

**Registration Number NI031527**  
**Charity Number NIC104797**

**DERRY THEATRE TRUST**

**Trustees' Report and Consolidated Financial Statements**

**for the year ended 31 March 2019**



## **DERRY THEATRE TRUST**

### **Trustees, officers and advisors**

#### **Trustees of - Derry Theatre Trust and M Forum Trading Limited**

Martin Bradley	
Mary McKenna	
Martin Mullan	
Sandra Biddle	
Dolores O'Reilly	
Colin Kelly*	Resigned 13 September 2018
Andrew Thompson*	Resigned 4 July 2019
Angela Dobbins*	Resigned 7 March 2019
Kevin Campbell*	Appointed 13 September 2018/Resigned 4 July 2019
Shauna Cusack*	Appointed 7 March 2019
Michael Cooper*	Appointed 4 July 2019
Graham Warke*	Appointed 4 July 2019
*nominated by Derry City & Strabane District Council	

#### **Directors of subsidiary company Millennium Forum Productions Limited**

Martin Bradley  
David McLaughlin

#### **Key Management Personnel**

Chief Executive Officer  
Finance Manager  
Box Office Manager  
Marketing Manager  
Technical Manager  
General Manager

David McLaughlin  
Jim Gallagher  
Lisa Heaney  
Amanda Doherty  
Lorcan McLaughlin  
Paul Mason

#### **Secretary**

Mary McKenna

#### **HMRC Charity No. Charity Commission No.**

XR16635  
NIC104797

#### **Registered Office & Business Address**

Newmarket Street  
Londonderry  
BT48 6EB

#### **Independent Auditors**

McDaid McCullough Moore  
Chartered Accountants and Statutory  
Auditor  
28/32 Clarendon Street  
Derry BT48 7HD

#### **Bankers**

First Trust Bank  
Strand Road  
Londonderry  
BT48 7TN

#### **Solicitors**

Casey & Company  
8 Shipquay Street  
Londonderry  
BT48 6DN

# **DERRY THEATRE TRUST**

## **Trustees' Report and Consolidated Financial Statements for the year ended 31 March 2019**

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**DERRY THEATRE TRUST**  
**Company limited by guarantee**  
**Trustees' report (incorporating the directors' report and strategic report)**  
**for the year ended 31 March 2019**

The Trustees (in their capacity as Trustees and Directors) present their annual report for the year ended 31 March 2019. This report has been prepared by the trustees in accordance with the requirements of Section 414 of the Companies Act 2006.

The principal activity of the company is the operation of a theatre for arts and entertainment purposes. The company is a registered charity, limited by guarantee whose governing document is the memorandum and articles of association.

**Objectives & activities**

The principal activity of Derry Theatre Trust is the operation of the Millennium Forum theatre complex for arts and entertainment purposes. The Trust was established to promote, maintain, improve and advance the education of the public in the City of Derry and Northern Ireland, in the Arts.

To achieve this objective the theatre has put on a wide variety of shows, including professional shows such as West End productions, performances by local amateur drama groups, educational projects, comedy acts and internationally recognised musicians. The general public, male and female, young and old, have access to a wide variety of performances to suit all tastes. The theatre also provides an educational outreach programme during the summer months in conjunction with local schools and local groups which provides a framework for development of local artists.

The facilities of the theatre are also used by local drama, music and dance groups. The aims of Derry Theatre Trust / the Millennium Forum theatre are:

- to present a unique theatrical experience;
- to promote arts & culture in the North West of Ireland;
- to establish the Millennium Forum as a leading conference centre; and
- to develop and sustain a successful organisation and to provide public benefit.

The trustees vision for the Millennium Forum is to be the regional theatre of choice for the North West, delivering a financially sustainable mixed arts programme accessible to the majority of people in the catchment area. The entertainment programme aims to satisfy the audience, ensuring maximum box office income at minimum cost, without reducing standards and maintaining the financial stability of the theatre.

**Public benefit**

Derry Theatre Trust strives to ensure that the Millennium Forum provides public benefit. The public benefit test is at the heart of what it means to be a charity. Derry Theatre Trust's principal objective is to establish, maintain and promote a theatre for arts and entertainment purposes. In setting this objective the Trustees have considered the Charity Commission for Northern Ireland's guidance on public benefit to ensure that its activities have helped to achieve its principal objective of public benefit for its beneficiaries.

