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Registered number 03536370
Charity number. 1069912

THE CAMBRIDGE ARTS THEATRE TRUST LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010



THE CAMBRIDGE ARTS THEATRE TRUST LIMITED
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details of the charity, its trustees and advisers	1
Trustees' report	2 - 6
Independent auditors' report	7 - 8
Consolidated statement of financial activities	9
Consolidated balance sheet	10
Company balance sheet	11
Notes to the financial statements	12 - 25

THE CAMBRIDGE ARTS THEATRE TRUST LIMITED
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2010**

Trustees

Baroness Cohen of Pimlico, Chairman
D S Fordham
D Martin
W T Mason
C Sankey
J Hutt
R Tackley
Lord Wilson of Dinton
J Iliffe
M Magnay
I Mather (appointed 26 March 2010)

Company registered number

03536370

Charity registered number

1069912

Registered office

6 St Edward's Passage
Cambridge
CB2 3PJ

Company secretary

D Barrass

Chief executive officer

D J Murphy

Auditors

Peters Elworthy & Moore
Chartered Accountants
Statutory Auditors
Salisbury House
Station Road
Cambridge
CB1 2LA

Bankers

National Westminster Bank plc
23 Market Street
Cambridge
CB2 3PA

THE CAMBRIDGE ARTS THEATRE TRUST LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2010

The trustees (who are also directors of the charity for the purposes of the Companies Act) submit their annual report and the audited financial statements of The Cambridge Arts Theatre Trust Limited (the company) for the year ended 31 March 2010. The trustees confirm that the annual report and financial statements of the company comply with current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

STRUCTURE, GOVERNANCE AND MANAGEMENT

a Constitution

The company is a charitable company limited by guarantee and was set up by a Memorandum of Association on 27 March 1998.

The company is constituted under a Memorandum of Association dated 27 March 1998 and is a registered charity number 1069912.

b. Appointment and induction of trustees

New trustees are currently appointed by a combination of open public advertisements or through direct approaches to the theatre, and there is a formal induction process.

c. Organisational structure and decision making

The charity's strategic direction is established by its Board of Trustees which meets four times a year. Implementation of the strategy and day to day management of the organisation is the responsibility of the Chief Executive. The Chief Executive is also responsible for the organisation's supporting infrastructure. All remaining staff are involved directly in the delivery of services.

d Related party relationships

The Cambridge Arts Theatre Trust is an independent charity, but does work in conjunction with both national and local authorities who provide grants for the running of its services.

e Risk management

The trustees have overall responsibility for the system of internal control for the charity and its subsidiary. However such a system can provide only reasonable, but not absolute, assurance against errors and fraud.

The charity operates a comprehensive annual planning and budgeting process which is approved by the Board. Performance is monitored through the use of activity and financial targets.

We confirm that the major risks to which the charity is exposed, as identified by the Board, have been reviewed and systems have been established to mitigate those risks. Particular attention has focused on governance and management, operational risks including health and safety, information systems, and customer satisfaction.

OBJECTIVES AND ACTIVITIES

a. Policies and objectives

The overall mission of The Cambridge Arts Theatre Trust Limited is to promote and develop a wide range of high quality performing arts for the local and wider regional community, which are enriching, enjoyable and are as accessible as possible.

THE CAMBRIDGE ARTS THEATRE TRUST LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2010

b. Main objectives for the period

The main objectives for the year were to develop and improve the theatrical programme, increase audience numbers and awareness, to build on the solid financial performance of recent years, and to strengthen our level of reserves. We also aimed to continue to deliver our educational, community and access programme, and to contribute to the quality of life of the people of Cambridge and the wider regional community by providing affordable access to a varied programme of Theatre, Opera, Dance, Jazz, and Comedy. It was also our aim to move forward with our fundraising plans for our Foyer project.

c. Public benefit disclosure

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance on public benefit and fee charging. The Theatre relies heavily on the income from fees and charges to cover its operating costs. In setting our overall strategic and financial objectives our charitable status allows us to charge lower ticket prices and offer more generous concessions than we would otherwise be able to do. As such the Theatre and its activities are more accessible to the community and in particular those on lower incomes who might not otherwise be able to afford to come to the Theatre.

