

KENTON THEATRE (HENLEY-ON-THAMES)
MANAGEMENT SOCIETY LIMITED
DIRECTORS' AND TRUSTEES' REPORT AND ACCOUNTS
FOR THE PERIOD FROM
1 JUNE 2003 TO
30 SEPTEMBER 2004

906767



KENTON THEATRE (HENLEY-ON-THAMES) MANAGEMENT SOCIETY LIMITED

for the period 1 June 2003 to 30 September 2004

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KENTON THEATRE (HENLEY-ON-THAMES) MANAGEMENT SOCIETY LIMITED

LEGAL & ADMINISTRATIVE INFORMATION

for the period 1 June 2003 to 30 September 2004

Constitution Kenton Theatre (Henley-on-Thames) Management Society Limited is a company Limited by guarantee and a registered charity governed by its memorandum and articles of association.
Charity Number 253021. Company Number 906767.

Directors and Trustees The directors of the charitable company are its trustees for the purpose of charity law and the articles provide for a "council of management" which "shall consist of a Treasurer and not more than sixteen members of the Society". They are elected annually at the Annual General Meeting and can offer themselves for re-election from year to year. The Trustees during the financial period and since the period end were as follows:

Chairman:	J F L Reeves	
Secretary:	G R Briner	
Treasurer:	B R Villars FCA	
Other elected Trustees:	J Birney	
	Miss W Bowsher	(Appointed 10.2.04)
	T B Buckett MBE	
	Mrs V J Cattlin	
	Mrs A Dayton	
	Mrs N C Diamond	
	R L Haywood	
	Miss S A Moon	
	D Parsonson	
	W Port	
	B Scott	
	Mrs J Sutherland	

Registered Office The Kenton Theatre
New Street
Henley-on-Thames
Oxon RG9 2BP

Bankers Barclays plc
Hart Street
Henley-on-Thames
Oxon RG9 1AX

Reporting Accountants Villars Hayward
Chartered Accountants
Boston House
Boston Road
Henley-on-Thames
RG9 1DY

KENTON THEATRE (HENLEY-ON-THAMES) MANAGEMENT SOCIETY LIMITED

REPORT OF THE TRUSTEES

For the period 1 June 2003 to 30 September 2004

The Trustees, who are also directors of the charity for the purposes of the Companies Act, are pleased to present their report together with the financial statements of the charity for the 16 month period ended 30 September 2004.

The Legal and Administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the statement of Recommended Practice – 'Accounting and Reporting by Charities': issued in October 2000.

Objects of the Charity

The Charity is constituted as a company limited by guarantee, and is therefore governed by a memorandum and articles of association.

The company was established in 1967 and the memorandum was amended in 2000 to read "The company is established to promote, maintain, improve and advance education, particularly by the production of educational plays and the encouragement of the Arts, including the arts of drama, mime, dance, singing and music, and to formulate, prepare and establish schemes therefor, and to promote the repair, restoration and preservation for the benefit of the nation of buildings of beauty or historic interest and in particular of the Kenton Theatre Henley-on-Thames in the County of Oxford".

Organisation

A board of trustees of up to 17 members administers the charity. At present there are 15 trustees and they meet quarterly, and they appoint a management committee consisting at present of 12 members, each of whom is responsible for their particular individual functions, to carry out the day to day work of running the Theatre. The majority of the trustees are also members of the Management Committee.

Investment Powers

Under the memorandum and articles of association the charity has the power to make any investments which the trustees see fit.

Review of the Activities and future developments

The Theatre Hirings and other activities normally commence towards the end of September each year and end during July to give a period of approximately two months closure which allows annual maintenance and redecoration to take place, and the Directors have felt for some time that a financial year to the end of May did not present a fair picture of each operating year. Accordingly the twelve month accounting period to 31 May 2004 was extended by a further 4 months to 30 September 2004 and future financial years will run to 30 September.

A review of the attached figures should therefore bear in mind that those for this period are not directly comparable with those for the previous year without adjustment for this change.