The public benefit that Derry Theatre Trust provides through promoting its activities are:

- presenting live performances of plays, musicals, opera, dance, comedy acts, childrens shows and various genres of music;
- providing hire facilities for local groups (drama, musical, dance);
- provision of an all in one leisure facility in the form of theatre, restaurant & bar facilities;
- enhancing the local economy from audiences visiting the theatre and staying in the area, resulting in increased business for hotels, bars, restaurants and taxi companies;
- contracting with local suppliers for food/bar stocks, brochure production and advertising; and
- providing full and part time employment.

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..... continued

The Trustees give careful consideration in setting admission prices to the theatre, so that the facility is accessible to everyone interested in the Arts, in that admission prices differ depending on the night of the performance, on seat location etc. Local amateur drama groups also benefit from reduced theatre hire rates.

The trustees believe that they are therefore meeting the public benefit test by increasing the accessibility of the theatre to both paying patrons / local groups and the commercial effect of the theatre location to the local economy.

**Achievements and performances**

Key performance indicators for the company are as follows:

	<b>2019</b>	<b>2018</b>
Shows	137	118
Performances	253	233
Audience	144,490	131,965

During the year, the theatre continued to promote its principal objective of promoting the Arts with its wide variety of performances via M Forum Trading Limited. Highlights during the year were:

- West End Shows - Evita, Madagascar and Ghost;
- Amateur performances - Maggie Yer Ma, Hairspray, Customs & Exiles and Beauty Queen of Leenane;
- Musical Artists - Snow Patrol, Van Morrison, Don McLean and Kris Kristofferson;
- Comedy shows - Dara O' Briain, Sarah Millican, Tommy Tiernan, Neil Delamere, Give Me Head Peace and Conal Gallen;
- Cultural shows - Walled City Music Festival, Celtronic and Swan Lake; and
- Local interest shows - Home Grown 2019, Daniel O'Donnell and Cara Dillon.

During 2018/2019 the theatre continued to provide music and drama workshops for the youth with the Interact festival and the in house youth production of CATS, using the best of local talent. The in-house pantomime production of Peter Pan proved to be one of the highlights of the year, doing very well at the box office. The lead role was William Caulfield with the vast majority of the cast coming from the local area.

The theatre continues to promote performances from internationally renowned stars to the best of local talent.

Occupation of ancillary rooms in the theatre for dance, speech & drama, music and similar activities remains constant and highlights the importance in providing such facilities to nurture local talent.

**Financial review**

Income for the year was to £3,752,649 (2018 - £3,418,640) resulting in an operating deficit of (£247,282) (2018 - deficit (£188,122)) before actuarial changes in the pension scheme. Several factors have had an impact on the results. More shows and performances during the year, although increasing revenue resulted in higher wages charges, one of the commercial units was vacant for the full year resulting in lower rental income and touring income was reduced due to a cancellation of shows on the Chinese tour. On a positive note an actuarial gain on the pension scheme of £101,000 (2018 gain of £53,000) reduced the overall deficit. Net assets of the group at 31 March 2019 were £7,923,914. The deficit on the pension scheme at 31 March 2019 was (£363,000) (2018 - (£403,000)).

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..... continued

The results reflect the difficult economic climate that the theatre operates in. Uncertainty regarding core revenue funding is of particular concern.

The core financial results show a general increase in most categories of income with the exception of rental income. Grants from Derry City & Strabane District Council £443,300 (2018 - £443,300) and The Arts Council £72,013 (2018 - £97,754) continue to be of vital importance to the operation of the theatre. Overall expenditure increased during the year as a result of more shows and performances and also as a result of the trustees commitment not to reduce the public benefit provided by the theatre. Overall the trustees are satisfied with the results and the year end financial position and believe that the charitable company is well placed to develop its activities in the future.

**Plans for the future**

The Trustees future aims are:

1. The financial viability of the theatre;
2. Maintaining the theatres position as the ultimate venue of choice for theatre goers in the catchment area;
3. Ensuring maximum accessibility of the theatre to all groups in the catchment area;
4. The introduction of additional programming that will attract new patrons to the theatre;
5. To co-operate with other bodies in producing work that can tour the major theatres in Northern Ireland, the Republic of Ireland, mainland UK, China and USA; and
6. To make facilities available to local groups, at a cost that is not prohibitive.

The Trustees, as a result of the above aims, expect to increase core revenue streams whilst continuing to promote non core activities.

The future plans of the Trust encompass strategies that are designed to broaden the Theatre's audience base, to confirm its position as the cultural centre of the north west and to maintain financial stability.

