

REGISTERED COMPANY NUMBER: 03179063 (England and Wales)
REGISTERED CHARITY NUMBER: 1054547

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2018
FOR
TRINITY THEATRE AND ARTS CENTRE LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

Hilden Park Accountants Limited
Chartered Accountants
& Statutory Auditors
Hilden Park House
79 Tonbridge Road
Hildenborough
Tonbridge
Kent
TN11 9BH

TRINITY THEATRE AND ARTS CENTRE LIMITED

**CONTENTS OF THE FINANCIAL STATEMENTS
For The Year Ended 31 March 2018**

	Page
Report of the Trustees	1 to 5
Report of the Independent Auditors	6 to 7
Consolidated Statement of Financial Activities	8
Consolidated Balance Sheet	9
Charity Balance Sheet	10
Statement of Cashflows and Consolidated Cashflows	11
Notes to the Financial Statements	12 to 22
Detailed Statement of Financial Activities	23 to 24

TRINITY THEATRE AND ARTS CENTRE LIMITED

REPORT OF THE TRUSTEES

For The Year Ended 31 March 2018

The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the consolidated financial statements of the charity and its subsidiary for the year ended 31 March 2018. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015).

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

03179063 (England and Wales)

Registered Charity number

1054547

Registered office

Trinity Theatre and Arts Centre
Church Road
Tunbridge Wells
Kent, TN1 1JP

Trustees

Michael Stevens
Leonard Horwood (resigned 1 May 2018)
Howard Winetroube (resigned 31 October 2017)
Lawrence Brown (resigned 31 October 2017)
Steven James
Alison Green
Sarah Ambrose
Russell de Cogan
Judith Tew
Martin Wright
Clementine Reynolds (appointed 2 July 2017)
Jonathan Hill (appointed 28 November 2017)
David Stanyer (appointed 1 May 2018)

Senior Management

Artistic Director – John Martin
Executive Director – Alexander Green

Company Secretary

Lauren Aason (resigned 17 October 2017)
Rebecca Waight (appointed 17 October 2017)

Auditors

Hilden Park Accountants Limited
Chartered Accountants & Statutory Auditors
Hilden Park House
79 Tonbridge Road
Hildenborough
Kent
TN11 9BH

Bankers

Barclays Bank Plc
73-75 Calverley Road
Tunbridge Wells
Kent
TN1 2UZ

REPORT OF THE TRUSTEES

For The Year Ended 31 March 2018

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust and articles of association, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Trustees

The trustees have identified a broad range of skills required to direct and manage the charity in pursuit of its objectives (as set out below). The recruitment of trustees is normally determined on the basis of local people who have demonstrated such skills. Trustees are inducted into the organisation and educated as to their responsibilities; they are then offered training as required to fulfil their roles.

None of the trustees have any beneficial interest in the charity or in any contract or arrangement to which the charity was a party during the year.

The main board of trustees is the supervisory board for all the charity's affairs. Day to day management is delegated to executive staff comprising the Executive Director and the Artistic Director and their support team.

The board has created four sub-committees Finance, Fundraising, Property and Governance to oversee key areas of the charity operations.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. To support this a risk register for the organisation was created and is reviewed at every board meeting and updated as required.

Principal risks and uncertainties

The charity is very dependent on grant income, particularly from its core funder, Tunbridge Wells Borough Council (TWBC). The theatre is currently coming to the end of a Service Level Agreement with TWBC with its funding reducing to £40k in 2018/19. Whilst positive conversations have taken place surrounding further funding, nothing has yet been confirmed beyond 2018/19. Therefore, as highlighted in our business plan, new sources of income are being investigated along with added efforts through our staff and our fundraising board sub-committee to identify different public and private donors. Notwithstanding the above risks, we continue to focus on improving operations to secure the theatre's future.

A key success over recent years has been the increase in audience attendance from 22,000 in 2008 to a peak of 58,000 in 2015/16. The theatre has managed to achieve an increase over the previous year but has not yet reached the previous peak with an attendance of 52,000 in 2017/18. An audience development strategic plan will investigate future opportunities for growth and increased investment in marketing will help support the development of audiences.

In order to manage the risks of occupying a Grade II* listed venue the theatre continues to fundraise for and plan for the implementation of a repair schedule as per the detailed surveys the theatre has undertaken previously.

A further risk to the charity is compliance with the laws and regulations regarding licensing and health and safety. The charity has a Governance Subcommittee to specifically consider, review and update its measures and procedures to ensure that the appropriate controls are in place to safeguard against such risks. A Governance Framework, committee terms of reference document and Risk Register all exist to support the theatre's governance. In order to comply with new Data Protection regulations, GDPR, which came into effect in 2018, a task group was created and professional expertise sought to ensure the theatre complied with any necessary changes.

