

Registered number: 03536370  
Charity number: 1069912

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

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**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2018**

THURSDAY



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COMPANIES HOUSE

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**THE CAMBRIDGE ARTS THEATRE TRUST LIMITED**

**(A company limited by guarantee)**

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## THE CAMBRIDGE ARTS THEATRE TRUST LIMITED

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### REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS

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#### Trustees

I Mather, Chairman Δ  
L Bacon  
K Carne †  
R Christiansen  
L Dean  
Sir R Dearlove  
A Farnsworth  
A Glinsman \*  
S Grady  
J Iliffe \* † Δ  
D Rapley \*  
A Swarbrick \* † Δ  
G Yorke \*

\* Remuneration Committee member † Audit Committee member Δ Nominations Committee member

#### Company registered number

03536370

#### Charity registered number

1069912

#### Registered office

6 St Edward's Passage, Cambridge, CB2 3PJ

#### Company Secretary

S Skeaping

#### Chief Executive Officer

D Murphy

#### Senior Management Team

K Collins, Head of Sales and Marketing  
N Hupe, Development Director  
C Ireland, Programming and Production Manager  
M Passey, Technical Manager  
D Schumann, Executive Producer  
S Skeaping, Head of Finance  
L Webdale, Head of Operations

#### Independent auditors

Peters Elworthy & Moore, Salisbury House, Station Road, Cambridge, CB1 2LA

#### Bankers

National Westminster Bank plc, 23 Market Street, Cambridge, CB2 3PA

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## THE CAMBRIDGE ARTS THEATRE TRUST LIMITED

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### TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2018

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The trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of The Cambridge Arts Theatre Trust Limited (the company and the group) for the year ended 31 March 2018.

The trustees confirm that the annual report and financial statements of the company and the group comply with the current statutory requirements, the requirements of the company's and the group's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective 1 January 2016).

Since the company and the group qualify as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

#### PURPOSES AND ACTIVITIES

##### a. POLICIES AND OBJECTIVES

The Cambridge Arts Theatre Trust (the "Theatre") is an independent theatrical charity which exists to inspire and nurture a lifelong love of the performing arts and to secure the future of the Theatre for future generations of theatregoers.

The main objectives for the financial year were to offer a diverse and varied programme of drama, dance and music that is widely accessible and to continue to be financially sustainable, independent of any public funding.

##### b. STRATEGIES FOR ACHIEVING OBJECTIVES

The strategies employed to achieve these objectives remained as follows:

- building and developing long-term relationships with the key, scale-appropriate touring drama, dance and opera companies in the United Kingdom;
- monitoring ticket sales and audience feedback to ensure that the theatrical programme is in accordance with patrons' tastes and demands;
- monitoring financial performance and expenditure against plan, and prior year, to ensure financial targets are met and the Theatre continues to be financially sustainable;
- proactively working to ensure patrons with disabilities are fully able to access and enjoy the Theatre's programme of activities;
- encouraging schools and other educational organisations to take up the Theatre's offering with specially discounted ticket prices and where needed, financial assistance towards transport costs; and
- seeking to increase regular giving from individuals, corporates, trusts and foundations to a level which ensures the Theatre's continued financial viability in the medium term and in preparation for its next major capital project (the refurbishment of its auditorium).

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## **THE CAMBRIDGE ARTS THEATRE TRUST LIMITED**

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### **TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2018**

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#### **c. MAIN ACTIVITIES UNDERTAKEN TO FURTHER THE CHARITY'S PURPOSES FOR PUBLIC BENEFIT**

In shaping the objectives for the year and planning the Theatre's activities, the trustees have considered the Charity Commission's guidance on public benefit and fee charging. The Theatre relies very heavily on the income from fees (ticket income) and associated charges to cover its operating costs. Affordability and access to the programme are important to the Theatre and this is reflected in the pricing policy detailed later in this report.

The trustees continued to deliver a coherent and practical educational, community and access programme - contributing 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.

The trustees try to encourage all within the community to attend the Theatre and to take part in the activities on offer. The drama, musical theatre, dance and music that the Theatre provides are to be enjoyed by all, from small children and those attending local schools or colleges through to older patrons.

#### **d. VOLUNTEERS**

The Theatre runs a formal volunteering programme which provides a broad range of opportunities for local residents to support and participate in the work of the Theatre. The varied roles include welcoming patrons and checking tickets, acting as a customer service focal point, and providing invaluable support and assistance to the Front of House management team. The trustees would like to thank the 67 (2017 - 59) volunteers who provide a vital contribution to the ongoing success of the Theatre and work tirelessly to enhance the theatre experience for its patrons.

### **ACHIEVEMENTS AND PERFORMANCE**

#### **a. ACHIEVEMENTS AND PERFORMANCE**

The success of the Theatre's artistic programme remains strong, as work undertaken in recent years to develop relationships with some of the country's leading touring companies and producers continues to bear fruit. Its abilities to attract the highest-quality scale-appropriate work and maximise attendance ensure that it continues to build on its reputation as one of the leading UK drama houses. The 2017/18 year saw a significant increase in the Theatre's in-house produced touring projects, demonstrating that it can make a significant contribution to the UK touring market alongside attracting the highest quality received productions.

The year saw the Theatre present some of its most commercially-successful productions ever to grace its stage with Martin Shaw in 'The Best Man', James Bolam and Anne Reid in 'Fracked! Or Don't Mention the F Word' and Nigel Havers, Stephen Tompkinson and Denis Lawson in a two-week run of 'Art', all playing to full capacity houses. Meanwhile, proving that star-led theatre is not the only recipe for success at the box office, not one but two weeks of the smash-hit 'The Play That Goes Wrong' played to 100% capacity within four months of each other, paving the way for a further visit in summer 2018 which sold out once again.

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### TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2018

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The Theatre's profile as a producing theatre was raised immeasurably by its involvement as producer in five high-profile projects:

- 'La Strada' in a co-production with Kenny Wax Ltd toured for fourteen weeks (including two in Cambridge) before transferring to the West End for a limited season;
- following the tragic death of Tim Pigott-Smith in rehearsals, the Theatre stepped in to open the eleven week tour of 'Death of A Salesman', subsequently co-producing the tour with the Northampton Theatres Trust Ltd;
- Laurence Fox starred in a major new revival of Tom Stoppard's 'The Real Thing', in a co-production with Theatre Royal Bath and the Rose Theatre Kingston that opened in Cambridge and played for ten weeks on tour;
- David Haig's brilliant new play, 'Pressure', was produced on tour by Cambridge Arts Theatre, The Touring Consortium and Jonathan Church Productions, opening in Cambridge to critical acclaim and transferring to the Ambassador's Theatre in the West End in summer 2018 after a seven week tour and run at the Park Theatre in North London; and
- a six week tour of '84 Charing Cross Road' starring Stefanie Powers and Clive Francis opened at the end of May 2018.

