest in People* – through investment in best practice in Human Resources management, we deliver a highly trained and motivated workforce.

The Strategic Review identified the period 2016-19 where we would establish the building blocks for growth and leverage our current assets. A key aspect was to develop and embed an 'impact-led culture' - ensuring that all activities were aligned to delivering a strong evidence base for our inclusive practice. This would then enable Chickenshed to better share and influence change beyond its immediate sphere and strengthen the organisation's ability to secure ongoing funding for the development of our work.

Over the last year the Director of Strategic Development and Impact has led a programme of cross-organisational work to establish clear impact goals – with reference to, and informed by, approaches and learnings from other organisations. As a result of this work, our three high level impact goals have been defined as:

- *Empowering Individuals* - Build social skills of individuals. Establish platforms and sustainable links for individuals to communicate with their community.
- *Changing Hearts and Minds* - Demonstrate to unknowing groups the value of inclusive methods and ideology. Provide a platform for stories to be shared that will develop empathy and change perspectives.
- *Transforming Institutions* - Create partnerships through which inclusive practice and theory can be transferred and embedded. Contribute to campaigns promoting social inclusion.

These three goals are considered independently important in delivering sustainable change. Assessment of all programmes and projects is ongoing, to understand how, and to what degree, they contribute to each area. Through a focus on these goals, we will build a body of evidence

Report of the Directors – Year ended 31st March 2018 (Continued)

demonstrating the power of inclusive methodologies to support transformative change. Importantly, we have been working with the Project Oracle Children and Youth Evidence Hub to achieve accreditation for our project evaluations – this will strengthen the rigour of assessment of our work.

Strategies employed to achieve the Charity's Aims and Objectives

In pursuit of our charitable aim of the advancement of education in the fields of the arts, principally for the benefit of young people, we have continued to reach our beneficiaries through focusing our work in the key strategic areas of Performance, Education & Outreach and Membership. Key activities and achievements are detailed below.

Performance

At our facilities in Southgate we have two purpose built performance spaces – The Rayne and Studio Theatres (with capacities of 290 and 130 respectively). During this year, we continued to develop the range of our repertoire and number of shows. This enabled more participation opportunities for our students/members and the opportunity to welcome new audience members to the Theatre.

Over 40,000 members came to our public shows at Chickenshed and other external venues. Performances included 'Rapunzel' and 'Don't Stop Thinking About Tomorrow' in the Rayne Theatre (Christmas 2017 and Spring 2018 respectively). These two shows provided over 1,000 performance opportunities for young people who are members or students with Chickenshed. The Studio shows this year were *Refugee Boy* (May 2017) and *Dr Faustus* (October 2017). An additional summer family show ran in summer 2017 – *The Midnight Gang* by David Walliams. On attending the show, David reflected "*Chickenshed is probably the most important theatre in the world*". This run attracted over 4,500 audience members – many of whom were visiting Chickenshed for the first time.

Our performances received critical acclaim, including:

- *"The show kept a large teenage school group utterly spellbound on the night we visited."*
(*Refugee Boy, The Londonist, 4*****)
- *"Something really special is happening at the lovely and welcoming Chickenshed Theatre in North London... an absolute triumph of a performance. It's imaginative, innovate, funny and deserves a sell-out crowd at every turn and it's quite simply incredible."*
(*The Midnight Gang, Everything Theatre Review, 5******)
- *"The greatest threat to the creative industry is that there are too few theatre companies like Chickenshed. This is a must-see production by a must-see company."*
(*Don't Stop Thinking About Tomorrow, The Dance Review, 5******)

Our successful programme of Performances to Children (including *Tales from the Shed*, *Planet Play*, *Jumble Book* and *Tales Big Days Out*) continued to reach out to our youngest audiences (from 0 upwards!), with over 13,000 attending performances at Southgate and beyond. We were delighted to continue to take *Tales from the Shed* to partner companies including the Old Vic, Wilton's Music Hall, the Dugdale Theatre and the Royal Albert Hall.

Young Creators

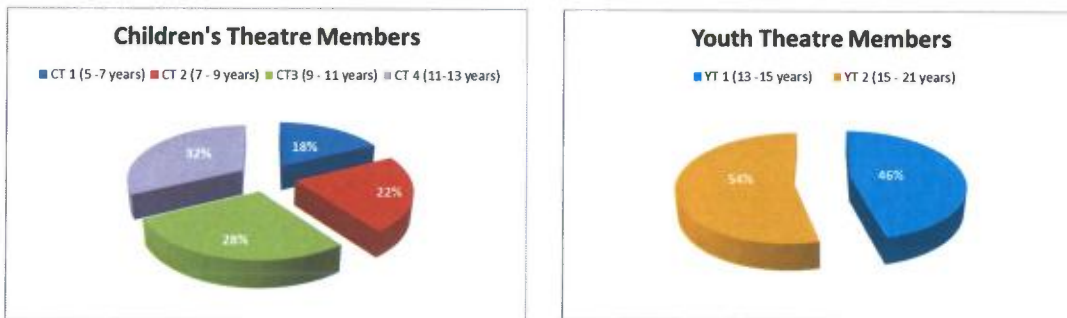
According to an Institute of Employment Studies 2016 report, "*Young people, aged 16 to 24, are almost three times as likely to be unemployed as all other age groups combined*". Within our performance activities, the Young Creators Scheme is a professional development programme which offers opportunities for over 100 young people (14 – 25 years) to experience and develop valuable practical skills in a live theatre setting (- including areas such as directing, choreography, back stage activities and creative writing). The scheme provides modular vocational training opportunities (which both stand alone or can complement an individual's academic study). The

Report of the Directors – Year ended 31st March 2018 (Continued)

scheme allows participants to explore their own interests and potential, and consider careers in the performing arts sector. We are grateful to the grants received in support of this programme and the sponsorship offered by the Warner Brothers Creative Talent Scheme.

Membership

Chickenshed's Children and Youth Membership delivers inclusive theatre education programmes. Weekly sessions, with additional participation opportunities for young people available during weekend/school holiday schemes, run throughout the year. The programme currently retains its 600 strong membership, the age distribution across groups remains constant.