TRINITY THEATRE AND ARTS CENTRE LIMITED

REPORT OF THE TRUSTEES

For The Year Ended 31 March 2018

OBJECTIVES AND ACTIVITIES

The principal objectives and activities of the charitable company are:

- a) to advance education in the Arts and to provide facilities in the interests of social and cultural welfare for recreation and leisure-time occupation and in particular to promote Drama, Music, Dance and the Arts generally for the benefit of the community of Tunbridge Wells and district.
- b) to maintain, develop and manage a Theatre and Arts Centre and to co-operate with any other bodies in the maintenance and management of such a Centre for the carrying on of all such activities as may be promoted by the company in the furtherance of its objects.
- c) for so long as the company occupies the building of Trinity Theatre and Arts Centre, Church Road, Tunbridge Wells for the purposes of the objects set out above, to maintain and preserve the building for the long term benefit of the community of Tunbridge Wells and district.

The principal activity of the trading subsidiary is to support the work of Trinity Theatre and Arts Centre Limited.

ACHIEVEMENT AND PERFORMANCE

Following the financial loss in 2016/17 of almost £80k the theatre's recovery strategy and efforts were successful and led to a successful turnaround in 2017/18 with the year ending with a surplus of almost £35k.

Audience levels increased this year for live shows resulting in a £3.5k improvement on the previous year's surplus for performances and an impressive £18k improvement for the Christmas show. A combination of minor changes in accounting practise alongside a community program of activity (which has separately obtained £5k of grant funding) accounts for the increased costs incurred this year for cinema which has resulted in a reduced cinema surplus for the year.

The Youth Operation has continued to expand leading to an increase in turnover of £20k and an almost doubling of surplus to more than £20k. The Gallery similarly had a strong year and a 65% growth in income resulting in almost £10k in revenue. Auditorium hire income was also increased by almost £5k following price increases.

Membership income rose by £4.5k with the new revised packages and car parking income rose by over £7k following the introduction of night-time parking charges. Corporate income dropped primarily due to invoice timing which should be retrieved in the following year but this did not materially impact the accounts from the auditor's perspective.

The Trinity Arts Enterprises Limited (the Bar and Café trading company) did not perform as well as hoped and so a restructure took place towards the end of the year resulting in strong results for the final few months and a final surplus of £10.9k before its donation to the parent company.

Capital Investment

No capital assets were acquired during the year, but Trinity used the design and feasibility funding grant preparing for projects which are intended to come to fruition in subsequent years.

TRINITY THEATRE AND ARTS CENTRE LIMITED

REPORT OF THE TRUSTEES For The Year Ended 31 March 2018

FINANCIAL REVIEW

2017/18 generated a net surplus after depreciation of £34,495. A recovery strategy that combined controlling staff costs with a combination of a number of smaller changes greatly improved the position. However, the unrestricted surplus was a more modest £1,622 and therefore the theatre needs to maintain its focus in this area in future years.

The result of the improvement of £113k on the previous year meant the theatre's unrestricted reserves increased. However, theatre reserves remain low and it is essential that reserves are improved to ensure better working capital and long-term sustainability for the theatre.

There remains some opportunity for further refinement and growth in theatre activities including audience development (which the theatre is focussing on) however growth of other income streams e.g. catering are critical to improve the theatre's results.

Reserves policy

The balance sheet shows the general (unrestricted) fund amounting to some £256,894 at 31 March 2018. This remains one of the trustees' longstanding principal aims - to ensure this fund remains in surplus. The restricted funds balance sits at just under £75,000; these funds are now kept in a dedicated bank account separate from operational funds.

The unrestricted cash reserves have been maintained this year. The cash flow forecasts indicate there are sufficient funds to sustain the operation of the business, however the overdraft facility may be utilized from time to time to aid liquidity.

A key priority for 2018/19 will be to grow on the success of the previous year and improve the theatre's operating surplus so that reserves can be improved.

Unlike many charities which are primarily dependent on fundraising to operate, most of Trinity's income is self-generated. The aim of the Trustees is to increase cash reserves to a level sufficient to cover three months' operating costs and an additional contingency to unexpected maintenance costs.

PLANS FOR THE FUTURE

The theatre began a program of audience development work using external consultants in conjunction with the board and team to consider how the theatre's program and activities may develop and grow further. 2018/19 should see the completion of these plans and their implementation which aims to increase Trinity's visibility and popularity to the local area resulting in higher audience attendance.

Following the growth in youth activities and the growing attractiveness of Trinity as a venue for local youth, the aim is to continue to grow this area of activity as well as its income potential. Trinity has also invested time in community activities e.g. Senior Screen, and potential for growth in this area of activity should have a positive impact in helping to bring more people to the theatre, and also to cover the overheads of the organisation.