Other shows that played to very high capacity houses included Amanda Abbington in Mike Leigh's 'Abigail's Party', Laura Whitmore in 'Not Dead Enough' adapted from the best-selling Peter James novel, Alan Ayckbourn's perennially-popular 'How The Other Half Loves' with an ensemble cast including Robert Daws and Sara Crowe, and Edward Fox as John Betjeman in 'Sand In The Sandwiches'. Tours of 'The Kite Runner', 'Strangers on a Train', 'The Winslow Boy' and 'Duet for One' played to smaller houses but still maintained the high quality of productions for which the Theatre is known.

The Theatre played host to some of the country's leading touring companies, including productions from English Touring Theatre ('Rules for Living' and 'The Weir'), Headlong Theatre Company ('People, Places and Things'), Original Theatre Company ('Wait Until Dark'), The Production Exchange ('Emma') and Theatre Royal Bath ('Driving Miss Daisy'). It also hosted the National Theatre's ambitious Brexit project, 'My Country: A Work in Progress', as well as a very well-received week of the National Theatre's hotly anticipated tour of James Graham's political comedy, 'This House'.

As is customary, the Theatre's younger audiences were particularly well catered for with the ever-popular 'The Gruffalo', 'The Gruffalo's Child' and 'Room on the Broom' filling the auditorium with theatregoers aged three and upwards. This showcased the Theatre's commitment to nurturing a lifelong love of the performing arts from an early age. David Walliams' 'Awful Auntie' was a resounding success, and older children delighted in the wonderful adaptations of Jules Verne's 'Around The World In Eighty Days', Rudyard Kipling's 'The Jungle Book' and Roald Dahl's much-loved classic, 'Fantastic Mr. Fox'.

The Theatre also offered a diverse range of non-drama productions such as opera (ETO's 'Tosca' and 'Patience' and a riotous all-male version of 'The Mikado'), dance ('BalletBoyz' and 'Fourteen Days'), one night spoken word and music events (Clare Teal, Stacey Kent, Lucy Worsley and David Starkey) and comedy ('Showstoppers' and the ever popular Cambridge Footlights) to cater to the widest possible audience.

Proving that student and amateur drama can hold their own against professional touring productions, the Cambridge University Marlowe Society presented 'Romeo and Juliet' to great acclaim, directed by the Artistic Director of the Jermy Street Theatre Tom Littler; and Cambridge Amateur Operatic Society's musical, 'Sweeney Todd', enabled the Theatre to attract a diverse audience and strengthen its ties with the local community.

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### TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2018

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Breaking all box office records, the Theatre's annual traditional family pantomime 'Jack and the Beanstalk' delighted families and school groups in their thousands, remaining a mainstay in the Theatre's calendar and making a critical contribution to retained income for the year. Running for 5 weeks the production saw over 28,000 children, families, schools and groups attend. The Theatre's pantomime productions continue to attract a strong and loyal return audience over the festive period.

The Theatre raised £21,000 through its 'Panto Wheels' scheme that financially and practically assisted 1,741 local school children to attend who would not otherwise have been able to do so, supported the public relaxed performance as outlined below and mounted three specially tailored relaxed schools' performances for 368 children with disabilities.

The Theatre also raised, through the efforts of its Front of House staff and performers during the run, £17,000 for charities with a strong connection to the Theatre, including Addenbrooke's Charitable Trust, Alzheimer's Society, Cambridge Joint Playschemes, Headway and Tom's Trust.

As ever there are still considerable ongoing uncertainties surrounding the public funding of the arts sector and the effect the current economic climate may have on more risk-averse producers and the subsidised sector of the industry. The trustees are hopeful that there will be no further reduction going forward in the availability of high-quality productions and are confident that the Theatre's efforts in producing and mounting its own touring productions will strengthen its sustainability, support the industry and help to safeguard against a decline in either the quality or availability of productions.

#### **b. EDUCATION, COMMUNITY AND ACCESS**

The Theatre's education, community and access programme continues to be well received. The Theatre continued its efforts with schools across a wide range of productions, selling 5,455 school tickets for the pantomime (Jack and the Beanstalk). A third of the school tickets were supported by the Panto Wheels scheme. The Theatre was also able to offer a varied programme of half-term and bespoke workshops, theatre tours and pre- and post-show talks for many productions in conjunction with the visiting companies throughout the year.

Despite production companies being increasingly unable to fund British Sign Language interpreted, captioned, audio-described and relaxed performances, the Theatre has maintained the level of accessible performances from its own resources. The Theatre continues its endeavour to ensure productions can be accessed by everyone and as part of its commitment to improving customer experience has become an Associated Theatre of Vocal Eyes, specialists in Arts accessibility for blind and partially sighted audiences.

Jack and the Beanstalk saw the presentation of another successful relaxed performance and two specially tailored relaxed performances for school children with an autism spectrum condition, learning disability or a sensory or communication disorder. In 2017/18, the Theatre saw an increase in audience sizes for the pantomime relaxed performances with audiences travelling nationally to use the provision. Relaxed performances are now a regular component of the Theatre's assisted performance programme.

Patrons with disabilities are welcomed by the Theatre and great effort is made to reduce the barriers that may prevent them from attending, for example through the removal of seats to accommodate wheelchair users or offering reduced rate tickets in recognition of the fact that many patrons with disabilities who regularly attend the Theatre do so on limited means. Patrons who register their access requirements with the Theatre and provide proof of eligibility are entitled to one ticket at the lowest price and those with additional needs are entitled to an 'Essential companion' ticket free of charge should they require it.

The installation of a new, significantly improved lift, commissioned in May 2018 at a cost to the Theatre of £111,000 (of which £77,640 was spent during the year), further enhances access for wheelchair users and patrons with limited mobility and ensures that all floors in the building are fully accessible to members of the public.