d. Strategies for achieving our stated objectives

The strategies employed to achieve the charity's aims and objectives are that

- i) We will continue to build relationships with the most important scale appropriate touring companies in the United Kingdom
- ii) We will offer opportunities for a broad range of adults and children to get involved across a range of activities throughout the Theatre
- iii) We will monitor tickets sales and customer feedback to ensure that our theatrical programme is in accordance with the tastes and demands of our patrons
- iv) In the current economic climate, financial performance and expenditure will continue to be carefully planned and monitored
- v) Our education, access and community programme will be designed in cooperation with our visiting companies and within the physical constraints of our building to maximise enjoyment of and access to our theatrical programme.
- vi) We will continue to finalise designs for our new Foyer development, implement our fundraising strategy and gather momentum with our fundraising activities

Our programme of activities described below focuses on bringing Theatre and the performing arts to all people in the local and wider regional community. As our strategy makes clear, through delivery of a varied and affordable programme, we endeavour to encourage all within the community to attend the Theatre and to take part in the activities that we offer. The drama, musical theatre, dance and music that we provide is to be enjoyed by all, from small children and those attending local schools or colleges through to our more elderly patrons. Affordability and access to our programme is also extremely important to us and is reflected in our pricing structure.

THE CAMBRIDGE ARTS THEATRE TRUST LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2010

ACHIEVEMENTS AND PERFORMANCE

The Trustees are able to report that, both artistically and financially we have built on the foundations that have been laid in the past few years, and that the financial fortunes of the Theatre have continued to improve during the year to 31st March 2010

a Financial review

Our income from charitable activities has increased by 5.4% overall, from £3,227,550 to £3,404,303. Due to an extremely successful Autumn and Spring season, the number of patrons attending the Theatre, as well as overall income from performances, increased significantly. Attendances increased by 5.6% to 152,000 compared to 144,000 in 2008/2009. Performance income increased during the year by 5.2% from £2,617,280 to £2,754,351.

Income from our other income generating charitable activities (including Front of House, booking fee, membership income, and other outside event income) increased by 6.3% to £648,952. Residual net income from trading activities was £1,902. The Roof Garden Restaurant closed in April 2009.

Our total grant income fell from £384,722 to £97,980. This was due to a reduction in our Arts Council transitional funding to £40,000 from £110,000 in the previous year, and the fact that our 2008/2009 income included a one off sustainability grant of £216,742. The difficult economic climate continued to have a dampening effect on the level of sponsorship and donation income which fell from £31,846 to £8,818.

Charitable activities and governance costs for the year increased by 1.8% to £3,401,392. Theatre running costs and Front of House costs increased by 6.5% and 3.0% respectively in line with the increase in income from performances and Front of House sales. Our other costs relating to charitable activities fell by 44.9% to £133,031.

The net result is that we have produced an overall surplus of £105,038 for the financial year 2009/2010.

As a result of this surplus we have continued to strengthen our balance sheet and are reporting unrestricted reserves of £517,644. This balance is more than sufficient to meet our objective of holding three months' operating costs as a reserve. Our overall working capital position also improved significantly against prior year.

b. Reserves policy

It is the charity's policy to hold sufficient reserves to finance three months' operating costs.

c Review of activities

During the year we were pleased to welcome a new trustee to the Theatre. Ian Mather is a Senior Partner of Eversheds, a leading international law firm, and brings a wealth of legal and commercial experience to the Theatre.

The Theatre attracted many vibrant and dynamic West End productions enabling our drama audiences to appreciate performances from Penelope Keith in *Entertaining Angels*, Felicity Kendall in *Mrs Warren's Profession* and Tom Conti in *Wife After Death*, as well as *The History Boys*, *The 39 Steps* and Pirandello's *Six Characters in Search of an Author*, most of which played to capacity audiences. We also entered into a brand new venture with Shakespeare's Globe that resulted in two of Shakespeare's great comedies being performed in the Master's Garden at Emmanuel College.

Our younger audiences were excited and enchanted by the stage adaptations of Michael Morpurgo's *Why the Whales Came*, Roald Dahl's *The Big Friendly Giant*, *Horrid Henry* and the ever-popular *Horrible Histories*.

THE CAMBRIDGE ARTS THEATRE TRUST LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2010

We succeeded in building on the achievements of last year's in-house musical with a production of *My Fair Lady*. Artistically the quality was very high, attracting strong audiences and critical acclaim. It proved once again that the Theatre is capable of producing in-house productions that enhance our programme of work and that provide a positive financial return to the Theatre.