Trinity is in the process of considering the longer-term options for the catering activities. Since March, we have obtained professional external catering advice and the possibility of outsourcing the operation is being considered to evaluate if it is a sensible or appropriate option. Meanwhile, we have recruited an experienced manager and have invested in a refurbishment of the theatre's front of house designed to improve the décor and ambience which will enhance the visitor experience and increase the turnover of the operation.

A new corporate development officer has been recruited, working directly under the direction of the Marketing & Development Manager, in order to develop this field of activity and bring together individual and corporate fundraising.

Trinity has continued to review its capital plans to consider how they can be best utilised to generate new and increased sources of revenue for the theatre and also ensure that the identified repair plan can take place. A number of grant applications have already been made in support of these plans and it is hoped that significant progress can be made in 2019.

TRINITY THEATRE AND ARTS CENTRE LIMITED

REPORT OF THE TRUSTEES

For The Year Ended 31 March 2018

PUBLIC BENEFIT

The trustees have complied with the duty in section 4 of the 2011 Charities Act to have due regard to the Charities Commission's guidance on Public Benefit when developing and implementing the charity's objects and aims. (See Objectives and Activities above).

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Trinity Theatre and Arts Centre Limited for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

In so far as the trustees are aware at the time of approving our Report of the Trustees:

- there is no relevant audit information, being information needed by the auditor in connection with preparing their report, of which the group's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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

AUDITORS

The auditors, Hilden Park Accountants Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD OF TRUSTEES:

M Stevens - Trustee

Date:

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF TRINITY THEATRE AND ARTS CENTRE LIMITED

Opinion on financial statements

We have audited the financial statements of Trinity Theatre and Arts Centre Limited for the year ended 31 March 2018 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Consolidated Cashflow, the Charity Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2018 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's 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 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, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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 Trustees' Report.

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the parent charitable company has not kept proper and adequate accounting records 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

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF TRINITY THEATRE AND ARTS CENTRE LIMITED

- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page five, the trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's 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 company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under the Charities Act 2011, Section 151 and report in accordance with regulations made under the Act and relevant regulations made or having effect thereunder.

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 a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Section 151 of the Charities Act 2011 and regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Mr Paul Robert Chewter ACA (Senior Statutory Auditor)
for and on behalf of Hilden Park Accountants Limited
Chartered Accountants
& Statutory Auditors
Hilden Park House
79 Tonbridge Road
Hildenborough
Tonbridge
Kent
TN11 9BH

Date:

Note:

The maintenance and integrity of the Trinity Theatre and Arts Centre Limited website is the responsibility of the trustees; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

TRINITY THEATRE AND ARTS CENTRE LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
For The Year Ended 31 March 2018

	Notes	Unrestricted funds £	Restricted fund £	31/3/18 Total funds £	31/3/17 Total funds £
INCOME					
Income from generated funds					
Voluntary income	2	80,031	98,016	178,047	111,172
Activities for generating funds	3	255,251	-	255,251	262,288
Investment income	4	2,849	-	2,849	3,342
Income from charitable activities					
Theatre	5	441,743	-	441,743	416,841
Cinema		111,169	-	111,169	102,093
Gallery		9,428	-	9,428	5,708
Education & Youth		76,828	-	76,828	57,185
Total income		977,299	98,016	1,075,315	958,629
EXPENDITURE					
Costs of generating funds					
Fundraising trading: cost of goods sold and other costs	6	202,436	-	202,436	198,524
Charitable activities					
Theatre	7	653,418	57,823	711,241	743,553
Cinema		49,241	-	49,241	26,276
Education & Youth		54,551	366	54,917	46,231
Administration		16,031	6,954	22,985	22,722
Total expenditure		975,677	65,143	1,040,820	1,037,306
NET INCOMING/(OUTGOING)					
RESOURCES BEFORE TRANSFERS		1,622	32,873	34,495	(78,677)
Gross transfers between funds	17	-	-	-	-
Net incoming/(outgoing) resources		1,622	32,873	34,495	(78,677)
RECONCILIATION OF FUNDS					
Total funds brought forward		255,272	42,004	297,276	375,953
TOTAL FUNDS CARRIED FORWARD		256,894	74,877	331,771	297,276

There are no recognised gains or losses other than those disclosed above.

All of the above results derive from continuing activities and there were no acquisitions in the period.