We target a 1:4 ratio of ethnic diversity and a 1:6 ratio of young people with additional educational needs.

"The support my son received from Chickenshed has had a profound effect on his social development and communication skills. His behaviour could be challenging. Chickenshed has given him the opportunity to express himself and learn to work with others in an extremely supportive and loving environment." Parent

The key activity within this year was Chickenshed's Children's and Youth Membership review on how best further develop a youth-guided and youth-led approach their work. Conversations and focus sessions with our young people led to the emerging idea of a 'Young Company'. The first initiative which employed this revised approach was the National Theatre Connections project - leadership was given over to a steering group of young people, led by a Young Producer. They were responsible for all aspects of the production both at Chickenshed and then transferring it to the Partner Theatre Festival at Artsdepot in North Finchley. The success of this project led to a plan for a youth-guided festival of work, *New Routes*, in Summer 2018. This initiative would be led by two Young Producers.

These conversations and projects led to us proposing the phasing in the division's name from 'Membership' to 'Young Company'. The young people consulted told us:

- I think it's a great idea and I feel like being called 'Young Company' gives a real sense of ownership - rather than being defined as an age group (Children's Theatre 1,2 etc.)*
- It's great how much input you are giving the Youth Theatre to create their own projects and I think that the 'Young Company' name would reflect this.*
- I hope you continue to bring the work of Chickenshed Youth Theatre into other Venues because not only is it enjoyable for us but I think that the work that Chickenshed does with young people should be shared with as wide an audience as possible.*

The 'Young Company' will remain committed to ensuring access for all, which will now be guided as to what this means by our young people. Their internal & external profile will be enhanced.

Report of the Directors – Year ended 31st March 2018 (Continued)

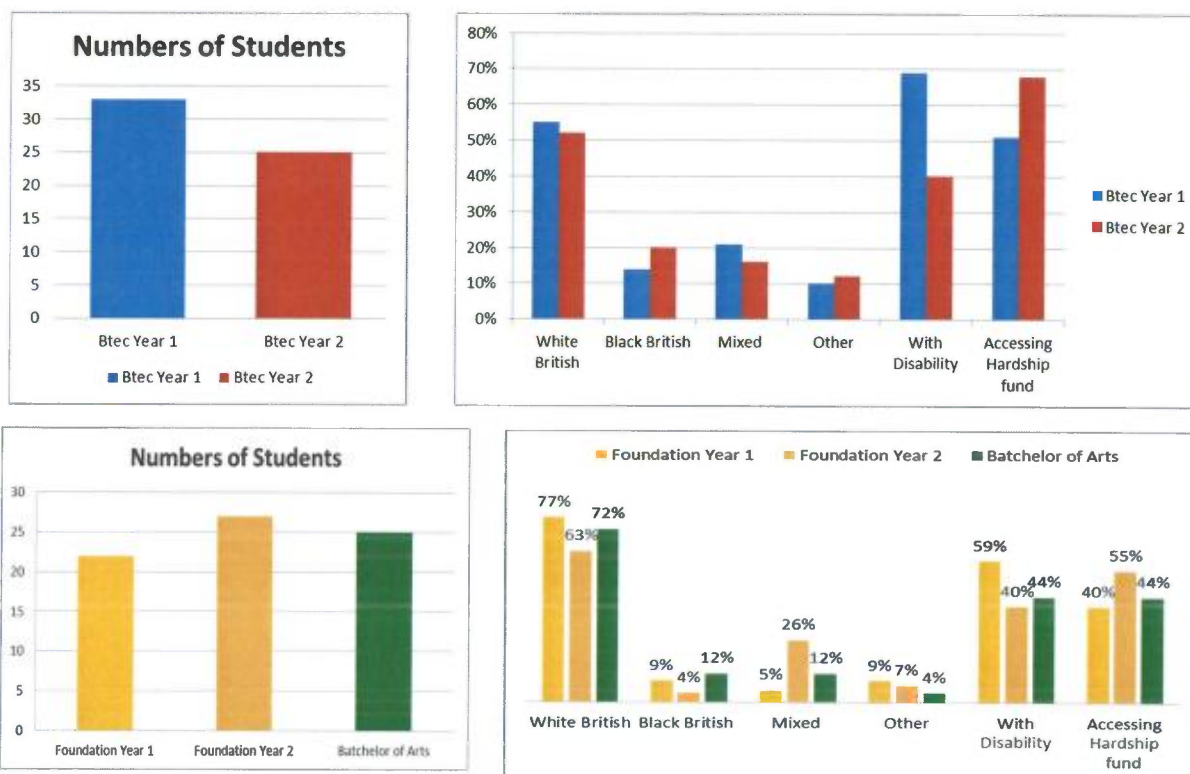
The Community Choir activities have also continued to operate throughout the year. Adults are able to participate in our public shows, developing their performance skills through professional on-stage experiences.

Education & Outreach**- Education**

Chickenshed offer formal opportunities through the provision of Further and Higher Education courses in Performing Arts and Inclusive Performance respectively. Our BTec qualification (16 – 18 year olds) is administered through the College of Haringey, Enfield and North East London (COHENEL), with the Foundation and BA Degrees (18 – 21 year olds) being validated by the University of Middlesex. Our Theatre premises therefore act as an education campus for up to 150 students. (A further 100 vocational training opportunities also run; Young Creators, see page 5).

Our Higher Education work continues to be monitored through the Qualifications and Assessment Authority (QAA), with a successful HE Review completed in Autumn 2017. Chickenshed was deemed to have 'met UK standards' and received the most commendations (four) amongst educational organisations delivering work across the Capital (out-performing institutions including: The Central School of Music and Drama, Royal Academy of Dance, Goldsmiths, Rose Bruford and The Guildhall). The importance placed on 'practice through research' and the student 'voice' within our education work was pivotal in the QAA's recognition of the quality of our work.

Approaching education with an inclusive agenda means that we seek to welcome young people from all backgrounds and previous educational experiences. The aim of ensuring a wide access for young people to our education courses is evidenced by the data below.