**Structure, governance and management**

*Governing document*

The Trust is a charitable company, limited by guarantee (with no share capital) and its governing document is its Memorandum and Articles of Association. The Trusts charitable status is recognised by HM Revenue & Customs - Charity number XR16635. The company was registered with the charities commission on 19 April 2018, No. NIC104797.

**Organisational structure**

Derry Theatre Trust is managed by the trustees. Trustees are either nominated - by Derry City & Strabane District Council or ordinary - chosen based on their skills and professional backgrounds so as to ensure a wide range of experience is represented on the Board. Trustees meet bi-monthly to review performance, determine strategies, assess risk and plan future policies.

The Trust has two wholly owned subsidiary companies, M Forum Trading Limited and Millennium Forum Productions Ltd.

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**for the year ended 31 March 2019**

..... continued

M Forum Trading Limited is responsible for the theatrical operation of the Millennium Forum, including all ancillary services such as the operation of the box office and the bars. All costs incurred, other than wages (a cost of Derry Theatre Trust), are incurred by M Forum Trading Limited. Any year end surplus is donated to Derry Theatre Trust, who also collects the rental income, receives the operating grants from Derry City & Strabane District Council and the Arts Council and employs and pays the staff to operate the theatre. The Trust owns the freehold property and the plant and machinery together with fixtures and fittings.

Millennium Forum Productions Ltd was incorporated in 2016 and is responsible for producing the external touring performances of "Titanic Dance" and other productions that may arise.

The Trust is managed daily by the chief executive, David McLaughlin and senior employees. The senior employees from finance, box office, marketing, front of house, technical and the bars, report daily to the chief executive ensuring the smooth operation of the theatre. The chief executive is responsible for artistic policy, contracting with artists and booking the daily program of performances and also for ensuring that the theatre complies with all relevant regulations including health & safety requirements of staff and the public. Various sub committees operate at the theatre to look into all aspects of operations such as funding and access to the Arts for all, including patrons who suffer from dementia.

The Trust is an equal opportunities employer committed to positive policies on recruitment, training and career development for staff members (and potential staff members) regardless of marital status, religion, colour, race, ethnic origin or disability. The Trust also accommodates customers with disabilities with the use of Braille materials, captioned performances, the loop system, signed performances, relaxed performances and special access to certain parts of the auditorium.

#### **Appointment and training of trustees**

New trustees are nominated by current trustees and from nominations proposed by Derry City & Strabane District Council. Induction and training of new trustees is provided by existing trustees and by employees. Most trustees, due to their experience and backgrounds are already familiar with the work of the theatre.

#### **Investment policy**

The Trust operates a prudent investment policy. Investments opportunities when they arise are in the form of short term, low risk bank deposits.

#### **Reserves policy**

The trustees have examined the charity's requirements for reserves taking into account the risks that the Trust has recognised. The reserve requirement is estimated to be at least three months of expenditure. Expenditure of the charity is currently approximately £4.0 million, equating to quarterly expenditure of approximately £1.0 million. The Trust intends to increase reserves to this desired level when future opportunities arise.

The actual reserves at 31 March 2019 falls short of the desired level and the trustees recognise it will take a considerable period of time to achieve their target but anticipate a gradual increase over time.

## **DERRY THEATRE TRUST**

### **Company limited by guarantee**

#### **Trustees' report (incorporating the directors' report and strategic report)**

**for the year ended 31 March 2019**

..... continued

#### **Related parties**

Derry City & Strabane District Council, with whom the company has a close working relationship, nominates trustees to the board of trustees and attends the monthly board meetings. The Trust continues to receive vital annual funding from Derry City & Strabane District Council and Arts Council towards core operating costs.

#### **Donations**

The Millennium Forum charges a development donation on all ticket sales. During the year ended 31 March 2019 this donation raised £125,453 (2018 - £86,387). This donation is a restricted fund and will be used for improvements, development of shows, enhancement expenditure and future refurbishment projects at the theatre.

#### **Principal risks and uncertainties**

The management has conducted its own review of the major risks to which the Trust is exposed and systems have been established to mitigate those risks. The Trust continually monitors its exposure to financial risk. Given the size of the company, the trustees have not delegated the responsibility of monitoring financial risk to a sub committee. The policies set by the trustees are implemented by the finance department.