Our annual 'home-grown' pantomime, *Dick Whittington and his Cat*, was a tremendous success with audiences and critics alike and once again contributed a critical element of our annual income.

Dance and Opera continued to figure strongly in our programme. Dance audiences were delighted by two thrilling pieces from Richard Alston Dance Company, and English Touring Opera presented an ambitious programme over two visits that included Mozart's masterpiece *The Magic Flute* and a programme of five baroque operas as part of Handel Festival.

Our 'one nighter' events have continued to increase in popularity, and provide valuable revenue and variety to the core programme. Highlights included jazz from Stacey Kent, Georgie Fame, and Claire Martin, alongside a series of 'An Audience With...' from figures including John Humphreys, Germaine Greer, Rabbi Lionel Blue and Clive James.

We believe that the programme achieves a mix of the performing arts that caters to a broad range of public taste and combines an emphasis on maintaining a popular programme which underpins the viability of the Theatre, with more challenging and innovative productions.

d. Our education, community and access programmes

Our education, community and access programme continues to be well received. We increased our efforts with schools and were able to present popular productions including *An Inspector Calls* and *The Woman in Black* as well as workshops and supporting resources around the programme in conjunction with the visiting companies. Despite production companies' increasing reluctance to fund British Sign Language interpreted and audio described performances, we have maintained the level of accessible performances from our own resources.

PLANS FOR THE FUTURE

a. Future developments

We continue to make excellent progress with our efforts to develop new Foyer spaces for the Theatre. During the period we reached an agreement to acquire the lease on a further shop unit next to the Theatre. Our plans are near completion and will be submitted for planning permission in October 2010.

Our fundraising strategy is now finalised and following completion of our designs we will start fundraising in earnest. Given the prevalent economic mood work will not be commenced until sufficient resources are available and as such we are not yet committing to a start date for the building work.

Once complete our new Foyer spaces will provide additional performing and educational spaces, greatly improved catering and bar spaces, and will provide our patrons with a more pleasant theatre-going experience.

THE CAMBRIDGE ARTS THEATRE TRUST LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2010

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of The Cambridge Arts Theatre Trust Limited for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

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

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgments and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation

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

PROVISION OF INFORMATION TO AUDITORS

So far as each of the trustees are aware at the time the report is approved

- there is no relevant audit information of which the company'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

AUDITORS

A resolution proposing that Peters Elworthy & Moore be re-appointed as auditors of the company will be put to the Annual General Meeting.

In preparing this report, the trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the trustees on 6/12/10 and signed on its behalf, by



Baroness Cohen of Pimlico, Chairman

THE CAMBRIDGE ARTS THEATRE TRUST LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CAMBRIDGE ARTS THEATRE TRUST LIMITED

We have audited the financial statements of The Cambridge Arts Theatre Trust Limited for the year ended 31 March 2010 set out on pages 9 to 25. These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective April 2008).

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, Section 43 of the Charities Act 1993 and regulations made under section 44 of that Act. 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 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 its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

The trustees' (who are also the directors of the company for the purposes of company law) responsibilities for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), and for being satisfied that the financial statements give a true and fair view, are set out in the statement of trustees' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and have been prepared in accordance with the Companies Act 2006 and the Charities Act 1993. We also report to you whether in our opinion the information given in the trustees' annual report is consistent with those financial statements.

In addition we report to you if, in our opinion, the company has not kept adequate accounting records, if the company's financial statements are not in agreement with these accounting records and returns, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the group is not disclosed.

We read the trustees' annual report and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements and of whether the accounting policies are appropriate to the group's and the parent company's circumstances, consistently applied and adequately disclosed.

THE CAMBRIDGE ARTS THEATRE TRUST LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CAMBRIDGE ARTS THEATRE TRUST LIMITED

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion

- the financial statements give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2010 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended,
- and
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities,
- the financial statements have been prepared in accordance with the Companies Act 2006 and the Charities Act 1993, and
- the information given in the trustees' annual report is consistent with the financial statements



Roger Webster (senior statutory auditor)

for and on behalf of

PETERS ELWORTHY & MOORE

Chartered Accountants
Statutory Auditors

Cambridge

Date 15 December 2010

THE CAMBRIDGE ARTS THEATRE TRUST LIMITED
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account)
FOR THE YEAR ENDED 31 MARCH 2010