Data relating to the academic year ending Summer 2017

Diversity is clearly seen with significant percentages of students from different ethnic groups and identifying as having some form of disability. Through our Hardship Fund we seek to support

Report of the Directors – Year ended 31st March 2018 (Continued)

students whose financial positions are difficult and could jeopardise their studies. Support includes help with food vouchers and travel cards. The issue is particularly acute for those aged 16-18 years, on the BTec course. As indicated above, three out of the five year groups have over 50% of students needing to access the Fund in this year.

Outcomes from the courses have continued to meet or exceed national benchmarks for Further and Higher Education. Ninety two percent of BTec students successfully completed and passed their course. Degree outcomes at BA & Foundation Degree levels were highest since either BA or Foundation Courses began. The External Examiner (from Brighton University) conveyed great confidence in the outcomes following the Silver Award from the Teaching Excellence Framework. The Foundation Degree saw a 97% pass rate, with 30% of students achieving a Distinction, 30% a Merit. In the BA, 38% of students achieved a First Class Degree, with a further 31% achieving an Upper Second (the pass rate overall was 92%). Student retention remains high.

These performance outcomes reflect huge efforts from staff and the young people themselves - to bridge gaps they have previously experienced and help them succeed through an inclusive educational environment.

"I was kicked out of school, and they could not understand my needs or support me. I started Chickenshed when I was 14 on an Outreach project. My mentor at Chickenshed was a great influence on my life. If it wasn't for him I don't know where I would be. He was not only a teacher, he was like a friend. He helped me achieve my goals and helped put a picture in my head of who I wanted to be." Chickenshed Graduate

The support given includes intensive staff mentoring of students with high levels of disadvantage and mental health issues. We also provide complementary professional support through the services of a qualified Counsellor and Medical Support Assistant.

Studying Inclusive Performance at Chickenshed is hugely facilitated by being part of an active Theatre. End of year shows devised and performed by the students included: an exploration of individual perspectives ('What do I know?'), the consequences of 'bad decisions' ('In too deep'), the importance of the youth voice being heard ('Represent') and the power and danger of the cult ('What's wrong with Jim?').

- Outreach

Chickenshed has a very active outreach programme which works extensively with young people facing challenges in their lives and who may be isolated (eg children in refugee centres, asylum seekers, families dealing with domestic abuse). 'Crime of the Century' (focussing on knife crime) has continued to be a key platform within our Outreach – targeting young people between 10 and 21 (in schools, young offender institutions and other venues), who are at risk of entering into gang culture. Workshops in this programme, help young people make more informed and positive choices about their futures. A programme in primary schools, 'Voices & Choices', adapts 'Crime of the Century' material for younger age groups – this was in response to requests from educators to reach young people prior to their transition into secondary school.

The ICAP supported trainee programme has been implemented, with the benefits of access to an expanded outreach team being felt. For example it was possible to run a workshop at one of our partner schools with over 200 children/young people present. At the end of the 3 year period of ICAP support, the aim is to have doubled the capacity of the outreach team, enabling us to reach more young people.

Many partnerships have continued to run successfully. Of particular note are the activities with the Guildhall and University of Westminster, where discussions as to how Chickenshed's methodology could become a formally incorporated part of their degree programmes continue to be explored.

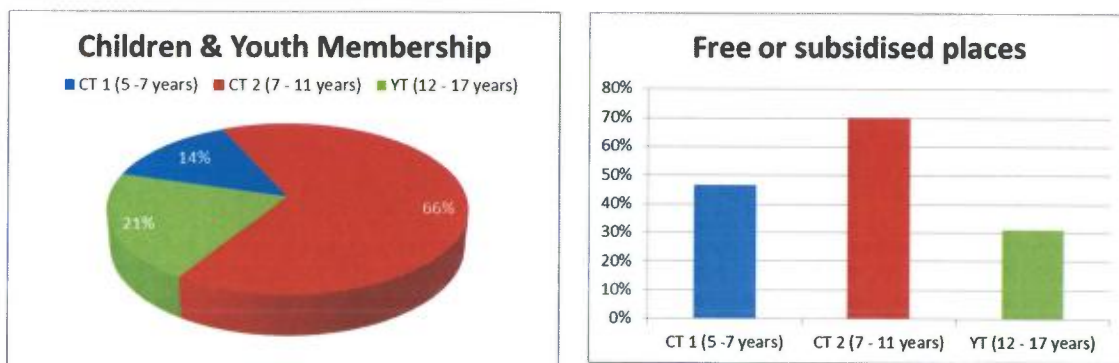
Report of the Directors – Year ended 31st March 2018 (Continued)

In this year, Chickenshed set up a Higher Education Professional Partnership Network to link up with, and disseminate communications about potential projects & opportunities. Organisations involved include: The Enfield Learning Trust (representing 8 schools and a pupil referral unit), Southgate, Aylward and William Edwards Secondary Schools, Duke's Aldridge and Bridge Academies, Shared Vision "Voice of the Child" Social Inclusion Charity, Angel and Haringey Sheds, Footsteps Academy Tottenham - Pupil Referral Unit. The Network contributed to the QAA HE Review – discussing Chickenshed's initiatives in relationship to our work via partnerships, Outreach, HE student participation & potential future employment for our students.

Chickenshed Kensington and Chelsea (CKC)

CKC allows the organisation to offer a presence in West London through membership, outreach, partnership and performance opportunities. This work is made possible through invaluable support from our corporate partners, Multiplex and Orion Capital.

Our membership work has continued with over 200 young people taking part over the year. We continue to facilitate access to marginalised groups – with significant numbers having support needs and being able to participate through subsidised or free places.