TRINITY THEATRE AND ARTS CENTRE LIMITED – REGISTERED CHARITY NUMBER 1054547

CONSOLIDATED BALANCE SHEET

At 31 March 2018

	Notes	Unrestricted funds £	Restricted fund £	31/3/18 Total funds £	31/3/17 Total funds £
FIXED ASSETS					
Tangible assets	13	376,721	-	376,721	414,865
CURRENT ASSETS					
Stocks	21	6,071	-	6,071	5,784
Debtors	14	33,414	-	33,414	11,189
Cash at bank and in hand		<u>24,968</u>	<u>74,877</u>	<u>99,845</u>	<u>42,623</u>
		64,453	74,877	139,330	59,596
CREDITORS					
Amounts falling due within one year	15	<u>(184,280)</u>	-	<u>(184,280)</u>	<u>(177,185)</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>(119,827)</u>	<u>74,877</u>	<u>(44,950)</u>	<u>(117,589)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>256,894</u>	<u>74,877</u>	<u>331,771</u>	<u>297,276</u>
NET ASSETS					
		<u>256,894</u>	<u>74,877</u>	<u>331,771</u>	<u>297,276</u>
FUNDS					
	17				
Unrestricted funds:					
General fund				256,894	255,272
Restricted funds:					
Restricted				<u>74,877</u>	<u>42,004</u>
TOTAL FUNDS					
				<u>331,771</u>	<u>297,276</u>

The trustees have prepared group accounts in accordance with the Companies Act 2006 s398 and the Charities Act 2011 s138. These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006.

The financial statements were approved by the Board of Trustees on _____ and were signed on its behalf by:

M Stevens -Trustee

J Hill -Trustee

TRINITY THEATRE AND ARTS CENTRE LIMITED - REGISTERED CHARITY NUMBER 1054547

CHARITY BALANCE SHEET

At 31 March 2018

	Notes	Unrestricted funds £	Restricted fund £	31/3/18 Total funds £	31/3/17 Total funds £
FIXED ASSETS					
Tangible assets	13	373,955	-	373,955	408,482
CURRENT ASSETS					
Debtors	14	33,213	-	33,213	18,931
Cash at bank and in hand		<u>21,150</u>	<u>74,877</u>	<u>96,027</u>	<u>29,162</u>
		54,363	74,877	129,240	48,093
CREDITORS					
Amounts falling due within one year	15	(171,053)	-	(171,053)	(159,414)
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
NET CURRENT ASSETS/(LIABILITIES)		<u>(116,690)</u>	<u>74,877</u>	<u>(41,813)</u>	<u>(111,321)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>257,265</u>	<u>74,877</u>	<u>332,142</u>	<u>297,161</u>
NET ASSETS					
		<u><u>257,265</u></u>	<u><u>74,877</u></u>	<u><u>332,142</u></u>	<u><u>297,161</u></u>
FUNDS					
Unrestricted funds:					
General fund				257,265	255,157
Restricted funds:					
Restricted				<u>74,877</u>	<u>42,004</u>
TOTAL FUNDS				<u><u>332,142</u></u>	<u><u>297,161</u></u>

The trustees have prepared group accounts in accordance with the Companies Act 2006 s398 and the Charities Act 2011 s138. These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006.

The financial statements were approved by the Board of Trustees on _____ and were signed on its behalf by:

M Stevens -Trustee

J Hill -Trustee

CASHFLOW STATEMENT
At 31 March 2018

	Group		Charity	
	31/3/18	31/3/17	31/3/18	31/3/17
	£	£	£	£
Cash generated (used) in operating activities (Note 23)	<u>57,176</u>	<u>(79,325)</u>	<u>66,819</u>	<u>(59,962)</u>
Cashflows from investing activities				
Interest income	46	3,342	46	3,342
Purchase of tangible fixed assets	-	(26,700)	-	(26,135)
Proceeds from sale of tangible fixed assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash provided by (used in) investing activities	46	(23,358)	46	(22,793)
Cashflows from financing activities				
Increase (decrease) in cash and cash equivalents in the year	<u>57,222</u>	<u>(102,683)</u>	<u>66,865</u>	<u>(82,755)</u>
Cash and cash equivalents at the beginning of the year	42,623	145,306	29,162	111,917
Total cash and cash equivalents at the end of year	<u>99,845</u>	<u>42,623</u>	<u>96,027</u>	<u>29,162</u>

TRINITY THEATRE AND ARTS CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 31 March 2018

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

The trustees have prepared the accounts on a going concern basis. In addition to cash flow generated from its operations, the charity has access to a combined overdraft facility of £30,000.

Group financial statements

The financial statements consolidate the results of the charity and its wholly owned subsidiary Trinity Arts Enterprises Limited on a line-by-line basis. A separate Statement of Financial Activities, and income and expenditure account, for the charity itself are not presented because the charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006 and paragraph 397 of the SORP.

Income

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

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

Charitable trading activities: Income from theatre admission fees is included in incoming resources in the period to which the relevant show takes place.

Commercial trading activities: Income from commercial trading activities is included in the period to which the group is entitled to receipt.

TRINITY THEATRE AND ARTS CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

For The Year Ended 31 March 2018

1. ACCOUNTING POLICIES – continued

Expenditure

Expenditure is included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered.