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## THE CAMBRIDGE ARTS THEATRE TRUST LIMITED

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### TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2018

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#### FINANCIAL REVIEW

##### a. KEY FINANCIAL PERFORMANCE INDICATORS

The trustees are pleased to report the Theatre's most financially successful year to date with a 32% increase in the surplus on unrestricted funds to £324,923 (2017 - £245,636).

This increase is due to higher total unrestricted income which increased by 9% to £4,910,000 (FY17 - £4,490,838). Most of this increase came from performance income (ticket sales and show-related income) which increased by 9% to £4,669,694 (FY17 - £4,291,254). Fundraising and membership income also increased by 6% to £189,597 (FY17 - £179,582).

In line with income, total unrestricted expenditure increased by 8% to £4,585,077 (FY17: £4,245,202).

Prior year restricted income included a £141,044 donation and associated gift aid towards the cost of replacing some specialist lighting equipment. There was no such item in the current year.

##### b. PRICING POLICY

Within the context of its overall strategic and financial objectives, the Theatre implements a variable ticketing pricing structure, charging lower ticket prices and offering concessions on a range of shows. This ensures its activities are more accessible to the community, in particular, those on lower incomes who might not otherwise be able to afford to come to the Theatre.

Full ticket prices vary between £15 and £42 and there is always a minimum of 25 seats (4% of total capacity) available at the lowest price for all performances. In some instances, the number of seats available at the lowest price can be as many as 152 (23% of total capacity).

For all performances, patrons with disabilities who have registered with Cambridge Arts Theatre pay the lowest ticket price wherever they sit in the auditorium and are entitled to a complimentary ticket for an 'Essential Companion' if required.

For several performances throughout the year, the Theatre offers:

- a £2 concession off the advertised price to senior citizens, students and children;
- schools' tickets at a reduced rate of £15; and
- a 10% discount for pre-booked groups of 10 or more.

For family events, including the annual pantomime, children's ticket prices vary from £13 - £22. The price for accompanying adults differs from show to show.

##### c. PRINCIPAL FUNDING

During the year the Theatre received a £3,000 donation from a Trust but no grant income funding.

The principal funding sources of income to the Theatre were: income from admission fees and ticket sales of £4,217,386; front of house trading income of £417,958, income from corporate and individual supporters of £189,597, donations of £50,444 and other income of £34,350.

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### TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2018

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#### **d. RESERVES POLICY AND GOING CONCERN**

The Theatre's total reserves at the end of the reporting period are £2,566,344.

Unrestricted reserves of £1,167,322 consist of:

- £390,000 revaluation reserve relating to the carrying value of the Theatre's lease; and
- £777,322 of unrestricted general reserves.

Restricted reserves of £1,399,022 consist of:

- £1,268,949 Foyer Fund arising from the 2013 refurbishment of the Theatre's foyer facilities; and
- £130,073 Lighting Equipment Fund relating to a ring-fenced donation in 2017 to replace specialist lighting equipment.

The trustees need to ensure that free reserves are maintained so that the charity can continue its operations if an unforeseen shortfall in admission or other income creates a funding issue, where free reserves are defined as unrestricted reserves less unrestricted fixed assets.

It is the charity's policy to look to hold sufficient free reserves, underpinned by available cash, to finance four months' operating costs. The trustees consider that, at the current level of expenditure, the ideal level of free reserves would be £625,000.

The Theatre has free reserves of £377,834 (equal to unrestricted reserves of £1,167,322 less unrestricted fixed assets of £789,488).

The trustees have considered the financial position of the charity, including operational forecasts, sources of funding support and the net asset position, having regard to the current economic environment. They are satisfied that based on their enquiries, the going concern basis for preparing the financial statements is appropriate at the present time. The trustees believe that no further disclosures relating to the charity's ability to continue as a going concern are required.

#### **e. PLANS FOR FUTURE PERIODS**

The Theatre is planning to embark on a major refurbishment and upgrade of its auditorium and backstage facilities in 2020/21. This will involve a complete refresh of the interior of the auditorium which has been in constant use for over twenty years and the urgent replacement of key items of backstage technical equipment which are nearing the end of their useable life. Given the requirement to raise the necessary funds before the work can commence and the need to co-ordinate the theatrical programme with the building works, these works may need to be prioritised and phased to ensure that the most operationally critical elements are carried out as soon as is practically possible.

The trustees will continue to invest in the Theatre's fundraising capacity to fund necessary capital projects and to provide ongoing revenue support to ensure the long-term sustainability of the Theatre. The trustees remain of the view that in an era of limited and declining state and civic subsidies, the development of this fundraising capacity is an essential element of the strategy to ensure that the Theatre remains vibrant and viable for future generations of theatregoers.

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## THE CAMBRIDGE ARTS THEATRE TRUST LIMITED

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### TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2018

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The trustees intend to continue to explore opportunities over the coming year to mount more productions in-house and to co-produce them with other theatres. The current model whereby the Theatre largely sources its productions from external producers (both commercial and subsidised), whilst both artistically and financially successful, leaves it, on occasion, overly reliant on a relatively small number of commercial and subsidised producers. The trustees believe that the best way to ensure the long-term artistic health of the Theatre is to continue to diversify and strengthen the sources of its productions and to work in partnership with other arts organisations to achieve this aim.

The trustees remain committed to the long-term development of all the Theatre's staff and they intend to increase investment in their training and education. They are in no doubt that the Theatre's ongoing success is, in no small part, due to the talents and extraordinary efforts of its outstanding staff. Their view is that a committed, diverse and highly skilled workforce will be critical to the Theatre's future success and they will continue to invest in the growth of an industry leading team of theatre professionals.

In addition, the trustees would like, as far as the artistic programme permits, to further enhance the scope and reach of community education and engagement and the investment in fundraising capability will support these activities. It is also their intention to continue to provide a strong access programme and to build on the opportunities offered by the new foyer spaces to further extend the support offered to patrons with disabilities and older patrons.

#### 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 now constituted and governed by the Articles of Association dated 31 January 2013 and is a registered charity (number 1069912).