	Note	Restricted funds 2010 £	Unrestricted funds 2010 £	Total funds 2010 £	Total funds 2009 £
INCOMING RESOURCES					
Incoming resources from generated funds					
Cambridge City Council	2	7,000	50,980	57,980	57,980
Arts Council England	2	-	40,000	40,000	110,000
Sustainability Grant	2	-	-	-	216,742
Other voluntary income	2	2,824	5,994	8,818	31,846
Activities for generating funds	3	-	1,714	1,714	188,881
Investment income		-	1,215	1,215	6,809
Incoming resources from charitable activities	4	-	3,403,303	3,403,303	3,227,550
TOTAL INCOMING RESOURCES		9,824	3,503,206	3,513,030	3,839,808
RESOURCES EXPENDED					
Costs of generating funds					
Costs of generating voluntary income	5	-	6,788	6,788	13,549
Other costs	3	-	(188)	(188)	195,426
Charitable activities	6	21,345	3,370,547	3,391,892	3,332,435
Governance costs	7	-	9,500	9,500	9,250
TOTAL RESOURCES EXPENDED	8	21,345	3,386,647	3,407,992	3,550,660
MOVEMENT IN TOTAL FUNDS FOR THE YEAR - NET INCOME/(EXPENDITURE) FOR THE YEAR		(11,521)	116,559	105,038	289,148
Total funds at 1 April 2009		24,976	401,085	426,061	136,913
TOTAL FUNDS AT 31 MARCH 2010		13,455	517,644	531,099	426,061

The notes on pages 12 to 25 form part of these financial statements

THE CAMBRIDGE ARTS THEATRE TRUST LIMITED

(A company limited by guarantee)

REGISTERED NUMBER: 03536370

**CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2010**

	Note	£	2010 £	£	2009 £
FIXED ASSETS					
Tangible fixed assets	11		454,977		458,858
Fixed asset investments	12		-		1
			<u>454,977</u>		<u>458,859</u>
CURRENT ASSETS					
Stocks		7,868		7,692	
Debtors	13	123,965		108,927	
Cash at bank and in hand		633,164		605,146	
		<u>764,997</u>		<u>721,765</u>	
CREDITORS - amounts falling due within one year	14	(688,875)		(754,563)	
NET CURRENT ASSETS/(LIABILITIES)			<u>76,122</u>		<u>(32,798)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>531,099</u>		<u>426,061</u>
CHARITY FUNDS					
Restricted funds	15		13,455		24,976
Unrestricted funds	15		517,644		401,085
			<u>531,099</u>		<u>426,061</u>

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved by the trustees on 6/12/10 and signed on their behalf, by

Tania Cohen

Baroness Cohen of Pimlico, Chairman

The notes on pages 12 to 25 form part of these financial statements

THE CAMBRIDGE ARTS THEATRE TRUST LIMITED
(A company limited by guarantee)
REGISTERED NUMBER. 03536370

COMPANY BALANCE SHEET
AS AT 31 MARCH 2010

	Note	£	2010 £	£	2009 £
FIXED ASSETS					
Tangible fixed assets	11		454,977		458,857
Fixed asset investments	12		1		2
			454,978		458,859
CURRENT ASSETS					
Stocks		7,868		7,692	
Debtors	13	123,965		108,383	
Cash at bank and in hand		635,960		586,059	
		767,793		702,134	
CREDITORS: amounts falling due within one year	14	(688,665)		(726,323)	
NET CURRENT ASSETS/(LIABILITIES)			79,128		(24,189)
TOTAL ASSETS LESS CURRENT LIABILITIES			534,106		434,670
CHARITY FUNDS					
Restricted funds	15		13,455		24,976
Unrestricted funds	15		520,651		409,694
			534,106		434,670

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved by the trustees on 6/12/10 and signed on their behalf, by



Baroness Cohen of Pimlico, Chairman

The notes on pages 12 to 25 form part of these financial statements

THE CAMBRIDGE ARTS THEATRE TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010

1 ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008). The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in March 2005, applicable accounting standards and the Companies Act 2006.

The statement of financial activities (SOFA) and balance sheet consolidate the financial statements of the company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the company alone as permitted by section 408 of the Companies Act 2006 and paragraph 397 of the SORP.

1.2 Basis of consolidation

The financial statements consolidate the accounts of The Cambridge Arts Theatre Trust Limited and all of its subsidiary undertakings ('subsidiaries').

The results of subsidiaries sold are included up to the effective date of disposal.