Highlights of our year's work include:

- In June 2017, CKC led on a large scale children's theatre project '*Dreams of Freedom*'. Culminating in a performance at the Royal Albert Hall, the project brought together over 500 children from 13 schools, the Tri-borough Young Singers and members of Chickenshed's Children's Theatre from both Kensington & Chelsea and Southgate. The project partner was Amnesty International, having been inspired by their book of the same name, and was created from the children's thoughts, opinions, ideas and dreams. An audience of over 2,300 attended the event.
- '*Big Stories from the Little Box*' (0 to 5 year olds), continued to tour children centres across the Tri-borough area, reaching over 660 children and their families, many of which were targeted because of disadvantage. We were grateful for funding from The John Lyons Foundation. The early years team also reached 350 children through bespoke projects, including performances for the community affected by the fire at Grenfell Tower.
- Training in puppetry, story-telling and song was also delivered - the team reached 87 children centre staff and early years practitioners through training sessions and at the Tri-borough Early Years conference.
- In Spring 2018, funding from City Bridge Trust enabled a year-long children's theatre project at Oxford Gardens Primary School to run. This was one of the schools who were highly

Report of the Directors – Year ended 31st March 2018 (Continued)

- impacted by the fire at Grenfell Tower. Participants were referred by local key schools but were also welcomed from the wider local community.
- CKC Youth Theatre performed at The Bush Theatre as part of National Theatre Connections. They performed *The Changing Room*, an ensemble piece using the swimming pool changing room as metaphor for going through the teen years. CKC continued to deliver a range of outreach sessions in schools, youth clubs, hospitals and with community organisations. These have included The American School in London, the London Boroughs of Chelsea and Westminster and CARAS (a charity supporting refugees and asylum seekers).

Fundraising

Chickenshed generates revenue through earned income from its charitable activities (performance receipts, membership subscriptions and education tuition and support fees). Every pound earned is targeted to be matched by funds generated through donations, gifts and grants, and from fundraising events and activities. Such income streams cannot be guaranteed and are heavily dependent on the efforts of volunteers, staff, the Executive and the Trustees.

The Fundraising Team have continued to work hard to secure income, within the context of a continuing challenging external environment for charitable and philanthropic giving. Our non-earned income totalled £1,674,149, on a par with the previous year (2017: £1,667,835).

Our efforts in nurturing support from individuals showed some success, with donations standing at £374,194 (23.5% growth year on year). There was also a modest increase (2%) in fundraising activity driven income, standing at £940,664. These increases were however countered by a year on year decrease (down by 18%) in income received from trusts and grant giving bodies. Whilst still reflecting significant support of our work (income of £359,291), our efforts to replace some multi-annual funding, which came to an end in 2016/17, did not come to fruition within this year. A listing of those organisations supporting us can be found in note 3 to the accounts – we are most appreciative of their support in enabling delivery of our programmes to our beneficiaries.

The Development Board has continued to play an active role in building a broader portfolio of events through the year and introduce new contacts and corporates to Chickenshed. This work has helped counter the reduced financial performance of the two major gala events held each year. With regard to the latter, the future of such events is under consideration, with alternative fundraising initiatives and different models under review.

Volunteers

In 2017/18, over 300 volunteers gave an estimated total of 19,080 hours to Chickenshed. (This excludes hours given voluntarily by members of staff, students and membership.) When multiplied by the London Living Wage (£10.20/hr), an estimated *minimum* monetary value of £194,600 can be attributed to this service. Volunteers support us across many areas of our work and are at the heart of the Chickenshed community. Our front of house volunteers gave 9,737 hours of support, (a 25% increase on the previous year - across 406 performances). A further 5,780 hours of help were given onsite, including help with administration and fundraising activities. The contribution of our Trustees & support of senior advisors/professionals, (who bring specialist support), was a gift of over 1,800 hours to the organisation.

The contribution of our volunteers is immeasurable – beyond the hours they give, their energy, enthusiasm, dedication and goodwill are vital to Chickenshed. Our volunteers are a precious resource and enable us to deliver our programmes and activities for young people. We are truly indebted to them.

Financial Results and Commentary

The deficit on unrestricted funds for the year ended 31st March 2018 amounted to £375,618 (2017: £349,688). Total income remained steady year on year at £3.7m, costs decreased by

Report of the Directors – Year ended 31st March 2018 (Continued)

1.5% (£66,864) – generating a net deficit (including depreciation) of £563,415. Depreciation charged in the year through the restricted and unrestricted funds amounted to £152,696 (2017: £158,185).

During the year 2017/18, the management executed the business plan, approved by the Trustees, which sought to deliver an improved position year on year – targeted income growth and reduced costs. Earned income saw growth in performance receipts, with some decline in education income (reduced support fees due to pressures within education sector funding) and membership subscriptions, (with more families needing subsidy support and less funding secured to support subsidies). Fundraising income was maintained (see page 10). During the year, targeted reduction in expenditure was actioned – these included staff changes, a number of redundancies and changes to contracts, and a reduction in direct costs (for example, expenditure on productions). These changes would ultimately deliver an estimated annualised full year saving of ~£200k, after implementation during 2017/18 and after the cost of change which was incurred in this year. Resolution of employment issues incurred an unexpected increase in consultancy costs during the year.

In the financial year 2018/19, the Trustees and Management have deployed significant effort to target a substantial improvement in the deficit position - with the measures taken in 2017/18 delivering in full and with further changes to deliver sizable reductions in expenditure. As at December 2018, the forecast deficit (excluding depreciation) is anticipated to have further improved to - £167k (vs - £410.7k in 2017/18).

Beyond the current financial year, plans are in place for 2019/20 to return the charity to a surplus position. These include expenditure reductions which deliver ~£400k to the bottom line – achieved through further reductions in work force capacity – whilst continuing to focus and deliver our core programmes of work.

The organisation have developed a remodelling plan which will restructure the way we work – rescaling the organisation such that it is able to operate within a continuing uncertain, and potentially adverse, economic climate. The new model further enhances flexibility to both scale down or up, depending on incoming resources. 2019/20 will represent a transition year – with the new model fully in place for 2020/21.

The last two years have brought considerable challenges to the financial position of the Charity. The Trustees have remained committed to the historic position of the Trust – never having been supported through externally sourced debt and reducing expenditure to respond to pressures arising from income delivery. The plans presented to the Trustees have provided them with the assurance of the continued viability of the Trust and given them confidence that these accounts can be presented in recognition of the delivery of their responsibility for the ongoing sustainability of the organisation.