Certain expenditure is directly attributable to specific activities and has been included in those cost categories. Certain other costs, which are attributable to more than one activity, are apportioned across categories on the basis of an estimate of the proportion of time spent by staff on those activities.

Tangible fixed assets

Individual fixed assets costing £1,000 or more are capitalised at cost.

Tangible assets other than freehold are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold improvements	Over the period of the lease
Plant & equipment	Straight line over 5 years and 10 years
Furniture & Fittings	Straight line over 7 years
Technical assets	Straight line over 5 years and 10 years
Cinema	Straight line over 10 years
Computer equipment	Straight line over 5 years

Taxation

The charity is exempt from corporation tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

Trinity Arts Enterprises Limited recognises tax in the Income Statement at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Designated funds are operated as capital funds by the trustees, whereby the acquisitions of fixed assets under restricted grant conditions are held. Funds are released from designated funds once restricted conditions expire from capital items and also to reflect the depreciation on such assets.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Irrecoverable VAT

Due to the charitable status of the company, reliefs are available in relation to VAT which are shown as irrecoverable VAT in the profit and loss account.

Stock

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

TRINITY THEATRE AND ARTS CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For The Year Ended 31 March 2018

2. VOLUNTARY INCOME

	31/3/18	31/3/17
	£	£
Donations	50,202	29,291
Grants	<u>127,845</u>	<u>81,881</u>
	<u>178,047</u>	<u>111,172</u>

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

	31/3/18	31/3/17
	£	£
Restricted	78,866	36,381
General	<u>48,979</u>	<u>45,500</u>
	<u>127,845</u>	<u>81,881</u>

3. ACTIVITIES FOR GENERATING FUNDS

	31/3/18	31/3/17
	£	£
Café/Bar income	236,586	236,446
Sponsorships	<u>18,665</u>	<u>25,842</u>
	<u>255,251</u>	<u>262,288</u>

4. INVESTMENT INCOME

	31/3/18	31/3/17
	£	£
Studio room hire	2,803	3,341
Interest receivable	<u>46</u>	<u>1</u>
	<u>2,849</u>	<u>3,342</u>

Interest receivable: Interest is included when receivable by the charity.

5. INCOME FROM CHARITABLE ACTIVITIES

	31/3/18	31/3/17
	£	£
Charitable income	441,743	416,841
Charitable income	111,169	102,093
Charitable income	9,428	5,708
Charitable income	<u>76,828</u>	<u>57,185</u>
	<u>639,168</u>	<u>581,827</u>

TRINITY THEATRE AND ARTS CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For The Year Ended 31 March 2018

6. FUNDRAISING TRADING: COST OF GOODS SOLD AND OTHER COSTS

	31/3/18	31/3/17
	£	£
Trading costs	179,511	176,027
Bad debts	(63)	-
Fundraising	<u>22,988</u>	<u>22,497</u>
	<u>202,436</u>	<u>198,524</u>

7. CHARITABLE ACTIVITIES COSTS

	Direct costs	Support costs (See note 8)	Totals
	£	£	£
Theatre	518,370	192,871	711,241
Cinema	49,241	-	49,241
Education & Youth	53,918	999	54,917
Administration	-	<u>22,985</u>	<u>22,985</u>
	<u>621,529</u>	<u>216,855</u>	<u>838,384</u>

8. SUPPORT COSTS

	Management	Finance	Governance costs	Totals
	£	£	£	£
Theatre	191,071	-	1,800	192,871
Education & Youth	999	-	-	999
Administration	<u>8,750</u>	<u>2,281</u>	<u>11,954</u>	<u>22,985</u>
	<u>200,820</u>	<u>2,281</u>	<u>13,754</u>	<u>216,855</u>

9. GOVERNANCE COSTS

	31/3/18	31/3/17
	£	£
Consultancy	-	2,934
Legal fees	1,800	(7,347)
Development project	6,954	21,311
Auditors' remuneration	<u>5,000</u>	<u>5,824</u>
	<u>13,754</u>	<u>22,722</u>

Governance costs include payments to the auditors of £5,000 (2017: £5,824) for audit fees.

10. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting):

	31/3/18	31/3/17
	£	£
Auditors' remuneration (consolidated)	6,000	7,024
Depreciation - owned assets (consolidated)	34,192	39,369
Deficit on disposal of fixed assets (consolidated)	<u>3,952</u>	<u>-</u>

TRINITY THEATRE AND ARTS CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For The Year Ended 31 March 2018

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits during the year ended 31 March 2018 nor during the year ended 31 March 2017.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2018 nor for the year ended 31 March 2017.

12. STAFF COSTS

	31/3/18	31/3/17
	£	£
Wages and salaries	<u>269,515</u>	<u>263,012</u>

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

	31/3/18	31/3/17
Theatre	4	5
Education & Youth	2	2
Commercial trading operations	11	10
Administration, support and premises	<u>6</u>	<u>11</u>
	<u>23</u>	<u>28</u>

No employees received emoluments in excess of £60,000.