The company has taken advantage of the exemption contained within 408 of the Companies Act 2006 not to present its own income and expenditure account.

1.3 Tangible fixed assets and depreciation

Financial Reporting Standard 15 "Tangible Fixed Assets" has been adopted. Leasehold property was valued by an independent valuer, Savills (L&P) Limited, Chartered Surveyors, as at 31 March 2008 at £250,000. This represented a decrease in value of £125,000 from the revalued amount brought forward at 1 April 2007 of £375,000. This decrease was charged to the statement of financial activities against the revaluation reserve.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

L/Term Leasehold Property	-	over the term of the lease
Plant & machinery	-	over 4 years
Computer equipment	-	over 3 years

Assets are depreciated once they are brought in to use.

THE CAMBRIDGE ARTS THEATRE TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010

1. ACCOUNTING POLICIES (continued)

1.4 Investments

Investments are stated at market value at the balance sheet date. The statement of financial activities includes the net gains and losses arising on revaluations and disposals throughout the year.

Investments in subsidiaries are valued at cost less provision for impairment.

1.5 Company status

The company is a company limited by guarantee. The members of the company are the trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

1.6 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors which have been raised by the company for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

1.7 Incoming resources

All incoming resources are included in the statement of financial activities when the company is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacies, entitlement is the earlier of the company being notified of an impending distribution or the legacy being received.

Grants and sponsorship income are recognised over the period stipulated by the grantor or sponsor as the charity becomes entitled to the funds.

Donations are recognised upon receipt.

Trading income is recognised as earned by the trading subsidiary.

Income from performances is recognised on the date of performance. Income received in advance is deferred and included within creditors.

Booking fees are recognised upon date of booking. Front of house income and other income is recognised as the charity becomes entitled to the income.

THE CAMBRIDGE ARTS THEATRE TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010**

1. ACCOUNTING POLICIES (continued)

1.8 Operating leases

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate

1.9 Resources expended

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements

1.10 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads

1.11 Pensions

The company operates a stakeholder pension scheme for its employees

1.12 Irrecoverable VAT

Irrecoverable VAT is charged to the statement of financial activities as incurred

THE CAMBRIDGE ARTS THEATRE TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010**

2. VOLUNTARY INCOME

	Restricted funds 2010 £	Unrestricted funds 2010 £	Total funds 2010 £	Total funds 2009 £
Cambridge City Council	7,000	50,980	57,980	57,980
Arts Council England	-	40,000	40,000	110,000
Sustainability Grant	-	-	-	216,742
Grants	7,000	90,980	97,980	384,722
Donations	2,824	994	3,818	16,346
Sponsorship	-	5,000	5,000	15,500
	2,824	5,994	8,818	31,846
Voluntary income	9,824	96,974	106,798	416,568

3. TRADING ACTIVITIES

	Restricted funds 2010 £	Unrestricted funds 2010 £	Total funds 2010 £	Total funds 2009 £
Charity trading income				
Turnover of Roof Garden Restaurants Limited	-	1,714	1,714	188,881
Fundraising trading expenses				
Expenditure of Roof Garden Restaurants Limited	-	(188)	(188)	195,426
Net income/(expenditure) from trading activities	-	1,902	1,902	(6,545)

THE CAMBRIDGE ARTS THEATRE TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010**

4 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Restricted funds 2010 £	Unrestricted funds 2010 £	Total funds 2010 £	Total funds 2009 £
Income from performances - admission charges	-	2,754,351	2,754,351	2,617,280
Front of House	-	308,870	308,870	278,009
Other	-	340,082	340,082	332,261
	-	3,403,303	3,403,303	3,227,550

5 COSTS OF GENERATING VOLUNTARY INCOME

	Restricted funds 2010 £	Unrestricted funds 2010 £	Total funds 2010 £	Total funds 2009 £
Fundraising costs	-	6,788	6,788	12,429
Foyer development	-	-	-	1,120
	-	6,788	6,788	13,549

6. EXPENDITURE BY CHARITABLE ACTIVITY

SUMMARY BY FUND TYPE

	Restricted funds 2010 £	Unrestricted funds 2010 £	Total funds 2010 £	Total funds 2009 £
Theatre running costs	9,824	3,119,560	3,129,384	2,939,763
Front of house costs	-	99,066	99,066	96,199
Other costs	11,521	151,921	163,442	296,473
	21,345	3,370,547	3,391,892	3,332,435