The financial viability and sustainability of the theatre is a major risk recognised. The shows performance schedule is of utmost importance and is carefully planned to ensure adequate cashflows and where possible to maximise funding. Diversification of activities via M Forum Trading Limited and Millennium Forum Productions Limited, including more emphasis on the income generated from the bars, sponsorship and advertising have also been identified.

Business and finance risk is managed by ensuring appropriate staff, with appropriate experience are in place and budgets and forecasts prepared and reported on monthly. The reporting network makes use of an established IT system which combines a general accounting package and a box office system, both of which are continuously updated and maintained.

The Trusts principal financial assets includes cash, trade and other debtors and trade creditors and accruals together with deferred income. Associated risks include credit risk and liquidity risk. To minimise credit risk the Trust has implemented policies that require appropriate credit checks on potential customers before transactions take place. To minimise liquidity risk performances are carefully planned to ensure appropriate cash flows exist to meet operational costs (advance box office ticket sales reduces liquidity risk).

Internal risks are minimised by the implementation of controls and procedures for authorisation of all transactions.

#### **Environmental policy**

The company is committed to reducing its environmental impact and to continually improving its environmental performance. It has a duty of care with respect to its environmental practice and to achieve this it:

- wholly supports and complies with the requirements of current environmental legislation and codes of practice;



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**for the year ended 31 March 2019**

..... continued

- minimises waste and recycles as much as possible;
- minimises energy and water waste in order to conserve supplies and also consumption of natural resources, especially where they are non-renewable;
- operates and maintains equipment with due regard to environmental issues;
- assesses, in advance, the environmental impact of any new products or services intended for introduction, so that no damage is done to the environment;
- ensures that all employees understand the company's environmental policy and conform to the standards by training and instruction;
- promptly addresses any complaints about breaches of environmental policy to the satisfaction of all concerned; and
- constantly reviews policy to ensure adequacy.

**Health and safety**

The company has in place a Health and Safety Policy which requires it to comply as a minimum with all legislation and to take all reasonable practicable steps to ensure the safety, health and welfare of all employees, patrons and anyone else affected by the activities carried out.

**Statement of disclosure of information to auditors**

We, the trustees of the charitable company who held office at the date of approval of these financial statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information (information needed by the charitable company's auditors in connection with preparing their report) of which the charitable company's auditors are unaware, and
- we have taken all the steps that we ought to have taken to make ourselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

**Auditors**

McDaid McCullough Moore are deemed to be reappointed in accordance with Section 487(2) of the Companies Act 2006.

This report is prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to medium sized companies.

The Chairman and Trustees would like to express their thanks to the management and staff at the Millennium Forum for their endeavours over the last year and to the theatre patrons for their continued support.

This report was approved and authorised for issue by the Trustees on 07 November 2019 and signed below on its behalf by:



**Martin Bradley**  
Trustee

**DERRY THEATRE TRUST**  
**Trustees' responsibility statement**  
**for the year ended 31 March 2019**

**Trustees' responsibilities**

The trustees are responsible for preparing the trustees annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 the affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year. In preparing these financial statements the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

## **DERRY THEATRE TRUST**

### **Independent auditors' report to the members of DERRY THEATRE TRUST**

#### **Opinion**

We have audited the financial statements of Derry Theatre Trust (the parent charitable company) for the year ended 31 March 2019 and its subsidiaries (the group) which comprise the statement of financial activities, the charitable company statement of financial position, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2019, 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.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our 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 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 trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

## **DERRY THEATRE TRUST**

### **Independent auditors' report to the members of DERRY THEATRE TRUST continued**

We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the trustees' report (incorporating the strategic report and the trustees' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the trustees' report have 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 group and parent 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:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, 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 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.

#### **Auditor's responsibilities for the audit of the financial statements**

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:-

## **DERRY THEATRE TRUST**

### **Independent auditors' report to the members of DERRY THEATRE TRUST continued**

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group or express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Kevin McCullough (Senior Statutory Auditor)**

**For and behalf of McDaid McCullough Moore**

**Chartered Accountants and**

**Statutory Auditor**

**28/32 Clarendon Street**

**Derry BT48 7HD**

**Date: 7 November 2019**

**DERRY THEATRE TRUST**  
Company limited by guarantee

**Statement of Financial Activities**  
**(including Income & Expenditure Account)**  
**for the year ended 31 March 2019**