Auditors

The auditors, Moore Stephens LLP, are willing to continue in office. A resolution for their reappointment and authorising the directors to fix their remuneration will be submitted to the Annual General Meeting.

The Chicken Shed Theatre Trust

Report of the Directors – Year ended 31st March 2018 (Continued)

Disclosure of information to auditors

Each of the persons who are directors at the time when this report is approved confirms that:

(a) so far as each director is aware, there is no relevant audit information of which the company's auditors are unaware; and

(b) each director has taken all the steps that ought to have been taken as a director, including making appropriate enquiries of fellow directors and of the company's auditors for that purpose, in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

By Order of the Board



JOSHUA BERGER

28 December 2018

Statement of Director's Responsibilities – Year ended 31st March 2018

The Directors of the Company are responsible for preparing the Directors' 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 directors 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 directors are required to:

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

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

Independent Auditors' Report – Year ended 31st March 2018

Opinion

We have audited the financial statements of The Chicken Shed Theatre Trust (the 'charitable company') for the year ended 31 March 2018 which comprise the Statement of Financial Activities, Balance Sheet, 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, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2018 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we

Independent Auditors' Report – Year ended 31st March 2018 (continued)

are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Annual Report has 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 material misstatements in the strategic report or the trustees' 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities Statement set out on page 13, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs(UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Independent Auditors' Report – Year ended 31st March 2018 (continued)

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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.

Moore Stephens LLP

Philip Clark, Senior Statutory Auditor

For and on behalf of Moore Stephens LLP, Statutory Auditor

Moore Stephens LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Moore Stephens LLP
150 Aldersgate Street
London
EC1A 4AB

Date: 28 January 2019

The Chicken Shed Theatre Trust

Statement of Financial Activities – (incorporating an income and expenditure account)**For the year ended 31st March 2018**

	<u>Note</u>	<u>Unrestricted Fund</u>	<u>Restricted Fund</u>	<u>2018 Total</u>	<u>Unrestricted Fund</u>	<u>Restricted Fund</u>	<u>2017 Total</u>
Income from:							
Donations and legacies		300,692	73,502	374,194	251,090	51,890	302,980
Charitable activities:							
Grants	3	73,385	285,906	359,291	84,530	353,805	438,335
Productions		505,226	1,315	506,541	463,273	4,011	467,284
Subscriptions		174,566	15,315	189,881	197,771	17,046	214,817
Education		1,277,940	27,780	1,305,720	1,373,155	6,977	1,380,132
Agency, royalties and other income		5,846	-	5,846	3,054	-	3,054
Merchandising		16,201	-	16,201	14,426	-	14,426
Bar and catering		37,577	-	37,577	35,501	-	35,501
Other trading activities:							
Fundraising events and activities		771,633	169,031	940,664	749,936	176,584	926,520
Investments		91	-	91	96	-	96
Total Income		<u>3,163,157</u>	<u>572,849</u>	<u>3,736,006</u>	<u>3,172,832</u>	<u>610,313</u>	<u>3,783,145</u>
Expenditure on:							
Raising funds	4	1,009,557	177,434	1,186,991	978,357	151,539	1,129,896
Charitable activities	5	2,452,360	574,973	3,027,333	2,463,157	683,880	3,147,037
Other	6	76,858	8,239	85,097	81,006	8,346	89,352
Total Resources Expended	8	<u>3,538,775</u>	<u>760,646</u>	<u>4,299,421</u>	<u>3,522,520</u>	<u>843,765</u>	<u>4,366,285</u>
Net Income/(expenditure)		(375,618)	(187,797)	(563,415)	(349,688)	(233,452)	(583,140)
Fund balance brought forward at 1st April 2017		<u>281,716</u>	<u>2,684,058</u>	<u>2,965,774</u>	<u>631,404</u>	<u>2,917,510</u>	<u>3,548,914</u>
Fund balance carried forward at 31st March 2018		<u>(£ 93,902)</u>	<u>£2,496,261</u>	<u>£2,402,359</u>	<u>£ 281,716</u>	<u>£2,684,058</u>	<u>£2,965,774</u>

All sources of income are from continuing operations.

The Chicken Shed Theatre Trust

Balance Sheet – 31st March 2018

Company number: 1012369

	Note	2018	2017
Fixed Assets			
Tangible assets	10	2,491,378	2,623,997
Current Assets			
Stocks - goods for resale		2,545	2,099
Debtors	11	495,549	711,586
Bank and cash balances		73,433	183,304
		<u>571,527</u>	<u>896,989</u>
Creditors, amounts falling due within one year	12a	<u>(560,546)</u>	<u>(555,212)</u>
Net Current Assets		<u>10,981</u>	<u>341,777</u>
Total Assets less Current Liabilities		<u>2,502,359</u>	<u>2,965,774</u>
Creditors, amounts falling due after more than one year	12b	<u>(100,000)</u>	<u>-</u>
Net Assets		<u>£ 2,402,359</u>	<u>£ 2,965,774</u>
Funds			
Restricted	14	2,496,261	2,684,058
Unrestricted	14	(93,902)	281,716
		<u>£ 2,402,359</u>	<u>£ 2,965,774</u>

These financial statements were approved
by the Board of Directors and signed on their behalf by:

Matthew S Rose

MATTHEW ROSE

28 December 2018

Cash Flow Statement**For the year ended 31st March 2018**

	<u>2018</u>	<u>2017</u>
Net Cash (Outflow)/Inflow from Operating Activities	(89,885)	(177,539)
Returns on Investment and Servicing of Finance		
Interest received	91	96
Capital Expenditure		
Purchase of tangible fixed assets	(20,077)	(54,051)
(Decrease)/Increase in cash	£ <u>(109,871)</u>	£ <u>(231,494)</u>

Reconciliation of Net Outgoing Resources to Net Cash (Outflow)/Inflow from Operating Activities