Having said that, it will be seen that as a result of higher prices mentioned last year, income from both lettings and Trading operations has increased by a larger amount than that proportionate to the longer period, but expenses have also increased disproportionately, particularly Repairs and Renewals up from £6,607 to £16,874.

It was mentioned in last year's report that the Directors were seeking other sources of income and had both introduced a scheme for Friends' of the theatre and commenced the promotion by the theatre itself for fund raising activities both by means of theatrical productions such as concerts and other activities.

KENTON THEATRE (HENLEY-ON-THAMES) MANAGEMENT SOCIETY LIMITED

REPORT OF THE TRUSTEES (CONTINUED)

For the period 1 June 2003 to 30 September 2004

These have resulted in income from Friends' subscriptions and donations in the period of approximately £2,500, from other donations of approximately £5,000 and from fund raising (net of fundraising costs) of approximately £5,500. This has resulted in an overall surplus for the period of £3,516, as opposed to the losses which have been incurred for several years past.

The Board recognise that this policy must continue and the fund-raising sub-committee has a full programme of future activities line up, both to provide additional income of a revenue nature to keep the increase in charges to a minimum and offset the probability of losses from trading expenses, but also in the current year to 30 September 2005 and 2006 to provide funds for capital projects that the theatre needs. In particular it is hoped that during the 2005 summer closure a new canopy will be installed at the front of the building: plans are also in hand for the future to upgrade the toilets for patrons, and for further improvements in the pit, the stage area and behind the scenes.

As mentioned in last year's report the Theatre's 200th Anniversary occurs in November 2005 and preparations continue for events to celebrate this.

Reserves policy and risk management

The Trustees continuously review the risks to which the theatre may become liable and Mr W Port, as safety officer, is responsible for implementation of legal and other requirements on a daily basis.

Particular attention is paid to the dangers which could arise from fire or personal injury and specific seats have been allocated for disabled patrons. The no-smoking policy, adopted in October 2002, continues in all areas of the Theatre.

The Trustees also monitor the level of free reserves the charity requires to sustain its operations, bearing in mind not only the annual summer closure for maintenance and consequent temporary cessation of income, but also the need to provide for future maintenance, both anticipated and unanticipated. In this respect the running schedule of projects divided into categories of urgency or desirability to be completed as fund permit also continues to be maintained.

They will continue to seek additional funds and grants to allow future projects of major improvement to be undertaken

Apart from restricted and designated funds the Directors have agreed that, in normal circumstances, the free reserves should not fall below £10,000.

Trustees responsibilities in relation to the financial statements

Company law requires the trustees to prepare financial statements that give a true and fair view of the state of affairs of the charity at the end of the financial year and of its surplus or deficit for the financial year. In doing so the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the policies adopted are in accordance with the Companies Act 1985 and with applicable accounting standards and statements of recommended practice, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

KENTON THEATRE (HENLEY-ON-THAMES) MANAGEMENT SOCIETY LIMITED

REPORT OF THE TRUSTEES (CONTINUED)

For the period 1 June 2003 to 30 September 2004

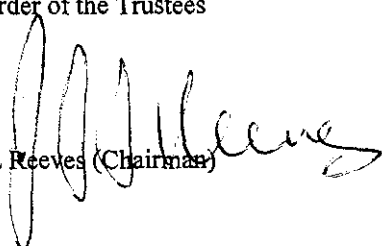
The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 1985. The Trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Reporting Accountants

A resolution will be proposed at the Annual General Meeting that Villars Hayward be re-appointed as reporting accountants to the charity for the ensuing year.