##### b. APPOINTMENT OF TRUSTEES

The management of the company and the group is the responsibility of the trustees who are elected and co-opted under the terms of the Articles of Association. The following trustees served during the year:

I Mather, Chairman  
L Bacon  
K Carne  
R Christiansen  
L Dean  
Sir R Dearlove  
A Farnsworth (appointed 20 June 2017)  
A Glinsman  
S Grady  
J Iliffe  
D Rapley  
J Rodgers (resigned 24 April 2018)  
A Swarbrick  
G Yorke

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## THE CAMBRIDGE ARTS THEATRE TRUST LIMITED

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### TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2018

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#### c. TRUSTEE INDUCTION AND TRAINING

New trustees are briefed on their legal obligations under charity and company law, and the Charity Commission guidance on public benefit, and are informed of the content of the Articles of Association, the committee and decision-making processes, and recent financial performance of the charity. They also meet key employees and other trustees and are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

#### d. ORGANISATIONAL STRUCTURE AND DECISION MAKING

The charity's strategic direction is established by its board of trustees which meets formally five times a year. There are also audit, remuneration and nominations sub-committees of the board of trustees. The audit committee meets up to twice a year; the remuneration committee meets up to twice a year and the nominations committee meets as required. All the committees are chaired by trustees and report to the board of trustees.

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 and fundraising.

#### e. RELATED PARTIES

None of the trustees receive remuneration or other benefit from their work with the charity. Any connection between a trustee or senior manager of the charity and a contracted production company, actor, performer or exhibitor must be disclosed to the full board of trustees in the same way as any other contractual relationship with a related party.

During the year, the charity had three wholly owned subsidiaries:

- Roof Garden Restaurants Limited has been dormant since 2009.
- Cambridge Arts Theatre Panto Limited was established to provide production services to the Theatre's annual Pantomime.
- Cambridge Arts (84 Charing Cross Road) Limited was established to produce a tour of "84 Charing Cross Road".

A fourth subsidiary (Cambridge Arts Theatre (Pressure) Limited) was established in May 2018 to co-produce a West End run of Pressure in Summer 2018.

#### f. PAY POLICY FOR SENIOR STAFF

The trustees, chief executive and senior management team together comprise the key management personnel of the charity. The trustees are responsible for directing and controlling the charity and the senior management team is responsible for the day to day running and operation of the charity.

All trustees give of their time freely and no trustee received any remuneration in the year for their services as trustees. Details of trustees' expenses are disclosed in note 11 to the accounts.

The remuneration committee reviews the pay and remuneration arrangements for the chief executive and senior management team. Decisions on levels of remuneration take account of chief executive performance reviews, benchmarking against other relevant industry sector organisations, local salary levels and any changes in the scope of duties required as well as considering the impact of changes in published cost of living data.

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## **THE CAMBRIDGE ARTS THEATRE TRUST LIMITED**

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### **TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2018**

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#### **g. RISK MANAGEMENT**

The trustees have overall responsibility for the systems of internal control for the charity. However, such systems 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 in detail through the use of key performance indicators and financial targets.

The trustees confirm that the major risks to which the charity is exposed have been reviewed and systems have been established to mitigate those risks. Particular attention has focused on governance and management and operational risks including safeguarding, health and safety, information systems, data privacy and customer satisfaction.

#### **h. FUNDRAISING**

The Theatre has a small in-house team which undertakes vital fundraising in order to maintain, develop and secure the Theatre for future generations. The team works with individuals, businesses, trusts, statutory organisations and a number of Cambridge Colleges to raise funds and further the aims of the Theatre. The Theatre also engages, as required and appropriate, the services of fundraising consultants but does not use the services of any third party fundraising agencies. All fundraising is carried out in accordance with the highest professional standards and with careful consideration of the privacy of all involved.

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## THE CAMBRIDGE ARTS THEATRE TRUST LIMITED

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### TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2018

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#### TRUSTEES' RESPONSIBILITIES STATEMENT

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 law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they 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 accounting 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 adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and 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.

#### DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are trustees at the time when this Trustees' Report is approved have confirmed that:

- so far as that each trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- they have taken all the steps that ought to have been taken as a trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

#### AUDITORS

The auditors, Peters Elworthy & Moore, have indicated their willingness to continue in office. The trustees will propose a motion re-appointing the auditors at a meeting of the trustees.

This report was approved by the trustees, on 28 September 2018 and signed on their behalf by:



**I Mather, Chairman  
Trustee**

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

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**OPINION**

We have audited the financial statements of The Cambridge Arts Theatre Trust Limited (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 March 2018 which comprise the group Consolidated Statement of Financial Activities incorporating Income and Expenditure Account, the group Consolidated Balance Sheet, the group Consolidated Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 of 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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**OTHER INFORMATION**

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

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

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

We have nothing to report in this regard.

**OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

In the light of our 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 in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient 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
- 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' exemptions in preparing the Trustees' Report and from the requirement to prepare a Group Strategic Report.

**RESPONSIBILITIES OF TRUSTEES**

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

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

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

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

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**AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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

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

**USE OF OUR REPORT**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's Trustees, as a body, Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 opinions we have formed.

Paul Chapman (Senior Statutory Auditor)

for and on behalf of

**Peters Elworthy & Moore**

Chartered Accountants  
Statutory Auditors

Salisbury House  
Station Road  
Cambridge, CB1 2LA  
1 October 2018

Peters Elworthy & Moore are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

**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 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>INCOME FROM:</b>					
Donations and grants	2	50,444	-	50,444	160,378
Raising funds and generating membership income	3	189,597	-	189,597	179,582
Charitable activities	4	4,669,694	-	4,669,694	4,291,254
Investments	5	265	-	265	668
<b>TOTAL INCOME</b>		<b>4,910,000</b>	<b>-</b>	<b>4,910,000</b>	<b>4,631,882</b>
<b>EXPENDITURE ON:</b>					
Raising funds and generating membership income	6	90,313	-	90,313	91,038
Charitable activities	7,8	4,494,764	37,519	4,532,283	4,183,848
<b>TOTAL EXPENDITURE</b>	9	<b>4,585,077</b>	<b>37,519</b>	<b>4,622,596</b>	<b>4,274,886</b>
<b>NET MOVEMENT IN FUNDS</b>		<b>324,923</b>	<b>(37,519)</b>	<b>287,404</b>	<b>356,996</b>
<b>RECONCILIATION OF FUNDS:</b>					
Total funds brought forward		842,399	1,436,541	2,278,940	1,921,944
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>1,167,322</b>	<b>1,399,022</b>	<b>2,566,344</b>	<b>2,278,940</b>

The notes on pages 19 to 35 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 2018**

	Note	£	2018 £	£	2017 £
<b>FIXED ASSETS</b>					
Tangible assets	12		2,188,510		2,068,732
<b>CURRENT ASSETS</b>					
Stocks		6,350		9,065	
Debtors	15	302,946		343,004	
Cash at bank and in hand		<u>1,062,322</u>		<u>997,492</u>	
		1,371,618		1,349,561	
<b>CREDITORS:</b> amounts falling due within one year	16	<u>(993,784)</u>		<u>(1,139,353)</u>	
<b>NET CURRENT ASSETS</b>			<u>377,834</u>		<u>210,208</u>
<b>NET ASSETS</b>			<u>2,566,344</u>		<u>2,278,940</u>
<b>CHARITY FUNDS</b>					
Unrestricted funds	17		1,167,322		842,399
Restricted funds	17		<u>1,399,022</u>		<u>1,436,541</u>
<b>TOTAL FUNDS</b>			<u>2,566,344</u>		<u>2,278,940</u>

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The trustees consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act. However, an audit is required in accordance with section 151 of the Charities Act 2011.