THE CAMBRIDGE ARTS THEATRE TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010**

6 EXPENDITURE BY CHARITABLE ACTIVITY (continued)

SUMMARY BY EXPENDITURE TYPE

	Staff costs 2010 £	Depreciation 2010 £	Other costs 2010 £	Total 2010 £	Total 2009 £
Theatre running costs	755,936	-	2,373,448	3,129,384	2,939,763
Front of house costs	-	-	99,066	99,066	96,199
Other costs	-	30,102	133,340	163,442	296,473
	<u>755,936</u>	<u>30,102</u>	<u>2,605,854</u>	<u>3,391,892</u>	<u>3,332,435</u>

7. GOVERNANCE COSTS

	Restricted funds 2010 £	Unrestricted funds 2010 £	Total funds 2010 £	Total funds 2009 £
Auditors' remuneration	-	9,500	9,500	9,250
	<u>-</u>	<u>9,500</u>	<u>9,500</u>	<u>9,250</u>

8 ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs 2010 £	Depreciation 2010 £	Other costs 2010 £	Total 2010 £	Total 2009 £
Costs of generating voluntary income	-	-	6,788	6,788	13,549
Restaurant expenditure	277	-	(465)	(188)	195,426
Costs of generating funds	<u>277</u>	<u>-</u>	<u>6,323</u>	<u>6,600</u>	<u>208,975</u>
Theatre running costs	755,936	-	2,373,448	3,129,384	2,939,763
Front of house costs	-	-	99,066	99,066	96,199
Other costs	-	30,102	133,340	163,442	296,473
Charitable activities	<u>755,936</u>	<u>30,102</u>	<u>2,605,854</u>	<u>3,391,892</u>	<u>3,332,435</u>
Governance	<u>-</u>	<u>-</u>	<u>9,500</u>	<u>9,500</u>	<u>9,250</u>
	<u>756,213</u>	<u>30,102</u>	<u>2,621,677</u>	<u>3,407,992</u>	<u>3,550,660</u>

THE CAMBRIDGE ARTS THEATRE TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010**

9. NET INCOME / (EXPENDITURE)

This is stated after charging

	2010 £	2009 £
Depreciation of and impairment charge on tangible fixed assets - owned by the group	30,102	38,522
Auditors' remuneration	9,500	9,250
Pension costs	18,148	15,206
	<u>57,750</u>	<u>62,978</u>

During the year, no trustees received any remuneration, benefits in kind or reimbursement of expenses (2009 - £nil)

10. STAFF COSTS

Staff costs were as follows:

	2010 £	2009 £
Wages and salaries	680,961	728,167
Social security costs	57,104	58,927
Other pension costs	18,148	15,206
	<u>756,213</u>	<u>802,300</u>

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

	2010 No	2009 No
Trading	11	11
Management, administration and support	16	15
Theatre staff	7	7
	<u>34</u>	<u>33</u>

The number of higher paid employees was

	2010 No	2009 No
In the band £100,001 - £200,000	1	1

THE CAMBRIDGE ARTS THEATRE TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010**

11. TANGIBLE FIXED ASSETS

Group	Land and buildings £	Leasehold improve- ments £	Furniture, fittings and equipment £	Total £
Cost or valuation				
At 1 April 2009	250,000	138,179	322,649	710,828
Additions	-	14,085	12,136	26,221
At 31 March 2010	250,000	152,264	334,785	737,049
Depreciation				
At 1 April 2009	-	-	251,970	251,970
Charge for the year	-	-	30,102	30,102
At 31 March 2010	-	-	282,072	282,072
Net book value				
At 31 March 2010	250,000	152,264	52,713	454,977
At 31 March 2009	250,000	138,179	70,679	458,858
Company				
Cost or valuation				
At 1 April 2009	250,000	138,179	312,693	700,872
Additions	-	14,085	12,137	26,222
At 31 March 2010	250,000	152,264	324,830	727,094
Depreciation				
At 1 April 2009	-	-	242,015	242,015
Charge for the year	-	-	30,102	30,102
At 31 March 2010	-	-	272,117	272,117
Net book value				
At 31 March 2010	250,000	152,264	52,713	454,977
At 31 March 2009	250,000	138,179	70,678	458,857

THE CAMBRIDGE ARTS THEATRE TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010**

11. TANGIBLE FIXED ASSETS (continued)

The leasehold improvements represent work on the Foyer project. This will be depreciated once the foyer is completed and brought in to use.