		Unrestricted income funds	Restricted income funds	Restricted capital funds	2019 Total £	Unrestricted income funds	Restricted income funds	Restricted capital funds	2018 Total £
	Notes	£	£	£	£	£	£	£	£
<b>Income</b>									
Donations	2	-	125,453	-	125,453	-	86,387	-	86,387
Income from charitable activities	2	2,355,486	527,563	20,000	2,903,049	2,070,960	555,307	-	2,626,267
Income from other trading activities	2	724,147	-	-	724,147	701,581	4,405	-	705,986
<b>Total income</b>		<u>3,079,633</u>	<u>653,016</u>	<u>20,000</u>	<u>3,752,649</u>	<u>2,772,541</u>	<u>646,099</u>	<u>-</u>	<u>3,418,640</u>
<b>Expenditure</b>									
Charitable activities	3	2,841,622	527,563	215,319	3,584,504	2,457,809	559,712	211,319	3,228,840
Trading activities	3	415,427	-	-	415,427	377,922	-	-	377,922
<b>Total expenditure</b>		<u>3,257,049</u>	<u>527,563</u>	<u>215,319</u>	<u>3,999,931</u>	<u>2,835,731</u>	<u>559,712</u>	<u>211,319</u>	<u>3,606,762</u>
<b>Net income/(expenditure)</b>		(177,416)	125,453	(195,319)	(247,282)	(63,190)	86,387	(211,319)	(188,122)
Actuarial gain in respect of defined benefit pension scheme	17	101,000	-	-	101,000	53,000	-	-	53,000
<b>Net movement in funds</b>		<u>(76,416)</u>	<u>125,453</u>	<u>(195,319)</u>	<u>(146,282)</u>	<u>(10,190)</u>	<u>86,387</u>	<u>(211,319)</u>	<u>(135,122)</u>
Total funds brought forward		(680,939)	549,758	8,201,377	8,070,196	(670,749)	463,371	8,412,696	8,205,318
<b>Total funds carried forward</b>	19 / 20	<u>(757,355)</u>	<u>675,211</u>	<u>8,006,058</u>	<u>7,923,914</u>	<u>(680,939)</u>	<u>549,758</u>	<u>8,201,377</u>	<u>8,070,196</u>

No separate income and expenditure account is presented in accordance with the provisions of Article 408 of the Companies Act 2006.

The notes on pages 16 to 37 form an integral part of these financial statements.

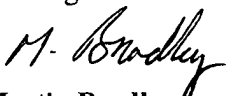
# DERRY THEATRE TRUST

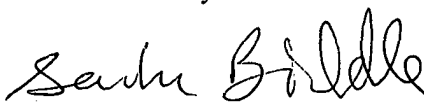
Company No.NI031527

## Consolidated statement of financial position as at 31 March 2019

	Notes	2019		2018	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	11		1		1
Tangible assets	12		8,152,287		8,365,015
			<u>8,152,288</u>		<u>8,365,016</u>
<b>Current assets</b>					
Stocks	14	7,585		10,437	
Debtors	15	331,819		215,461	
Cash at bank and in hand		642,407		515,354	
		<u>981,811</u>		<u>741,252</u>	
<b>Creditors: amounts falling due within one year</b>	16	(847,185)		(633,072)	
<b>Net current assets</b>			<u>134,626</u>		<u>108,180</u>
<b>Total assets less current liabilities</b>			8,286,914		8,473,196
Pension liability	17		(363,000)		(403,000)
<b>Net assets</b>			<u>7,923,914</u>		<u>8,070,196</u>
<b>Funds</b>					
Restricted funds	19		8,681,269		8,751,135
Unrestricted funds	20		(757,355)		(680,939)
<b>Total charity funds</b>			<u>7,923,914</u>		<u>8,070,196</u>

The financial statements were approved and authorised for issue by the Trustees on 7 November 2019 and were signed below on its behalf by

  
Martin Bradley  
Trustee

  
Sandra Biddle  
Trustee

The notes on pages 16 to 37 form an integral part of these financial statements.