The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the trustees on 28 September 2018 and signed on their behalf, by:



**I Mather, Chairman**

The notes on pages 19 to 35 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 2018**

	Note	£	2018 £	£	2017 £
<b>FIXED ASSETS</b>					
Tangible assets	12		<b>2,188,510</b>		2,068,732
Investments	13		<u><b>102</b></u>		<u>102</u>
			<b>2,188,612</b>		2,068,834
<b>CURRENT ASSETS</b>					
Stocks		6,350		9,065	
Debtors	15	304,690		339,304	
Cash at bank and in hand		<u>1,059,261</u>		<u>997,492</u>	
			<b>1,370,301</b>	<b>1,345,861</b>	
<b>CREDITORS:</b> amounts falling due within one year	16	<u>(992,569)</u>		<u>(1,135,755)</u>	
<b>NET CURRENT ASSETS</b>			<u><b>377,732</b></u>		<u>210,106</u>
<b>NET ASSETS</b>			<u><b>2,566,344</b></u>		<u>2,278,940</u>
<b>CHARITY FUNDS</b>					
Unrestricted funds	17		<b>1,167,322</b>		842,399
Restricted funds	17		<u><b>1,399,022</b></u>		<u>1,436,541</u>
<b>TOTAL FUNDS</b>			<u><b>2,566,344</b></u>		<u>2,278,940</u>

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The trustees consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act. However, an audit is required in accordance with section 151 of the Charities Act 2011.

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The financial statements were approved and authorised for issue by the trustees on 28 September 2018 and signed on their behalf, by:



**I Mather, Chairman**

The notes on pages 19 to 35 form part of these financial statements.

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THE CAMBRIDGE ARTS THEATRE TRUST LIMITED

(A company limited by guarantee)

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CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2018

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	Note	2018 £	2017 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	19	<u>269,165</u>	<u>475,846</u>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		265	668
Purchase of tangible fixed assets		<u>(204,600)</u>	<u>(153,318)</u>
<b>Net cash used in investing activities</b>		<u>(204,335)</u>	<u>(152,650)</u>
<b>Change in cash and cash equivalents in the year</b>		<b>64,830</b>	<b>323,196</b>
Cash and cash equivalents brought forward		<u>997,492</u>	<u>674,296</u>
<b>Cash and cash equivalents carried forward</b>	20	<u><u>1,062,322</u></u>	<u><u>997,492</u></u>

The notes on pages 19 to 35 form part of these financial statements.

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## THE CAMBRIDGE ARTS THEATRE TRUST LIMITED

(A company limited by guarantee)

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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#### 1. ACCOUNTING POLICIES

##### 1.1 BASIS OF PREPARATION OF 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 in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Cambridge Arts Theatre Trust Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the company and its subsidiary undertakings. The results of the subsidiaries 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.

##### 1.2 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.

##### 1.3 GOING CONCERN

The trustees believe that the charity has sufficient financial resources and is well placed to manage its business risks successfully in the current economic climate. Accordingly, they continue to adopt the going concern basis in preparing the annual accounts.

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## THE CAMBRIDGE ARTS THEATRE TRUST LIMITED

(A company limited by guarantee)

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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#### 1. ACCOUNTING POLICIES (continued)

##### 1.4 TANGIBLE FIXED ASSETS AND DEPRECIATION

Leasehold property is included at deemed cost. It is not depreciated but reviewed annually for impairment by the trustees.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

Tangible fixed assets are carried at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold improvements	-	over 50 years
Theatre equipment	-	over 15 years
Fixtures & fittings	-	over 4 or 5 years
Computer equipment	-	over 3 or 5 years

##### 1.5 INVESTMENTS

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

##### 1.6 STOCKS

Purchased stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

##### 1.7 DEBTORS

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

##### 1.8 CASH AT BANK AND IN HAND

Cash is represented by cash in hand and deposits with financial institutions without penalty on notice of not more than 24 hours.

##### 1.9 LIABILITIES AND PROVISIONS

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

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## THE CAMBRIDGE ARTS THEATRE TRUST LIMITED

(A company limited by guarantee)

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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#### 1. ACCOUNTING POLICIES (continued)

##### 1.10 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 charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs 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.

##### 1.11 INCOME

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

##### 1.12 INTEREST RECEIVABLE

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company. This is normally upon notification of the interest paid or payable by the Bank.

##### 1.13 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and governance costs are costs incurred on the company's educational operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

##### 1.14 PENSIONS

The company operates a mix of defined contribution stakeholder and personal pension schemes for its employees.

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**THE CAMBRIDGE ARTS THEATRE TRUST LIMITED**

**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

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**1. ACCOUNTING POLICIES (continued)**

**1.15 OPERATING LEASES**

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

**1.16 FINANCIAL INSTRUMENTS**

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

**2. INCOME FROM DONATIONS AND GRANTS**

	<b>Unrestricted funds 2018 £</b>	<b>Restricted funds 2018 £</b>	<b>Total funds 2018 £</b>	<b>Total funds 2017 £</b>
Donations	<u>50,444</u>	<u>-</u>	<u>50,444</u>	<u>160,378</u>

In 2017, income from donations and grants was £160,378 of which £19,344 was unrestricted and £141,044 was restricted.

**3. RAISING FUNDS AND GENERATING MEMBERSHIP INCOME**

	<b>Unrestricted funds 2018 £</b>	<b>Total funds 2018 £</b>	<b>Total funds 2017 £</b>
Membership and fundraising income	<u>189,597</u>	<u>189,597</u>	<u>179,582</u>

In 2017, all income from raising funds and generating membership income related to unrestricted funds.