Leasehold property was valued by an independent valuer, Savills (L&P) Limited, Chartered Surveyors, as at 31 March 2008 at £250,000.

12. FIXED ASSET INVESTMENTS

Group	Share in group under- takings £
Market value	
At 1 April 2009	1
Disposals	(1)
	<u> </u>
At 31 March 2010	<u> </u>

Subsidiary undertakings

The following were subsidiary undertakings of the company

Name	Holding
The Arts Cinema and Theatres of Cambridge Limited	100%
Roof Garden Restaurants Limited	100%
The aggregate of the share capital and reserves as at 31 March 2010 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows	

Name	Aggregate of share capital and reserves £	Profit/(loss) £
The Arts Cinema and Theatres of Cambridge Limited	1	-
Roof Garden Restaurants Limited	(176,085)	1,902
	<u> </u>	<u> </u>
		Share in group under- takings £
Company		
Market value		
At 1 April 2009		2
Disposals		(1)
		<u> </u>
At 31 March 2010		<u> </u>

THE CAMBRIDGE ARTS THEATRE TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010**

12. FIXED ASSET INVESTMENTS (continued)

Arts Cinema and Theatres of Cambridge Limited was a non-trading company, registered in England and Wales, and was wholly owned by the charity. The company was dissolved on 2 June 2009.

Roof Garden Restaurants Limited is wholly owned by the charity. During the year ended 31 March 2009, it operated the restaurant which was open to both theatre audiences and the general public. In April 2009, due to falling customer numbers and the current economic climate, the restaurant ceased trading. The subsidiary has been valued in the accounts at the original cost of the investment.

13. DEBTORS

	<u>Group</u>		<u>Company</u>	
	2010	2009	2010	2009
	£	£	£	£
Trade debtors	67,126	66,868	67,126	66,324
Prepayments and accrued income	56,839	42,059	56,839	42,059
	<u>123,965</u>	<u>108,927</u>	<u>123,965</u>	<u>108,383</u>

14. CREDITORS.
Amounts falling due within one year

	<u>Group</u>		<u>Company</u>	
	2010	2009	2010	2009
	£	£	£	£
Bank loans and overdrafts	-	1,976	-	-
Trade creditors	280,759	217,681	280,548	208,216
Amounts owed to group undertakings	-	-	-	1,750
Social security and other taxes	52,614	42,334	52,614	34,404
Other creditors	41,777	84,306	41,777	79,698
Accruals and deferred income	313,725	408,266	313,726	402,255
	<u>688,875</u>	<u>754,563</u>	<u>688,665</u>	<u>726,323</u>

THE CAMBRIDGE ARTS THEATRE TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010**

15. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Carried Forward £
Designated funds					
Education fund	3,247	8,338	(9,215)	-	2,370
Sustainability reserve	216,742	-	-	(75,000)	141,742
	<u>219,989</u>	<u>8,338</u>	<u>(9,215)</u>	<u>(75,000)</u>	<u>144,112</u>
General funds					
Revaluation reserve	250,000	-	-	-	250,000
General reserves	(68,904)	3,494,868	(3,377,432)	75,000	123,532
	<u>181,096</u>	<u>3,494,868</u>	<u>(3,377,432)</u>	<u>75,000</u>	<u>373,532</u>
Total unrestricted funds	<u>401,085</u>	<u>3,503,206</u>	<u>(3,386,647)</u>	<u>-</u>	<u>517,644</u>
Restricted funds					
Foyer fund	-	9,824	(9,824)	-	-
Arts Council grant for lighting	9,140	-	(4,968)	-	4,172
Arts Council grant for telephone	15,836	-	(6,553)	-	9,283
	<u>24,976</u>	<u>9,824</u>	<u>(21,345)</u>	<u>-</u>	<u>13,455</u>
Total funds	<u>426,061</u>	<u>3,513,030</u>	<u>(3,407,992)</u>	<u>-</u>	<u>531,099</u>

The designated funds represent amounts designated by the trustees towards certain projects

- The Education fund being a balance available to fund workshops and educational activities, and
- The Sustainability reserve being a strategic reserve that the trustees hold for future development projects, including the foyer

The prior period accounts showed a further designated fund, the Foyer fund, with a balance of £20,493 at 31 March 2009. The trustees consider that this fund is not separate from general reserves, and it is consequently shown within the general reserves above.