By order of the Trustees

J F L Reeves (Chairman)



6th
..... April 2005

KENTON THEATRE (HENLEY-ON-THAMES) MANAGEMENT SOCIETY LIMITED

STATEMENT OF FINANCIAL ACTIVITIES

for the period 1 June 2003

to 30 September 2004

		<u>Funds</u>		<u>Total Funds</u>	
	<u>Notes</u>	<u>Unrestricted</u>	<u>Restricted</u>	<u>2004</u>	<u>2003</u>
		£	£	£	£
Incoming Resources					
Voluntary Incoming Resources	3	7,525	2,500	10,025	129
Activities to Further the Charity's Objectives	4	47,175	-	47,175	32,209
<i>Activities to Generate Funds</i>					
Trading Operations	5	24,702	-	24,702	16,410
Fundraising Income		8,239	-	8,239	-
Investment Income	6	743	-	743	505
Total Incoming Resources		<u>88,384</u>	<u>2,500</u>	<u>90,884</u>	<u>49,253</u>
Resources Expended					
<i>Charitable Expenditure</i>					
Costs of Activities to Further the Charity's Objectives	7	60,347	2,500	62,847	43,651
Managing & Administering the Charity	8	10,496	-	10,496	7,681
<i>Costs of Generating Funds</i>					
Trading Operations	5	11,340	-	11,340	7,789
Fundraising Expenses		2,685	-	2,685	-
Total Resources Expended		<u>84,868</u>	<u>2,500</u>	<u>87,368</u>	<u>59,121</u>
Net Movement in funds		3,516	-	3,516	(9,868)
Total Funds brought forward at 1 June 2003		36,921	1,000	37,921	47,789
Total Funds carried forward at 30 September 2004		<u>40,437</u>	<u>1,000</u>	<u>41,437</u>	<u>37,921</u>

KENTON THEATRE (HENLEY-ON-THAMES) MANAGEMENT SOCIETY LIMITED

BALANCE SHEET

as at 30 September 2004

	<u>Notes</u>	<u>30.9.04</u>	<u>31.5.03</u>
		£	£
FIXED ASSETS:			
Tangible Assets for Charity Use	11	27,470	31,736
 CURRENT ASSETS:			
Stock	12	1,425	1,707
Debtors	13	5,707	1,411
Short Term Deposits	14	15,000	13,000
Cash at Bank and In Hand		1,973	1,048
		<u>24,105</u>	<u>17,166</u>
CREDITORS: Amounts falling due within one year	15	(10,138)	(10,981)
NET CURRENT ASSETS:		<u>13,967</u>	<u>6,185</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:	17	<u>41,437</u>	<u>37,921</u>
 UNRESTRICTED FUNDS:			
General	16	40,437	36,921
RESTRICTED FUNDS:	16	1,000	1,000
		<u>41,437</u>	<u>37,921</u>

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the period ended 30 September 2004.

The members have not required the company to obtain an audit of its financial statements for the period ended 30 September 2004 in accordance with Section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Approved by the Trustees on *6 April* 2005

Signed:

KENTON THEATRE (HENLEY-ON-THAMES) MANAGEMENT SOCIETY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

For the period 1 June 2003 to 30 September 2004

1. ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2000) issued in October 2000, SORP Update Bulletin 1 issued in December 2002, and Financial Reporting Standards for Smaller Entities (effective June 2002), applicable accounting standards and the Companies Act 1985.

The principal accounting policies adopted in the preparation of the financial statements are as follows:

a. Incoming Resources

Income from Theatre rents is included in the period in which the letting takes place and all other income is included in the period in which it is received.

The income from fund raising is shown gross, with the associated costs included in fundraising costs.

Intangible Income, comprising donated items or services, is included in income at the estimated cost to the donor where this is quantifiable.

Interest receivable is included when received by the charity.

b. Resources expended

Resources expended are included in the Statement of Financial Activities on an accruals basis, net of VAT.

c. Operating leases

Rentals payable under operating leases are charged to the statement of financial activities as incurred over the term of the lease.

d. Tangible Fixed Assets

Depreciation is provided on all tangible fixed assets at annual rates calculated to write off the cost over their expected useful economic life as follows:

Leasehold Property	-	over period of lease
Improvements to Property	-	2½% straight line
Cinema Equipment	-	15% on reducing balance
Fixtures and fittings	-	15% on reducing balance

e. Stock

Stock is included at the lower of cost or net realisable value.

f. Fund Accounting

Funds held by the charity are either

- (a) Unrestricted general funds, which can be used in accordance with the charitable objects at the discretion of the trustees;
- (b) Designated funds which are set aside by the Trustees out of invested general funds for future purposes and projects;
- (c) Restricted funds, which can only be used for particular restricted purposes within the objects of the charity. Restrictions arise where specified by the donor.