Net (Outgoing)/Incoming Resources	(563,415)	(583,140)
Interest Received	(91)	(96)
Depreciation	152,696	158,185
(Increase)/Decrease in stock	(446)	381
Decrease/(Increase) in debtors	216,037	132,393
Increase/(Decrease) in creditors	105,334	114,738
Net cash (Outflow)/Inflow from operating activities	£ <u>(89,885)</u>	£ <u>(177,539)</u>

Analysis of Net Cash

	<u>At 1st April 2017</u>	<u>Cash flow</u>	<u>At 31st March 2018</u>
Cash at bank and in hand	£ <u>183,304</u>	£ <u>(109,871)</u>	£ <u>73,433</u>

Notes to the Financial Statements**For the year ended 31st March 2018****1. Background**

The Chicken Shed Theatre Trust (also referred to as Chickenshed) is a registered charity and a company incorporated by guarantee with no share capital, exempted under Section 5 of the Companies Act 2006 from the requirement to use "Limited" as part of its name. It is incorporated in England and Wales under registration number 02705172 and its registered office is Chicken Shed Theatre, Chase Side, Southgate, London N14 4PE.

2. Principal Accounting Policies**(a) Basis of preparation**

The financial statements are 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 1st January 2015), (Charities SORP FRS 102) and the Companies Act 2006.

The Chicken Shed Theatre Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or estimated fair value in respect of gifted assets.

(b) Going concern

The ability of the company to undertake its activities is largely dependent upon the receipt of donations, gifts and grants, and revenue from fund raising events and activities. Those revenues cannot be guaranteed and are heavily dependent upon the efforts and contributions of volunteers, staff, the Executive and the Trustees.

Following a challenging year in 2016/17, the management developed a business plan for 2017/18 on behalf of the trustees, which set out the manner in which revenue would be raised to meet the company's expected expenditure. The management considered that the financial budget supporting the plan will deliver a significantly improved position and demonstrates the financial viability of the trust going forward.

Beyond the current financial year 2017/18, significant work, (Financial Commentary: see page 11), is ongoing to consider how Chickenshed continues to deliver its charitable objectives within a strengthened impact-led model (see page 4). This seeks to ensure that resources are aligned such that the organisational structure and activities deliver enhanced evidence-based impact measurement of our work and support the ongoing sustainability of the organisation.

The trustees are particularly aware of the historic position of the trust never having been supported through externally sourced debt and the flexibility of the company to rapidly contract to control costs in the event of income targets not being achieved. Accordingly the trustees consider that the financial projections presented to them provide suitable assurances in the continuing viability of the trust. These accounts have been drawn up in full recognition of the trustees' responsibilities in achieving these financial projections.

Notes to the Financial Statements**For the year ended 31st March 2018 (continued)****2. Principal Accounting Policies (Continued)****(c) Tangible fixed assets**

Fixed assets are stated at cost, or at estimated value in the case of assets donated. Depreciation is calculated with the intention to write off the cost or valuation of fixed assets on a straight line basis over their expected useful lives at the following rates per annum:

Leasehold property	2 per cent
Theatre equipment	10 - 20 per cent
Fixtures, fittings and other equipment	10 - 20 per cent

(d) Income

Subscriptions, grants, donations, legacies and gifts are recognised in the period in which the charity is entitled to the funds, any performance conditions attached to an award have been met, it is probable that income will be received and the amount can be measured reliably. Income is deferred if received in advance of entitlement. Entitlement to income is deemed to be the date when the service is provided or an event takes place. All income is stated net of VAT. Donated services and goods are recognised as income when the economic benefit can be measured reliably. General volunteer time is not recognised as income.

(e) Allocation of expenditure

Expenditure on raising funds includes all costs incurred in respect of activities to raise voluntary income.

Expenditure on Charitable activities includes all costs incurred to enable the charity to meet its charitable objectives.

Other costs represent those costs incurred relating to strategy, compliance, constitutional and regulatory matters.

General overheads, which includes management and administration costs are allocated in proportion to salary cost and direct costs.

(f) Restricted/Unrestricted Funds

Income recorded within restricted funds represents funds that can only be utilised for a project specified by the donor/grantor. Income received for a designated purpose that is part of the integrated service provided by the Charity is considered to be an unrestricted fund. Costs allocated against restricted funds include direct costs and an allocation of overheads.

Unrestricted funds represent funds received which are expendable at the discretion of the trustees in furtherance of the charity's objectives.

(g) Pension costs

Contributions to a defined contribution scheme are charged as incurred.

Notes to the Financial Statements**For the year ended 31st March 2018 (continued)****2. Principal Accounting Policies (Continued)****(i) Operating leases**

The costs of operating leases are charged to the profit and loss account as incurred.

(j) 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.

(k) Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Income is accrued and deferred based upon estimates of future income entitlement and the timing of when activities will take place.

Fixed assets are depreciated over their expected lives.

3. Grant Analysis

Grants received during the year include the following:

	<u>2018</u> £	<u>2017</u> £
For theatre equipment:		
Birkdale Trust	-	1,000
Presidents Club Charitable Trust	20,000	-
For Children's and Youth Theatre:		
American Friends of Chicken Shed	-	9,073
Angle House Foundation	3,000	-
The Big Give	1,000	-
Boris Karloff Charitable Foundation	2,000	1,000
BBC Children in Need	38,822	25,137
The Childhood Trust	3,000	-
Edmonton Community Fund	3,850	-
John Horniman's Children's Trust	5,000	-
John Lyon's Charity	5,000	-
The Mackintosh Foundation	1,000	1,000
Newman's Own Foundation	-	3,740
St James' Place Charitable Foundation	2,500	-
Santander Foundation	-	4,920

Notes to the Financial Statements

For the year ended 31st March 2018 (continued)