TRINITY THEATRE AND ARTS CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For The Year Ended 31 March 2018

13. TANGIBLE FIXED ASSETS (GROUP)

	Leasehold improvements £	Cinema £	Plant & equipment £	
COST				
At 1 April 2017	813,453	84,555	127,042	
Additions	-	-	-	
Impairments	-	-	-	
Disposals	<u>(1,780)</u>	<u>(485)</u>	<u>(2,669)</u>	
At 31 March 2018	<u>811,673</u>	<u>84,070</u>	<u>124,373</u>	
 DEPRECIATION				
At 1 April 2017	530,371	71,240	82,781	
Charge for year	8,725	3,401	7,962	
Eliminated on disposal	<u>(208)</u>	<u>(235)</u>	<u>(998)</u>	
At 31 March 2018	<u>538,888</u>	<u>74,406</u>	<u>89,745</u>	
 NET BOOK VALUE				
At 31 March 2018	<u>272,785</u>	<u>9,664</u>	<u>34,628</u>	
At 31 March 2017	<u>283,082</u>	<u>13,315</u>	<u>44,261</u>	
	Furniture & fittings £	Computer equipment £	Technical assets £	Totals £
COST				
At 1 April 2017	82,959	10,801	170,925	1,289,735
Additions	-	-	-	-
Impairments	-	-	-	-
Disposals	<u>(1,261)</u>	<u>-</u>	<u>-</u>	<u>(6,195)</u>
At 31 March 2018	<u>81,698</u>	<u>10,801</u>	<u>170,925</u>	<u>1,283,540</u>
 DEPRECIATION				
At 1 April 2017	81,994	8,267	100,217	874,870
Charge for year	214	1,621	12,269	34,192
Eliminated on disposal	<u>(802)</u>	<u>-</u>	<u>-</u>	<u>(2,243)</u>
At 31 March 2018	<u>81,406</u>	<u>9,888</u>	<u>112,486</u>	<u>906,819</u>
 NET BOOK VALUE				
At 31 March 2018	<u>292</u>	<u>913</u>	<u>58,439</u>	<u>376,721</u>
At 31 March 2017	<u>965</u>	<u>2,534</u>	<u>70,708</u>	<u>414,865</u>

TRINITY THEATRE AND ARTS CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For The Year Ended 31 March 2018

13. TANGIBLE FIXED ASSETS (CHARITY)

	Leasehold improvements £	Cinema £	Plant & equipment £	
COST				
At 1 April 2017	813,453	84,555	114,692	
Disposals	<u>(1,780)</u>	<u>(485)</u>	<u>-</u>	
At 31 March 2018	<u>811,673</u>	<u>84,070</u>	<u>114,692</u>	
DEPRECIATION				
At 1 April 2017	530,371	71,240	76,814	
Charge for year	8,725	3,401	6,016	
Eliminated on disposal	<u>(208)</u>	<u>(235)</u>	<u>-</u>	
At 31 March 2018	<u>538,888</u>	<u>74,406</u>	<u>82,830</u>	
NET BOOK VALUE				
At 31 March 2018	<u>272,785</u>	<u>9,664</u>	<u>31,862</u>	
At 31 March 2017	<u>283,082</u>	<u>13,315</u>	<u>37,878</u>	
	Furniture & fittings £	Computer equipment £	Technical assets £	Totals £
COST				
At 1 April 2017	82,959	10,801	170,925	1,277,385
Disposals	<u>(1,261)</u>	<u>-</u>	<u>-</u>	<u>(3,526)</u>
At 31 March 2018	<u>81,698</u>	<u>10,801</u>	<u>170,925</u>	<u>1,273,859</u>
DEPRECIATION				
At 1 April 2017	81,994	8,267	100,217	868,903
Charge for year	214	1,621	12,269	32,246
Eliminated on disposal	<u>(802)</u>	<u>-</u>	<u>-</u>	<u>(1,245)</u>
At 31 March 2018	<u>81,406</u>	<u>9,888</u>	<u>112,486</u>	<u>899,904</u>
NET BOOK VALUE				
At 31 March 2018	<u>292</u>	<u>913</u>	<u>58,439</u>	<u>373,955</u>
At 31 March 2017	965	2,534	70,708	408,482

TRINITY THEATRE AND ARTS CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For The Year Ended 31 March 2018