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**THE CAMBRIDGE ARTS THEATRE TRUST LIMITED**

**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

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**4. INCOME FROM CHARITABLE ACTIVITIES**

	<b>Unrestricted funds 2018 £</b>	<b>Total funds 2018 £</b>	<b>Total funds 2017 £</b>
Income from performances - admission fees	<b>4,217,386</b>	<b>4,217,386</b>	3,842,015
Front of house	<b>417,958</b>	<b>417,958</b>	396,058
Other income	<b>34,350</b>	<b>34,350</b>	53,181
	<b><u>4,669,694</u></b>	<b><u>4,669,694</u></b>	<u>4,291,254</u>

In 2017, all income from charitable activities related to unrestricted funds.

**5. INVESTMENT INCOME**

	<b>Unrestricted funds 2018 £</b>	<b>Total funds 2018 £</b>	<b>Total funds 2017 £</b>
Interest receivable	<b><u>265</u></b>	<b><u>265</u></b>	<u>668</u>

In 2017, all investment income related to unrestricted funds.

**6. EXPENDITURE ON RAISING FUNDS AND GENERATING MEMBERSHIP INCOME**

	<b>Unrestricted funds 2018 £</b>	<b>Total funds 2018 £</b>	<b>Total funds 2017 £</b>
Fundraising staff costs	<b><u>90,313</u></b>	<b><u>90,313</u></b>	<u>91,038</u>

In 2017, all of the expenditure on raising funds and generating membership income related to unrestricted funds.

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**THE CAMBRIDGE ARTS THEATRE TRUST LIMITED**

**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

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**7. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES**

	<b>Unrestricted funds 2018 £</b>	<b>Restricted funds 2018 £</b>	<b>Total funds 2018 £</b>	<b>Total funds 2017 £</b>
Theatre running costs	<b>4,164,508</b>	<b>37,519</b>	<b>4,202,027</b>	3,885,785
Front of house costs	<b><u>330,256</u></b>	<b><u>-</u></b>	<b><u>330,256</u></b>	<u>298,063</u>
Total	<b><u>4,494,764</u></b>	<b><u>37,519</u></b>	<b><u>4,532,283</u></b>	<u>4,183,848</u>

In 2017, expenditure on charitable activities was £4,183,848 of which £4,131,973 was unrestricted and £29,684 was restricted.

**8. ANALYSIS OF EXPENDITURE BY ACTIVITIES**

	<b>Activities undertaken directly 2018 £</b>	<b>Support costs 2018 £</b>	<b>Total 2018 £</b>	<b>Total 2017 £</b>
Theatre running costs	<b>3,866,994</b>	<b>335,033</b>	<b>4,202,027</b>	3,885,785
Front of house costs	<b><u>330,256</u></b>	<b><u>-</u></b>	<b><u>330,256</u></b>	<u>298,063</u>
Total	<b><u>4,197,250</u></b>	<b><u>335,033</u></b>	<b><u>4,532,283</u></b>	<u>4,183,848</u>

In 2017, total expenditure on charitable activities was £4,183,848 of which £3,847,452 was on activities undertaken directly and £336,396 was on support costs.

**THE CAMBRIDGE ARTS THEATRE TRUST LIMITED**

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

**9. ANALYSIS OF EXPENDITURE BY TYPE**

	Staff costs 2018 £	Depreciation 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on raising voluntary income	90,313	-	-	90,313	91,038
<b>COSTS OF RAISING FUNDS</b>	<b>90,313</b>	<b>-</b>	<b>-</b>	<b>90,313</b>	<b>91,038</b>
Theatre running costs	815,999	81,894	3,293,634	4,191,527	3,874,785
Front of house costs	205,168	-	125,088	330,256	298,063
<b>CHARITABLE ACTIVITIES</b>	<b>1,021,167</b>	<b>81,894</b>	<b>3,418,722</b>	<b>4,521,783</b>	<b>4,172,848</b>
<b>Governance support costs</b>	<b>-</b>	<b>-</b>	<b>10,500</b>	<b>10,500</b>	<b>11,000</b>
<b>Total 2018</b>	<b>1,111,480</b>	<b>81,894</b>	<b>3,429,222</b>	<b>4,622,596</b>	<b>4,274,886</b>

In 2017, total expenditure was £4,274,886 of which £1,021,096 was on staff costs, £73,874 was on depreciation and £3,179,916 was on other costs.

**10. NET INCOME/(EXPENDITURE)**

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets - owned	81,894	73,874
Auditors' remuneration - audit fee	10,500	11,000
Auditors' remuneration - non audit services	11,209	18,825
Auditors' remuneration - non audit services to the subsidiaries	<u>2,375</u>	<u>4,325</u>

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**THE CAMBRIDGE ARTS THEATRE TRUST LIMITED**

**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

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**11. STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES AND THE COST OF KEY MANAGEMENT PERSONNEL**

Staff costs were as follows:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>981,406</b>	906,507
Social security costs	<b>98,819</b>	84,921
Other pension costs	<b>31,255</b>	29,668
	<hr/>	<hr/>
	<b><u>1,111,480</u></b>	<b><u>1,021,096</u></b>

The average monthly head count was 54 staff (2017 - 57 staff) and the average monthly number of full-time equivalent employees (including casual and part-time staff) during the year were as follows:

	<b>2018</b>	<b>2017</b>
	<b>No.</b>	<b>No.</b>
Theatre staff (including front of house)	<b>21</b>	22
Management, administration and support	<b>16</b>	17
	<hr/>	<hr/>
	<b><u>37</u></b>	<b><u>39</u></b>

The number of higher paid employees was:

	<b>2018</b>	<b>2017</b>
	<b>No.</b>	<b>No.</b>
In the band £60,001 - £70,000	<b>2</b>	0
In the band £170,001 - £180,000	<b>0</b>	1
In the band £190,001 - £200,000	<b>1</b>	0

The charity trustees were not paid or received any other benefits from employment with the Trust or its subsidiaries in the year (2017 - £NIL). No charity trustee received payment for professional or other services supplied to the charity (2017 - £NIL).

One trustee received reimbursement of expenses amounting to £105 in the current year, (2017 - one trustee - £36).

The key management personnel of the group comprise the trustees, who are not paid, and the senior management team of the Cambridge Arts Theatre Trust Limited. The total employee benefits including pension contributions of the senior management team of the Trust were £483,979 (2017 - £445,518).