# DERRY THEATRE TRUST

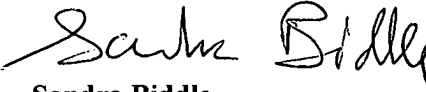
Company No.NI031527

## Company statement of financial position as at 31 March 2019

	Notes	2019		2018	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	11		1		1
Tangible assets	12		8,152,287		8,365,015
			<u>8,152,288</u>		<u>8,365,016</u>
<b>Current assets</b>					
Debtors	15	51,560		188,653	
Cash at bank and in hand		573,126		298,255	
		<u>624,686</u>		<u>486,908</u>	
<b>Creditors: amounts falling due within one year</b>	16	(152,912)		(54,029)	
<b>Net current assets</b>			<u>471,774</u>		<u>432,879</u>
<b>Total assets less current liabilities</b>			8,624,062		8,797,895
Pension liability	17		(363,000)		(403,000)
<b>Net assets</b>			<u>8,261,062</u>		<u>8,394,895</u>
<b>Funds</b>					
Restricted funds	19		8,681,269		8,751,135
Unrestricted funds	20		(420,207)		(356,240)
<b>Total charity funds</b>			<u>8,261,062</u>		<u>8,394,895</u>

The financial statements were approved and authorised for issue by the Trustees on 7 November 2019 and were signed below on its behalf by

  
Martin Bradley  
Trustee

  
Sandra Biddle  
Trustee

The notes on pages 16 to 37 form an integral part of these financial statements.



# DERRY THEATRE TRUST

## Consolidated statement of cash flows for the year ended 31 March 2019

	Notes	2019 £	2018 £
<b>Cash flows from operating activities</b>			
Net deficit		(247,282)	(188,122)
<i>Adjustments for:</i>			
Depreciation		235,749	231,145
Defined benefit pension scheme service cost		61,000	64,000
<i>Changes in:</i>			
Stocks		2,852	1,797
Debtors		(116,358)	21,731
Creditors		214,113	68,669
<b>Cash generated from operating activities</b>		150,074	199,220
Payments to acquire tangible fixed assets	22	(23,021)	-
<b>Net increase in cash and cash equivalents in the year</b>		127,053	199,220
<b>Net debt at 1 April 2018</b>		515,354	316,134
<b>Net cash and cash equivalents at 31 March 2019</b>		<u>642,407</u>	<u>515,354</u>

# **DERRY THEATRE TRUST**

## **Notes to Financial Statements for the year ended 31 March 2019**

### **1. Accounting Policies**

#### **1.1. Accounting convention and basis of preparation**

The charity constitutes a public benefit entity as defined by FRS 102. Derry Theatre Trust is a private company limited by guarantee, registered in Northern Ireland. The address of the registered office is Millennium Forum, Newmarket Street, Derry BT48 6EB.

The group financial statements have been prepared under the historical cost convention and in accordance with the Charities SORP (FRS 102) for charities preparing their accounts in accordance with the Financial Reporting Standard (FRS 102) applicable in the UK and Republic of Ireland (effective 1 January 2015), the Companies Act 2006 and under the Companies Act 2006 (Strategic Report and Directors' Report ) Regulations 2013. The financial statements are prepared in sterling, which is the functional currency of the entity.

#### **1.2. Basis of Consolidation**

The Group financial statements comprise the financial statements of Derry Theatre Trust and its subsidiary companies, M Forum Trading Limited and Millennium Forum Productions Limited. The financial statements of the subsidiary companies are prepared for the same reporting year as the parent company, using consistent accounting policies.

A subsidiary is an entity controlled, either directly or indirectly, by the Company, where control is the power to govern the financial and operating policies of the entity so as to obtain benefit from its activities.

The directors have taken advantage of the exemption available under section 408 of the Companies Act 2006 and not presented a separate statement of financial activities for the company.

#### **1.3. Income**

Income is included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. Income represents theatre ticket sales, theatre and room rentals (deferred to recognise income to the period to which it relates), merchandise income, bar and confectionery sales and income from advertising, marketing & sponsorship, exclusive of value added tax. Income also includes grant income from Derry City & Strabane District Council, the Arts Council and Arts & Business.

Income from theatre ticket sales, received in advance of a performance, is deferred and matched against the cost of the relevant performance.

Capital grants are recognised in the year of receipt in the statement of financial activities and treated as restricted funds with the related depreciation of the assets charged against the same fund.

The deferred development donation, is recognised when received, is a restricted fund donation added to the ticket costs to the patrons of the theatre and is used for improvements, development of shows, enhancement expenditure and to finance future refurbishment projects.

# **DERRY THEATRE TRUST**

## **Notes to Financial Statements for the year ended 31 March 2019**

..... continued

### **1.4. Expenditure**

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure, where relevant, is exclusive of VAT.

Charitable activities expenditure comprises those costs incurred by the charity in the deliverance of its charitable activities. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs not directly related to theatrical performances are allocated where possible to the performance of that activity. Support costs include office costs, legal & professional costs and administrative payroll costs.