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	31/3/18	31/3/17	31/3/18	31/3/17
	£	£	£	£
Trade Debtors	18,090	3,871	18,090	3,871
Amounts owed by group undertakings	-	-	216	11,580
Other debtors	10,172	2,715	10,172	-
Prepayments	<u>5,152</u>	<u>4,603</u>	<u>4,735</u>	<u>3,480</u>
	<u>33,414</u>	<u>11,189</u>	<u>33,213</u>	<u>18,931</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	31/3/18	31/3/17	31/3/18	31/3/17
	£	£	£	£
Trade creditors	31,362	46,515	27,117	40,896
Corporation Tax	487	-	-	-
Social security and other taxes	18,916	19,617	11,521	8,665
Other creditors	11,742	5,416	11,742	5,416
Deferred income	80,785	48,036	80,785	48,036
Accrued expenses	<u>40,988</u>	<u>57,601</u>	<u>39,888</u>	<u>56,401</u>
	<u>184,280</u>	<u>177,185</u>	<u>171,053</u>	<u>159,414</u>

Deferred income relates to tickets sold for shows that are yet to be performed at the balance sheet date.

16. OPERATING LEASE COMMITMENTS

The charity is committed to the following operating lease payments:

	31/3/18	31/3/17
	£	£
Expiring:		
Within one year	12,000	12,000
Between one and five years	48,000	48,000
In more than five years	<u>348,000</u>	<u>360,000</u>
	<u>408,000</u>	<u>420,000</u>

17. MOVEMENT IN FUNDS (Group)

	At 1.4.17	Net movement in funds	Transfers between funds	At 31.3.18
	£	£	£	£
Unrestricted funds				
General fund	255,272	1,622	-	256,894
Restricted funds				
Restricted	42,004	32,873	-	74,877
	<u>297,276</u>	<u>34,495</u>	<u>-</u>	<u>331,771</u>

TRINITY THEATRE AND ARTS CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

For The Year Ended 31 March 2018

17. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	977,299	(975,677)	1,622
Restricted funds			
Restricted	98,016	(65,143)	32,873
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>1,075,315</u>	<u>(1,040,820)</u>	<u>34,495</u>

18. CONTINGENT LIABILITIES

Trinity Theatre and Arts Centre Limited entered into a virtual print fees contract with XDC for a digital projector. The equipment will be transferred to the charity after 3 years when sufficient virtual print fees are collected. If the charity were to breach the contract or decide to terminate the contract, the current cost would be £6,450. It may be possible that XDC would be able to redeploy the system to another site which would also reduce the possible liabilities due.

19. RELATED PARTY DISCLOSURES

In addition to the profit donated to Trinity Theatre and Arts Centre Limited the following balances were outstanding and the following transactions took place with Trinity Arts Enterprises Limited. At 31 March 2018 the company was owed £216 (2017: £11,580) by Trinity Arts Enterprises. During the year there was a cross charge of £12,000 from Trinity Theatre and Arts Centre Limited to Trinity Arts Enterprises Limited.

TRINITY THEATRE AND ARTS CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED For The Year Ended 31 March 2018

20. RESTRICTED FUNDS

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes;

Movement in funds

	Balance at 1 April 2017	Incoming resources	Resources expended	Transfer	Balance at 31 March 2018
	£	£	£	£	£
Infrastructure Upgrades	20,000	45,706	14,041	-	51,665
Heritage Project	12,000	-	-	-	12,000
Senior Screen Project	8,201	7,650	10,076	-	5,775
Elliott Scholarship Fund	1,803	1,000	366	-	2,437
Design and Feasibility Work	-	32,160	32,160	-	-
Speech Bubbles	-	11,500	8,500	-	3,000
TOTAL	42,004	98,016	65,143	-	74,877

Infrastructure Upgrades – Grants received last year were supplemented this year with the first tranche of an Arts Council Grant. The expenditure made against it relates to the new website and some initial IT equipment. 2018 will see further Arts Council England (ACE) income as well as expenditure on lighting desk and sound equipment.

Heritage Project – Grants received previously are awaiting further funding before this can progress.

Senior Screen Project – Further grants were received from the Big Lottery Fund and Groundwork (One-Stop) to continue to support a project to reduce social isolation with older at-risk groups via a cinema project in partnership with the Good Neighbour Project.

Elliott Scholarship Fund – This fund was created in order to enable and encourage young people to take advantage of the creative and social benefits associated with the dramatic arts through classes, workshops and performance experiences. The fund was increased by a £1,000 grant, and £366 was used during the year to help fund individuals' participation in Youth Theatre.

Design and Feasibility Work – Funding received via a section 106 contribution was put towards a variety of design and consultancy fees to progress theatre capital plans, primarily involving developing complete plans for the theatre's attic space conversion into studio rooms.

Speech Bubbles – Funding was received from the Gatwick Foundation, Whitehead Monckton and D'Oyly Carte to support this program working in schools to support development through the arts for those with weaker communication skills.