**THE CAMBRIDGE ARTS THEATRE TRUST LIMITED**

**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

**12. TANGIBLE FIXED ASSETS**

<b>GROUP</b>	<b>Leasehold property £</b>	<b>Leasehold improve- ments £</b>	<b>Fixtures, fittings and equipment £</b>	<b>Assets in the course of construction £</b>	<b>Total £</b>
<b>COST / VALUATION</b>					
At 1 April 2017	390,000	1,592,155	736,623	-	2,718,778
Additions	-	-	126,960	77,640	204,600
Disposals	-	-	(159,074)	-	(159,074)
At 31 March 2018	<u>390,000</u>	<u>1,592,155</u>	<u>704,509</u>	<u>77,640</u>	<u>2,764,304</u>
<b>DEPRECIATION</b>					
At 1 April 2017	-	107,760	542,286	-	650,046
Charge for the year	-	31,851	50,043	-	81,894
On disposals	-	-	(156,146)	-	(156,146)
At 31 March 2018	<u>-</u>	<u>139,611</u>	<u>436,183</u>	<u>-</u>	<u>575,794</u>
<b>NET BOOK VALUE</b>					
At 31 March 2018	<u>390,000</u>	<u>1,452,544</u>	<u>268,326</u>	<u>77,640</u>	<u>2,188,510</u>
At 31 March 2017	<u>390,000</u>	<u>1,484,395</u>	<u>194,337</u>	<u>-</u>	<u>2,068,732</u>

**THE CAMBRIDGE ARTS THEATRE TRUST LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**12. TANGIBLE FIXED ASSETS (continued)**

<b>COMPANY</b>	<b>Leasehold property £</b>	<b>Leasehold improve- ments £</b>	<b>Fixtures, fittings and equipment £</b>	<b>Assets in the course of construction £</b>	<b>Total £</b>
<b>COST / VALUATION</b>					
At 1 April 2017	390,000	1,592,155	726,668	-	2,708,823
Additions	-	-	126,960	77,640	204,600
Disposals	-	-	(159,074)	-	(159,074)
At 31 March 2018	<u>390,000</u>	<u>1,592,155</u>	<u>694,554</u>	<u>77,640</u>	<u>2,754,349</u>
<b>DEPRECIATION</b>					
At 1 April 2017	-	107,760	532,331	-	640,091
Charge for the year	-	31,851	50,043	-	81,894
On disposals	-	-	(156,146)	-	(156,146)
At 31 March 2018	<u>-</u>	<u>139,611</u>	<u>426,228</u>	<u>-</u>	<u>565,839</u>
<b>NET BOOK VALUE</b>					
At 31 March 2018	<u>390,000</u>	<u>1,452,544</u>	<u>268,326</u>	<u>77,640</u>	<u>2,188,510</u>
At 31 March 2017	<u>390,000</u>	<u>1,484,395</u>	<u>194,337</u>	<u>-</u>	<u>2,068,732</u>

Assets in course of construction relate to the deposit and interim payments for the Theatre's new lift, which was commissioned in May 2018.

**13. FIXED ASSET INVESTMENTS**

<b>COMPANY</b>	<b>Shares in group undertakings £</b>
<b>COST</b>	
At 1 April 2017 and 31 March 2018	<u>102</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**14. PRINCIPAL SUBSIDIARIES**

**Cambridge Arts Theatre Panto Limited**

Cambridge Arts Theatre Panto Limited is wholly owned by the charity. It was established to provide production services to the Theatre's annual Pantomime.

A summary of the results of the subsidiary undertaking, Cambridge Arts Theatre Panto Limited is set out below:

	<b>2018</b>	As restated
	<b>£</b>	<b>2017</b>
		<b>£</b>
Turnover	<b>372,502</b>	311,514
Cost of sales	<b>(370,075)</b>	(309,664)
Gross profit	<b>2,427</b>	1,850
Administration expenses	<b>(2,427)</b>	(1,850)
Loss before tax	-	-
Tax credit	<b>25,536</b>	27,853
Profit for the period	<b><u>25,536</u></b>	<u>27,853</u>
	<b>2018</b>	As restated
	<b>£</b>	<b>2017</b>
		<b>£</b>
Net assets brought forward	<b>100</b>	100
Profit for the year	<b>25,536</b>	27,853
Distribution	<b>(25,536)</b>	(27,853)
Net assets carried forward	<b><u>100</u></b>	<u>100</u>

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**THE CAMBRIDGE ARTS THEATRE TRUST LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

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**14. PRINCIPAL SUBSIDIARIES (continued)**

**Cambridge Arts (84 Charing Cross Road) Limited**

Cambridge Arts (84 Charing Cross Road) Limited is wholly owned by the charity. It was established to produce our touring production of "84 Charing Cross Road".

A summary of the results of the subsidiary undertaking, Cambridge Arts (84 Charing Cross Road) Limited is set out below:

	<b>2018</b>	As restated
	<b>£</b>	<b>2017</b>
		<b>£</b>
Turnover	-	84,422
Cost of sales	-	(82,572)
	<hr/>	<hr/>
Gross profit	-	1,850
Administration expenses	-	(1,850)
	<hr/>	<hr/>
Loss before tax	-	-
Tax credit	-	8,481
	<hr/>	<hr/>
Profit for the period	<hr/> <b>-</b> <hr/>	<hr/> <b>8,481</b> <hr/>

	<b>2018</b>	As restated
	<b>£</b>	<b>2017</b>
		<b>£</b>
Net assets brought forward	<b>1</b>	<b>1</b>
Profit for the year	-	8,481
Distribution	-	(8,481)
	<hr/>	<hr/>
Net assets carried forward	<hr/> <b>1</b> <hr/>	<hr/> <b>1</b> <hr/>

**Roof Garden Restaurants Limited**

Roof Garden Restaurants Limited is wholly owned by the charity and has been dormant since 2009.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

**15. DEBTORS**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	<b>62,559</b>	73,301	<b>62,559</b>	73,301
Amounts owed by group undertakings	-	-	<b>82,050</b>	58,888
Other debtors	<b>4,626</b>	24,686	<b>4,624</b>	24,686
Prepayments and accrued income	<b>235,761</b>	245,017	<b>155,457</b>	182,429
	<b><u>302,946</u></b>	<u>343,004</u>	<b><u>304,690</u></b>	<u>339,304</u>