2. LEGAL STATUS OF THE CHARITY

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

3. VOLUNTARY INCOMING RESOURCES

	<u>2004</u>	<u>2003</u>
	£	£
Theatre Friends Subscriptions	2,577	-
Donations	4,948	129
Grants	2,500	-
	<u>10,025</u>	<u>129</u>

A grant of £2,500 was received from Henley Town Council as a contribution towards the costs of upgrading and replacing the theatre's winches and lifting gear.

KENTON THEATRE (HENLEY-ON-THAMES) MANAGEMENT SOCIETY LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)****For the period 1 June 2003 to 30 September 2004****4. ACTIVITIES TO FURTHER THE CHARITY'S OBJECTIVES****Incoming Resources from Operation of Theatre:**

	<u>2004</u>	<u>2003</u>
	<u>£</u>	<u>£</u>
Letting Income	40,308	24,636
Film Show Receipts	3,968	6,949
Other Income	2,899	624
	<u>47,175</u>	<u>32,209</u>

5. TRADING OPERATIONS

i.	Income from Bar Sales and Sales of Confectionery and Coffee	24,702	16,410
ii.	Costs of Bar Sales and Sales of Confectionery and Coffee (Net of Stock)	11,340	7,789

6. INVESTMENT INCOME

Interest received on cash deposits – COIF Charities Deposit Fund	743	505
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7. COSTS OF ACTIVITIES TO FURTHER THE CHARITY'S OBJECTIVES**Cost of Operation of Theatre:**

Film Hire and Expenses	1,376	3,149
Cost of Administration and Cleaning Staff (note 9)	14,105	9,567
Repairs and Renewals	16,874	6,607
Printing, Stationery and Advertising	9,721	7,060
Telephone	485	439
Light and Heat	4,627	4,503
Rent and Rates	11,393	8,219
Depreciation and Amortisation	4,266	4,107
	<u>62,847</u>	<u>43,651</u>

8. MANAGING AND ADMINISTERING THE CHARITY

Insurances	6,820	4,077
Accountancy and professional fees	2,667	2,750
Bank charges, licences etc.	1,009	854
	<u>10,496</u>	<u>7,681</u>

9. STAFF COSTS AND TRUSTEES REMUNERATION

- (i) There are no staff employed solely for the purposes of running the charity, nor are any full time staff employed in the Theatre, but there is a part-time cleaner and a part-time administrator both of whom are paid. All other assistance in bar, coffee bar, box office and front of house is given on a voluntary basis.

Costs of staff were:

	<u>2004</u>	<u>2003</u>
	<u>£</u>	<u>£</u>
Administration costs	5,480	4,095
Cleaning staff	8,083	5,407
Social security costs	542	65
	<u>14,105</u>	<u>9,567</u>

KENTON THEATRE (HENLEY-ON-THAMES) MANAGEMENT SOCIETY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

for the period 1 June 2003 to 30 September 2004

9 Continued...

- (ii) The only Trustee to receive any remuneration is the Treasurer who is responsible for the day to day accounting and financial affairs of the Theatre and in respect of whom £2,000 per annum is included in Accountancy and Professional Fees (Note 8).

Other Trustees supplying goods or services in the normal course of their business are reimbursed for these and travel or similar costs incurred by Trustees are also reimbursed. During the period amounts were reimbursed to ten of the trustees amounting in total to £5,160.