TRINITY THEATRE AND ARTS CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For The Year Ended 31 March 2018

21. STOCK (Group only)

	31/3/18	31/3/17
	£	£
Stock	<u>6,071</u>	<u>5,784</u>
	<u>6,071</u>	<u>5,784</u>

22. FIXED ASSET INVESTMENTS

During the year the charity had a wholly owned UK subsidiary company, Trinity Arts Enterprises Limited, with registered office Trinity Theatre and Arts Centre, Church Road, Tunbridge Wells, Kent, TN1 1JP and company number 01848111, which operates a bar and café and all commercial trading. The financial information of this company is set out below:

	31/3/18	31/3/17
Turnover	189,921	197,421
Cost of sales	70,945	70,183
Administrative costs	108,079	105,844
Donated profits to Trinity Theatre & Arts Centre Limited	10,897	21,394
Total Assets	13,072	29,466
Total Liabilities	13,443	29,350
Members (shortfall)/funds	(371)	116

23. CASH GENERATED FROM OPERATING ACTIVITIES

	Group		Charity	
	31/3/18	31/3/17	31/3/18	31/3/17
	£	£	£	£
Net movement in funds	34,495	(78,677)	34,982	(78,676)
Add back depreciation charge	34,192	39,369	32,246	38,049
Loss on disposal of fixed assets	3,952	-	2,281	-
Deduct interest income shown in investing activities	(46)	(3,342)	(46)	(3,342)
Decrease (increase) in stock	(287)	487	-	-
Decrease (increase) in debtors	(10,861)	(5,300)	(14,282)	22,040
Decrease (increase) in creditors	<u>(4,269)</u>	<u>(31,862)</u>	<u>11,638</u>	<u>(38,033)</u>
Net cash generated from (used in) operating activities	<u>57,176</u>	<u>(79,325)</u>	<u>66,819</u>	<u>(59,962)</u>

TRINITY THEATRE AND ARTS CENTRE LIMITED**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
For The Year Ended 31 March 2018**

	31/3/18	31/3/17
	£	£
INCOME		
Voluntary income		
Memberships	50,202	22,052
Donations	-	7,239
Grants	<u>127,845</u>	<u>81,881</u>
	178,047	111,172
Activities for generating funds		
Café, bar and car park	236,586	236,446
Sponsorships	<u>18,665</u>	<u>25,842</u>
	255,251	262,288
Investment income		
Room hire	2,803	3,341
Interest receivable	<u>46</u>	<u>1</u>
	2,849	3,342
Income from charitable activities		
Charitable income	<u>639,168</u>	<u>581,827</u>
Total income	1,075,315	958,629
EXPENDITURE		
Fundraising trading: cost of goods sold and other costs		
Trading costs	175,407	174,707
Trading costs - plant & equipment depreciation	1,946	1,320
Bad debts	(63)	-
Fundraising	<u>22,988</u>	<u>22,497</u>
	200,278	198,524
Charitable activities		
Theatre costs	245,413	250,702
Theatre marketing	34,864	52,035
Theatre premises	85,472	72,222
Theatre other	118,416	135,843
Cinema costs	49,241	26,276
Youth theatre wages	41,346	30,365
Youth theatre costs	13,302	15,547
Parking costs	1,229	957
Leasehold improvements depreciation	8,725	11,528
Cinema depreciation	3,401	3,449
Plant & equipment depreciation	6,016	6,806
Fixtures and fittings depreciation	214	393
Computer equipment depreciation	<u>1,621</u>	<u>1,760</u>
Carried forward	609,260	607,883

This page does not form part of the statutory financial statements

TRINITY THEATRE AND ARTS CENTRE LIMITED**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
For The Year Ended 31 March 2018**

	31/3/18	31/3/17
	£	£
Charitable activities		
Brought forward	609,260	607,883
Technical assets depreciation	<u>12,269</u>	<u>14,113</u>
	621,529	621,996
Governance costs		
Consultancy	-	2,934
Legal fees	1,800	(7,347)
Development project	6,954	21,311
Auditors' remuneration	<u>5,000</u>	<u>5,824</u>
	13,754	22,722
Support costs		
Management		
Wages	138,238	146,067
Sundries	648	235
Postage	8,396	7,229
Telephone and fax	3,686	4,919
Travelling	270	501
Volunteer events	1,393	1,519
Training	1,685	888
Recruitment	913	2,728
IT support	12,567	1,165
Irrecoverable VAT	18,913	17,426
Credit card charges	9,486	7,223
Entertainment	2,172	2,366
Subscriptions	780	500
Bank charges	<u>1,673</u>	<u>1,298</u>
	<u>200,820</u>	<u>194,064</u>
Finance	3,952	-
Loss on sale of tangible fixed assets		
Corporation Tax	487	-
Total expenditure	1,040,820	1,037,306
	<u> </u>	<u> </u>
Net income/(expenditure)	<u>34,495</u>	<u>(78,677)</u>

This page does not form part of the statutory financial statements