### **1.5. Conference licence**

The conference licence is valued at cost less accumulated amortisation.

Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful life of 5 years.

### **1.6. Tangible fixed assets and depreciation**

Tangible fixed assets with a life expectancy of greater than one year, are initially recorded at cost and subsequently stated at cost less any accumulated depreciation and impairment losses.

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Buildings	-	straight line over fifty years
Piazza development	-	2% - 20% straight line
Plant and machinery	-	10%-20% straight line
Fixtures, fittings and equipment	-	20% straight line

Land is not depreciated.

### **1.7. Impairment of assets**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

### **1.8. Leasing**

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

# **DERRY THEATRE TRUST**

## **Notes to Financial Statements for the year ended 31 March 2019**

..... continued

### **1.9. Subsidiaries**

Fixed asset investments reflect the company interest in the wholly owned subsidiary companies M Forum Trading Limited and Millennium Forum Productions Limited.

Investments are measured at the lower of cost and net realisable value.

### **1.10. Stock**

Stock is valued at the lower of cost and net realisable value; in respect of stocks, cost is calculated on a first in first out basis. Cost includes purchase price and transport costs less trade discounts and rebates. Net realisable value is based on selling price less any further costs of disposal.

### **1.11. Pension and other post - retirement benefits**

The charitable company operates a defined benefit pension scheme for employees. The assets of the scheme are held separately from those of the charitable company.

Pension scheme liabilities are measured on an actuarial basis using a projected unit method and are discounted to their present value using a discount rate of 2.5% (2018 - 2.6%).

Pension scheme assets are valued at market value at the balance sheet date.

The pension scheme charge in the Statement of Financial Activities is the current service cost plus financing cost less employers contributions. The pension scheme deficit is recognised in full on the balance sheet.

### **1.12. Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the balance sheet date. Transactions in foreign currencies are recorded at the rate of exchange prevailing at the date of the transactions. All differences are taken to the Statement of Financial Activities.

### **1.13. Funds**

The funds of the charitable company consist of restricted funds and unrestricted funds.

Unrestricted funds are funds available for use by the charity at the discretion of the trustees in furtherance of the general objectives of the charity and have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donors. The aim and use of each restricted fund is set out in the notes to the financial statements.

### **1.14. Donated assets**

Donated assets are included in the financial statements at the lower of cost or net realisable value. The trustees estimate of replacement cost is based on existing market valuations for similar assets.

## **DERRY THEATRE TRUST**

### **Notes to Financial Statements for the year ended 31 March 2019**

..... continued

#### **1.15. Going concern**

The financial statements have been prepared on a going concern basis as the trustees believe that adequate resources are available to continue operations and no material uncertainties exists. The Trustees have considered the level of funds held and the expected level of income and expenditure for twelve months from authorising these financial statements.

#### **1.16. Debtors**

Debtors and prepayments are recognised at the settlement amount due after any trade discount.

#### **1.17. Creditors**

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in a payment to a third party and the amount can be reliably estimated.

#### **1.18. Judgements and key sources of uncertainty**

In applying company accounting policies the Trustees are required to make judgements and estimates on an ongoing basis about the carrying value of the company assets and liabilities. If revision is required, the revision is recognised in that period together with future periods if necessary.

The depreciation charge in respect of tangible fixed assets is based on the estimated useful life of each group of assets. Revision of estimated useful life of each grouping will affect the estimates charged in the Statement of Financial Activities.

#### **1.19. Financial instruments**

A financial asset or liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

# DERRY THEATRE TRUST

## Notes to Financial Statements for the year ended 31 March 2019

..... continued

2. Donations	Unrestricted funds £	Restricted funds £	2019 Total £	2018 Total £
Development donation	-	125,453	125,453	86,387
	-	125,453	125,453	86,387