3. Grant Analysis (continued)

	<u>2018</u>	<u>2017</u>
For Performance:		
	£	£
For Children's and Youth Theatre (continued):		
The Vandervell Foundation	3,000	3,000
For Production:		
BBC Children in Need	2,947	-
The Cutler Trust	500	-
Ernest Hecht Charitable Foundation	7,930	-
The Music Sales Charitable Trust	1,000	-
The Thomson Family Charitable Trust	50,000	-
Warburtons Families Matter	9,983	-
Wixamtree Trust	-	1,000
For Education:		
EBM Charitable Trust	-	20,000
Garfield Weston	-	20,000
MK Rose Charitable Trust	15,000	25,000
The Red Hill Trust	2,000	2,500
For Outreach projects:		
The Cutler Trust	-	500
City Bridge Trust	4,246	-
Hobson Charity	5,000	-
John Lyon's Charity	30,500	26,500
Joseph Levy Charitable Foundation	10,000	10,000
Newman's Own Foundation	3,790	-
The Roddick Foundation	28,750	-
The Royal Borough of Kensington and Chelsea	2,083	-
Thomas's Schools Foundation	4,004	4,086
Disability Access Support:		
Ernest Hecht Charitable Foundation	-	-
Young Creators scheme:		
Andrew Lloyd Webber Foundation	15,000	15,000
EBM Charitable Trust	25,000	-
The Monument Trust	-	90,000
Anonymous	-	5,000
Outreach Trainee scheme		
ICAP	-	100,000
Internships		
Creative and Cultural Skills	-	9,750
General:		
American Friends of Chicken Shed	13,385	8,229
The Andor Charitable Trust	7,500	7,500
British Council – Ukraine	-	2,200

Notes to the Financial Statements**For the year ended 31st March 2018 (continued)****3. Grant Analysis (continued)**

	<u>2018</u> £	<u>2017</u> £
General (continued):		
Chapman Charitable Trust	2,000	-
Civen Foundation	-	500
Ian McTaggart Trust	2,500	2,500
International Music and Art Foundation	18,000	18,000
Kleinwort Benson - anonymous	-	500
M and C Trust	-	5,000
The Multithon Trust	-	100
Old Possum's Practical Trust	-	5,000
The Royal Borough of Kensington and Chelsea	-	600
The Sackler Trust	-	10,000
Sidney Kingsley Trust	10,000	-

All grants have been recorded within unrestricted funds in accordance with note 2(f) of principal accounting policies, with the exception of grants received for projects that are not part of the integrated service provided by the Charity, totalling £285,906 (2017: £353,806), which have been recorded within restricted funds.

4. Expenditure on raising funds

	<u>2018</u>	<u>2017</u>
Wages		
- Promotion and public relations	407,066	373,518
Other expenses		
- Event Costs	303,950	306,620
- Promotional costs	29,403	17,777
- Depreciation (Restricted Fund)	16,393	14,990
	349,746	339,387
Allocation of support costs	430,179	416,991
	<u>£ 1,186,991</u>	<u>£ 1,129,896</u>

Costs allocated to restricted fund include Kensington & Chelsea fundraising event costs of £89,088 (2017: £58,270).

Notes to the Financial Statements

For the year ended 31st March 2018 (continued)

5. Expenditure on Charitable Activities

	<u>2018</u>	<u>2017</u>
Wages		
- National Development and Training Programme	381,970	371,571
- Production and Artistic Direction	629,613	688,234
- Front of House and Box Office	98,388	140,692
- Education	618,859	646,380
	<u>1,728,830</u>	<u>1,846,877</u>
Other direct expenses		
- Production and Workshops	301,453	293,099
- Education	129,057	112,067
- Merchandise	3,713	6,332
- Bar and Catering	5,814	5,335
- Depreciation (Restricted Fund)	69,620	74,118
	<u>509,657</u>	<u>490,951</u>
Allocation of support costs	788,846	809,209
	<u>£ 3,027,333</u>	<u>£ 3,147,037</u>

The costs of employing staff are allocated between the headings set out above on the basis of estimated time allocation but also recognise that many employees are multifunctional. Costs allocated to the restricted fund include depreciation of £69,620 (2017: £74,118), and wages & direct expenses of £505,353 (2017: £609,762).

6. Other costs

	<u>2018</u>	<u>2017</u>
Wages	45,000	50,385
Audit	19,524	16,890
Allocation of support costs	20,573	22,077
	<u>£ 85,097</u>	<u>£ 89,352</u>

Notes to the Financial Statements

For the year ended 31st March 2018 (continued)

7. Support costs

	<u>2018</u>	<u>2017</u>
Wages	535,712	578,191
Depreciation	66,689	69,080
Rent	63,875	57,344
Light and heat	56,869	54,855
Cleaning	37,841	35,289
Maintenance	93,220	92,672
Insurance	30,341	37,059
Legal fees	1,158	1,800
Consultancy Fees	24,395	32,585
Telephone	16,881	14,325
Postage	7,606	8,418
Printing, stationery and computer costs	27,944	28,994
Travel and Motor	13,452	9,723
Miscellaneous	59,641	46,494
Loan interest	1,421	233
Irrecoverable VAT	147,407	145,447
Bad Debt Expense	31,562	18,920
Training and recruitment	13,584	16,848
	<u>£ 1,239,598</u>	<u>£ 1,248,277</u>

Support costs allocated to the restricted fund are in respect of Kensington & Chelsea and amount to £40,857 (2017: £46,602).

Allocations are based upon the proportion of direct expenses with weighting given to direct payroll charge to:

	<u>2018</u>	<u>2017</u>
Charitable expenditure	788,846	809,209
Raising funds	430,179	416,991
Other costs	20,573	22,077
	<u>£ 1,239,598</u>	<u>£ 1,248,277</u>

8. Net income/(expenditure)

(a) Net income/(expenditure) is stated after charging:

	<u>2018</u>	<u>2017</u>
	<u>£</u>	<u>£</u>
Depreciation - restricted fund	86,013	89,108
- unrestricted fund	66,683	69,077
Audit fees	19,524	16,890
Operating leases - land and buildings	63,875	55,455

Notes to the Financial Statements**For the year ended 31st March 2018 (continued)****9. Staff Costs**

Staff costs during the year were as follows:

	<u>2018</u>	<u>2017</u>
Wages and salaries	2,411,314	2,539,880
Social security costs	199,077	210,616
Other pension costs	62,189	70,674
Contract Staff	27,349	27,801
Termination payments	16,680	
	<u>£ 2,716,609</u>	<u>£ 2,848,971</u>

The average monthly number of persons, full and part time, employed by the company during the year was:

	<u>2018</u>	<u>2017</u>
Administration and finance	11	11
Artistic and education	66	64
Fund raising and publicity	13	13
Production	7	7
General management:		
Front of house	3	3
Box office	8	8
Building maintenance	10	10
	<u>118</u>	<u>116</u>

The staff numbers above include 53 full time staff (2017: 52) and 65 part time (2017: 64), but exclude a pool of over 200 regular volunteers.