10. MOVEMENTS IN TOTAL FUNDS FOR THE YEAR

	<u>2004</u>	<u>2003</u>
	£	£
This is stated after charging:		
Operating Leases - Premises	9,330	6,500
Depreciation and Amortization	4,266	4,107
Reporting Accountant's Fee	750	750
	=====	=====

11 TANGIBLE FIXED ASSETS

	<u>Imp. To</u>	<u>Cinema</u>	<u>Fixtures &</u>	<u>Leasehold</u>	<u>2004</u>
	<u>Property</u>	<u>Equipment</u>	<u>Fittings</u>	<u>Prop.</u>	<u>£</u>
	£	£	£	£	£
COST:					
At 1 June 2003	12,852	4,000	76,827	8,850	102,529
Addition	-	-	-	-	-
At 30 September 2004	12,852	4,000	76,827	8,850	102,529
	=====	=====	=====	=====	=====
DEPRECIATION:					
At 1 June 2003	8,598	4,000	57,604	591	70,793
Provided for the year	158	-	3,845	263	4,266
At 30 September 2004	8,756	4,000	61,449	854	75,059
	=====	=====	=====	=====	=====
NET BOOK VALUE:					
At 30 September 2004	4,096	-	15,378	7,996	27,470
	=====	=====	=====	=====	=====
At 31 May 2003	4,254	-	19,223	8,259	31,736
	=====	=====	=====	=====	=====

12 STOCK

	<u>2004</u>	<u>2003</u>
	£	£
Items for resale in Bar and		
Coffee Bar	1,275	1,607
Cleaning Materials	150	100
	1,425	1,707
	=====	=====

KENTON THEATRE (HENLEY-ON-THAMES) MANAGEMENT SOCIETY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

for the period 1 June 2003 to 30 September 2004

13 DEBTORS	<u>2004</u>	<u>2003</u>
Trade Debtors	27	-
Prepayments & Accrued Income	5,543	1,411
Social Security & Other Taxes	137	-
	<u>5,707</u>	<u>1,411</u>
14 SHORT TERM DEPOSITS		
	£	£
COIF Charities Deposit Fund	<u>15,000</u>	<u>13,000</u>
15 CREDITORS: Amounts falling due within one year		
Trade Creditors	6,144	8,702
Other Creditors	3,054	985
Social Security & Other Taxes	-	111
Accruals	940	1,183
	<u>10,138</u>	<u>10,981</u>

16 STATEMENT OF FUNDS

	<u>At 1 June</u>			<u>At 30 September</u>
	<u>2003</u>	<u>Income</u>	<u>Expenditure</u>	<u>2004</u>
Unrestricted Funds	£	£	£	£
General Fund	36,921	88,384	(84,868)	40,437
Restricted Fund				
General	1,000	-	-	1,000
Designated fund	-	2,500	(2,500)	-
Total Funds	<u>37,921</u>	<u>90,884</u>	<u>(87,368)</u>	<u>41,437</u>

The restricted general fund resulted from the Society's merger with the Kenton Theatre Society and represents a sum that was originally given to them to be held as an income producing investment.

The restricted designated fund represents a grant from Henley Town Council which was to be used towards the costs of upgrading and replacing the theatre's winches and lifting gear.

17 ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS	<u>Unrestricted</u>		<u>Total</u> £
	<u>General</u>	<u>Restricted</u>	
	£	£	
Tangible Fixed Assets	27,470	-	27,470
Short Term Deposits	14,000	1,000	15,000
Cash at Bank and In Hand	1,973	-	1,973
Other Net Current Liabilities	(3,006)	-	(3,006)
	<u>40,437</u>	<u>1,000</u>	<u>41,437</u>

KENTON THEATRE (HENLEY-ON-THAMES) MANAGEMENT SOCIETY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

for the period 1 June 2003 to 30 September 2004

18 OPERATING LEASE COMMITMENTS

The amounts payable in the next year in respect of operating leases for the Theatre premises are shown below according to the expiry date of the lease.

	<u>2004</u>	<u>2003</u>
	<u>£</u>	<u>£</u>
One year	-	-
After more than 5 years	6,935	6,500
	<u>6,935</u>	<u>6,500</u>

19 TAXATION

The Company is an exempt charity within the meaning of Schedule 2 of the Charities Act 1993 and as such is a charity within the meaning of Section 506(1) of the Taxes Act 1988. Accordingly the Company is potentially exempt from taxation in respect of income or capital gains received within categories covered by section 505 of the Taxes Act 1988 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.