The Foyer restricted fund represents donations received towards the project to expand and upgrade the theatre foyer.

The other two restricted funds represent monies received from the Arts Council for lighting and a new telephone system respectively.

During the year, a transfer of £75,000 was made from the Sustainability Reserve to general reserves.

THE CAMBRIDGE ARTS THEATRE TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010**

15 STATEMENT OF FUNDS (continued)

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Carried Forward £
Designated funds	219,989	8,338	(9,215)	(75,000)	144,112
General funds	181,096	3,494,868	(3,377,432)	75,000	373,532
	<u>401,085</u>	<u>3,503,206</u>	<u>(3,386,647)</u>	<u>-</u>	<u>517,644</u>
Restricted funds	24,976	9,824	(21,345)	-	13,455
	<u>426,061</u>	<u>3,513,030</u>	<u>(3,407,992)</u>	<u>-</u>	<u>531,099</u>

16 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted funds 2010 £	Unrestricted funds 2010 £	Total funds 2010 £	Total funds 2009 £
Tangible fixed assets	13,455	441,523	454,978	458,858
Fixed asset investments	-	-	-	1
Current assets	-	764,997	764,997	721,766
Creditors due within one year	-	(688,876)	(688,876)	(754,564)
	<u>13,455</u>	<u>517,644</u>	<u>531,099</u>	<u>426,061</u>

17. PENSION COMMITMENTS

The company operates a mix of stakeholder and personal pension schemes for its employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company and amounted to £18,148 (2009 £15,206). Contributions totalling £29,084 (2009 £16,680) were payable at the balance sheet date and are included in creditors.

THE CAMBRIDGE ARTS THEATRE TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010**

18. OPERATING LEASE COMMITMENTS

At 31 March 2010 the Group had annual commitments under non-cancellable operating leases as follows

	Land and buildings			Other
Group	2010	2009	2010	2009
	£	£	£	£
Expiry date:				
Within 1 year	-	-	1,252	1,252
Between 2 and 5 years	-	-	1,107	1,107
After more than 5 years	87,035	84,500	-	-

At 31 March 2010 the Company had annual commitments under non-cancellable operating leases as follows

	Land and buildings			Other
Company	2010	2009	2010	2009
	£	£	£	£
Expiry date:				
Within 1 year	-	-	1,252	1,252
Between 2 and 5 years	-	-	1,107	1,107
After more than 5 years	87,035	84,500	-	-

THE CAMBRIDGE ARTS THEATRE TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010**

19 RELATED PARTY TRANSACTIONS

The Board is satisfied that procedures are in place to ensure that all transactions with related parties are on an arm's length basis and subject to market testing

R Tackley is a trustee of the charity and Chief Executive of the English Touring Theatre. During the year, the English Touring Theatre brought one (2009: two) production(s) to the Theatre. The income recognised in the charity relating to the production(s) totalled £43,409 (2009: £86,766) and payments of £30,238 (2009: £64,535) were made to the English Touring Theatre. At the year end, a balance of £nil (2009: £675) was owed to the English Touring Theatre.

J Hutt is a trustee of the charity and Director of Corporate Real Estate at Savills LLP. During the year, Savills LLP provided project management support on the Foyer project to the charity. Professional fees of £4,900 (2009: £nil) were charged to the Theatre during the year. These were fully paid and there is no balance due at the year end.

D Fordham is Chief Executive of Iliffe News and Media Limited and Chairman of Cambridge Newspapers Limited. During the year, Cambridge Newspapers provided advertising services to the charity. Fees of £17,365 (2009: £22,543) were charged to the Theatre during the year. At the year end a balance of £2,611 (2009: £3,840) was owed to Cambridge Newspapers Limited.

I Mather is Senior Partner for the Cambridge office of Eversheds LLP. During the year, Eversheds LLP provided legal services to the charity. Fees of £9,781 (2009: £nil) were charged to the Theatre during the year. At the year end a balance of £388 (2009: £nil) was owed to Eversheds LLP.

Lord Wilson of Dinton is a trustee of the charity and Master of Emmanuel College. During the year, Emmanuel College received £3,810 (2009: £nil) as a share of net box office receipts for the Shakespeare's Globe Theatre's productions of Comedy of Errors and Midsummer Nights Dream held in the College grounds. At the year end, a balance of £nil (2009: £nil) was owed to Emmanuel College.