**16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade creditors	<b>112,796</b>	222,794	<b>112,796</b>	222,794
Other taxation and social security	<b>49,504</b>	54,614	<b>50,539</b>	54,614
Other creditors and accruals	<b>165,851</b>	126,685	<b>163,601</b>	123,087
Deferred income	<b>665,633</b>	735,260	<b>665,633</b>	735,260
	<b><u>993,784</u></b>	<u>1,139,353</u>	<b><u>992,569</u></b>	<u>1,135,755</u>

**DEFERRED INCOME**

	<b>£</b>
Deferred income at 1 April 2017	<b>735,260</b>
Resources deferred during the year	<b>665,633</b>
Amounts released from previous years	<b>(735,260)</b>
	<b><u>665,633</u></b>
Deferred income at 31 March 2018	<b><u>665,633</u></b>

Deferred income relates to ticket sales in advance.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

**17. STATEMENT OF FUNDS**

**STATEMENT OF FUNDS - CURRENT YEAR**

	Balance at 1 April 2017 £	Income £	Expenditure £	Balance at 31 March 2018 £
<b>UNRESTRICTED FUNDS</b>				
Revaluation reserve	390,000	-	-	390,000
Reserves	452,399	4,910,000	(4,585,077)	777,322
	<u>842,399</u>	<u>4,910,000</u>	<u>(4,585,077)</u>	<u>1,167,322</u>
<b>RESTRICTED FUNDS</b>				
Foyer Fund	1,297,064	-	(28,115)	1,268,949
Lighting Equipment Fund	139,477	-	(9,404)	130,073
	<u>1,436,541</u>	<u>-</u>	<u>(37,519)</u>	<u>1,399,022</u>
Total of funds	<u>2,278,940</u>	<u>4,910,000</u>	<u>(4,622,596)</u>	<u>2,566,344</u>

**STATEMENT OF FUNDS - PRIOR YEAR**

	Balance at 1 April 2016 £	Income £	Expenditure £	Balance at 31 March 2017 £
<b>UNRESTRICTED FUNDS</b>				
Revaluation reserve	390,000	-	-	390,000
Reserves	206,763	4,490,838	(4,245,202)	452,399
	<u>596,763</u>	<u>4,490,838</u>	<u>(4,245,202)</u>	<u>842,399</u>
<b>RESTRICTED FUNDS</b>				
Foyer Fund	1,325,181	-	(28,117)	1,297,064
Lighting Equipment Fund	-	141,044	(1,567)	139,477
	<u>1,325,181</u>	<u>141,044</u>	<u>(29,684)</u>	<u>1,436,541</u>
Total of funds	<u>1,921,944</u>	<u>4,631,882</u>	<u>(4,274,886)</u>	<u>2,278,940</u>

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

The lighting equipment restricted fund represents specific donations received towards the purchase and ongoing use of lighting equipment.

**THE CAMBRIDGE ARTS THEATRE TRUST LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

**18. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
Tangible fixed assets	789,488	1,399,022	2,188,510
Current assets	1,371,618	-	1,371,618
Creditors due within one year	(993,784)	-	(993,784)
	<u>1,167,322</u>	<u>1,399,022</u>	<u>2,566,344</u>

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £
Tangible fixed assets	632,191	1,436,541	2,068,732
Current assets	1,349,561	-	1,349,561
Creditors due within one year	(1,139,353)	-	(1,139,353)
	<u>842,399</u>	<u>1,436,541</u>	<u>2,278,940</u>

**19. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	<b>GROUP</b>	
	2018 £	2017 £
Net income for the year (as per Statement of Financial Activities)	287,404	356,996
<b>Adjustment for:</b>		
Depreciation charges	81,894	73,874
Dividends, interest and rents from investments	(265)	(668)
Loss on the disposal of fixed assets	2,928	-
Decrease in stocks	2,715	974
Decrease/(increase) in debtors	40,058	(117,347)
(Decrease)/increase in creditors	(145,569)	162,017
<b>Net cash provided by operating activities</b>	<u>269,165</u>	<u>475,846</u>

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**THE CAMBRIDGE ARTS THEATRE TRUST LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**20. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	<b>GROUP</b>	
	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Cash at bank and in hand	<u><b>1,062,322</b></u>	<u>997,492</u>
Total	<u><b>1,062,322</b></u>	<u>997,492</u>

**21. PENSION COMMITMENTS**

The company operates a mix of defined contribution stakeholder and personal pension schemes for its employees. The assets of the schemes are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company and amounted to £31,255 (2017 - £29,668). Contributions totalling £2,645 (2017 - £11,278) were payable at the balance sheet date and are included in creditors.

**22. OPERATING LEASE COMMITMENTS**

At 31 March 2018 the total of the group's future minimum lease payments under non-cancellable operating leases was:

<b>GROUP AND COMPANY</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>AMOUNTS PAYABLE:</b>		
Within 1 year	<b>11,732</b>	11,732
Between 1 and 5 years	<u><b>6,801</b></u>	<u>18,533</u>
Total	<u><b>18,533</b></u>	<u>30,265</u>

At 31 March 2018 the group also had an annual commitment under a non-cancellable operating lease of £74,617 (2017 - £126,995) which expires on 8 May 2106.

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## THE CAMBRIDGE ARTS THEATRE TRUST LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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#### 23. 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.

L Dean is a trustee of the charity and director of Faraway Productions Limited. During the year, Faraway Productions Limited brought one (2017 - no) production to the Theatre. The income recognised in the charity relating to the production totalled £39,128 (2017 - £NIL) and expenditure of £38,955 (2017 - £NIL) was charged by the Faraway Productions Limited. Theatre. At the year end, no balance was owed to Faraway Productions Limited.

K Carne is a trustee of the charity and First Bursar of King's College, Cambridge. During the year, rent of £103,012 (2017 - £99,087) was paid to King's College Cambridge. At the year end, a balance of £NIL (2017 - £54,599) was due to the charity from King's College Cambridge.

During the year £370,075 (2017 - £309,664) was recharged to Cambridge Arts Theatre Panto Limited in respect of production costs. Cambridge Arts Theatre Panto Limited made a gift aid donation of £25,536 (2017 - £27,853) to the charity during the year.

During the year £NIL (2017 - £82,572) was recharged to Cambridge Arts (84 Charing Cross Road) Limited in respect of production costs. Cambridge Arts (84 Charing Cross Road) Limited made a gift aid donation of £NIL (2017 - £8,481) to the charity during the year.

During the year, the trustees made unconditional donations to the Trust of £10,200 (2017 - £123,906).