None of the directors received any remuneration in respect of services provided, neither were they reimbursed expenses incurred on behalf of the company. Remuneration to key management personnel, who are considered to be the executive officers amounted to £308,052 (2017: £312,591).

One employee (2017 – 1) earned £60,000 in the band £60,000 - £70,000.

Pension costs:

The company contributes to a defined contribution scheme. The charge to the profit and loss account was £62,189 (2017: £70,674) and at the year end there were outstanding contributions of £9,605 (2017: £10,953).

Notes to the Financial Statements

For the year ended 31st March 2018 (continued)

10. Tangible Fixed Assets

	Leasehold Property	Theatre Equipment	Fixtures, Fittings and other Equipment	Total
Cost or valuation				
At 1st April 2017	3,458,160	830,402	763,863	5,052,425
Additions	-	3,611	16,466	20,077
Disposals	-	-	-	-
At 31st March 2018	£ 3,458,160	£ 834,013	£ 780,329	£ 5,072,502
Depreciation				
At 1st April 2017	1,250,817	676,109	501,502	2,428,428
Charge for the year	69,166	28,271	55,259	152,696
Disposals	-	-	-	-
At 31st March 2018	£ 1,319,983	£ 704,380	£ 556,761	£ 2,581,124
Net book value				
At 31st March 2018	£ 2,138,178	£ 129,633	£ 223,568	£ 2,491,378
At 31st March 2017	£ 2,207,343	£ 154,293	£ 262,361	£ 2,623,997

11. Debtors

	2018	2017
Trade debtors	83,628	251,410
Accrued income	238,306	255,838
Prepayments	129,733	168,555
Other debtors	43,882	35,783
	£ 495,549	£ 711,586

12a. Creditors, amounts falling due within one year

	2018	2017
VAT, payroll taxes and social security payable	130,433	131,288
Deferred income	140,815	146,258
Accruals	93,421	76,871
Other creditors	195,877	200,795
	£ 560,546	£ 555,212

Income has been deferred where it is considered that conditions relating to the recognition of income have not been met or where income specifically relates to an activity that will take place subsequent to the year end. All income deferred in the prior year was recognised in the current period.

The Chicken Shed Theatre Trust

Notes to the Financial Statements

For the year ended 31st March 2018 (continued)

12b. Creditors, amounts falling due after more than one year

	2018	2017
Loans	£ 100,000	-

Subsequent to year end the repayment date of a loan from The Chicken Shed Property Company to The Chicken Shed Theatre Trust was extended from 18th January 2019 to 18th January 2020.

13. Taxation

The company is not subject to taxation on its charitable activities.

14. Analysis of Net Assets Between Funds

	Restricted Funds	Unrestricted Funds	Total
Fixed assets	2,208,564	282,814	2,491,378
Net current assets	287,697	(376,716)	(89,019)
	£ 2,496,261	£ (93,902)	£ 2,402,359

In previous years the financial statements have disclosed separately a fund of £90,000 designated by the trustees towards artistic development. This is no longer considered to be relevant.

Restricted funds

	Brought Forward	Incoming Resources	Outgoing Resources	Carried Forward
National lottery	2,175,186	-	(69,165)	2,106,021
Minibus	11,680	-	(2,459)	9,221
New classroom	21,730	-	(4,444)	17,286
Artistic programme	-	67,913	(67,913)	-
Subsidised tickets	-	1,000	(1,000)	-
Chickenshed Kensington & Chelsea	-	286,942	(286,942)	-
Chickenshed Support Initiative	-	9,500	(9,500)	-
Children & Youth theatre Programme	9,660	62,119	(71,779)	-
Crime of the Century Initiative	2,932	38,750	(38,750)	2,932
Education programme	-	17,000	(17,000)	-
Outreach programme	44,774	49,624	(36,665)	57,733
Trainee Scheme	100,000	-	(30,283)	69,717
AV/IT & theatre equipment	52,484	-	(3,262)	49,222
Studio theatre development	37,710	-	(5,332)	32,378
Young Creators programme	194,995	40,000	(110,371)	124,624
Rayne Theatre Flooring	20,640	-	(2,580)	18,060
Air Conditioning System	5,000	-	(2,000)	3,000
Office Refurbishment	6,667	-	(1,000)	5,667
Hand Dryers	600	-	(200)	400
	£2,684,058	£ 572,848	£ (760,645)	£ 2,496,261

Notes to the Financial Statements**For the year ended 31st March 2018 (continued)****15. Lease and capital Commitments**

Total lease commitments in respect of operating lease rentals which expire:

	<u>Land and Buildings</u>	
	<u>2018</u>	<u>2017</u>
Within 2-5 years	£ 139,463	£ 139,463
After 5 years	£ 28,000	£ 28,000

All lease rental costs exclude VAT, the cost of which is mostly irrecoverable.

16. Related Party Transactions

The Chicken Shed Theatre Trust rents a property which is owned by The Chicken Shed Property Company. An annual rent of £28,000 (2017: £28,000) is payable and at 31st March 2018 The Chicken Shed Theatre Trust owed The Chicken Shed Theatre Trust £17,437 (2017: The Chicken Shed Theatre Property Company owed The Chicken Shed Theatre Trust £8,938).

Creditors include a loan from the Chicken Shed Property Company of £100,000 on which interest at the rate of 2% per annum is payable.

17. Other financial commitments

The original founders of Chickenshed, Jo Collins and Mary Ward, were each awarded £15,000 per annum for 5 years on their retirement. This award was relinquished by the founders subsequent to the year end and no further amounts are payable.