Income from charitable activities	Unrestricted income funds £	Restricted income funds £	Restricted capital funds £	2019 Total £	2018 Total £
Derry City & Strabane District Council	-	443,300	-	443,300	443,300
Arts Council of Northern Ireland	-	72,013	-	72,013	97,754
	-	515,313	-	515,313	541,054
Box office	2,045,106	-	-	2,045,106	1,813,326
Performance rentals	128,760	-	-	128,760	136,040
Education & Outreach	17,739	2,250	-	19,989	12,252
Interact	45	10,000	-	10,045	18,703
Programme/merchandising	7,077	-	-	7,077	6,020
Costs recharged	55,415	-	-	55,415	45,727
Room/piazza rentals	53,284	-	-	53,284	23,446
Marketing contributions	46,200	-	-	46,200	28,259
Applause/Priority + income	1,860	-	-	1,860	1,440
Sundry capital grants	-	-	20,000	20,000	-
	2,355,486	527,563	20,000	2,903,049	2,626,267
<b>Income from other trading activities</b>					
Touring income	221,049	-	-	221,049	248,524
FOH and bar income	204,070	-	-	204,070	171,598
Sponsorship income	32,020	-	-	32,020	20,575
Advertising income	19,961	-	-	19,961	22,978
Confectionery sales	87,360	-	-	87,360	77,245
Miscellaneous income	18,013	-	-	18,013	6,476
Ticket booking fee income	6,744	-	-	6,744	5,594
Rental income	134,930	-	-	134,930	152,996
	724,147	-	-	724,147	705,986

# DERRY THEATRE TRUST

## Notes to Financial Statements for the year ended 31 March 2019

..... continued

### 3. Costs of charitable activities - by activity

	Charitable activities £	Trading activities £	2019 Total £	2018 Total £
Production costs	1,860,737	-	1,860,737	1,559,532
Production costs - Education Project	17,695	-	17,695	20,874
Production costs - MF Interact	12,145	-	12,145	16,419
Touring costs	-	246,274	246,274	217,189
Wages	591,403	25,739	617,142	576,206
Credit card charges	31,068	-	31,068	26,368
Cost of sales - bar	-	86,421	86,421	66,335
Cost of sales - confectionery	-	30,796	30,796	29,971
Marketing & advertising	118,737	-	118,737	114,550
Depreciation	235,749	-	235,749	231,145
Maintenance	88,762	6,785	95,547	87,973
Support costs (below)	628,208	19,412	647,620	660,200
	<u>3,584,504</u>	<u>415,427</u>	<u>3,999,931</u>	<u>3,606,762</u>

#### Support costs

	Core Theatre activities £	Trading activities £	2019 Total £	2018 Total £
Administration wages	304,958	-	304,958	299,026
Staff training & welfare	1,292	-	1,292	3,113
Computer costs	33,709	5,580	39,289	51,566
Telephone	15,536	-	15,536	14,605
Rates	6,836	9,747	16,583	10,554
Light & heat	86,740	-	86,740	93,815
Cleaning	47,908	-	47,908	43,153
Insurance	28,252	2,085	30,337	30,419
Miscellaneous	79,780	-	79,780	80,944
Audit fees	7,350	2,000	9,350	9,250
Legal & professional fees	15,847	-	15,847	23,755
	<u>628,208</u>	<u>19,412</u>	<u>647,620</u>	<u>660,200</u>

Support costs where ascertainable are allocated directly to the related activity.

Expenditure allocation between restricted and unrestricted is included in the funds notes.

# DERRY THEATRE TRUST

## Notes to Financial Statements for the year ended 31 March 2019

..... continued

<b>4. Group deficit</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Net deficit is stated after charging:		
Depreciation of tangible assets	235,749	231,145
(Profit)/Loss on foreign exchange	(771)	3,329
Operating lease rentals		
- Office equipment	<u>2,628</u>	<u>1,728</u>
<b>5. Auditors' remuneration</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Fees payable to the companies auditors for the audit of the companies annual financial statements	9,350	9,250
- Fees for non audit services	6,460	7,283
	<u>15,810</u>	<u>16,533</u>
<b>6. Group interest payable and similar charges</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Interest	<u>-</u>	<u>2,645</u>



# DERRY THEATRE TRUST

## Notes to Financial Statements for the year ended 31 March 2019

..... continued

### 7. Employees - Company and group

<b>Number of employees</b>	<b>2019</b>	<b>2018</b>
The average monthly numbers of employees (including the chief executive) during the year were:		
Front of House / Security	23	22
Technical	18	17
Administration	5	5
Box Office	8	8
Marketing	5	5
Bar	4	4
	<u>63</u>	<u>61</u>
<b>Employee status</b>		
Full time employees	24	24
Part time employees	<u>39</u>	<u>37</u>

<b>Employment costs</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Wages and salaries	715,328	677,386
Social security costs	52,584	50,893
Pension costs-other operating charge	154,188	146,954
	<u>922,100</u>	<u>875,233</u>

### **Pension**

The company defined benefit pension scheme deficit has decreased during the year, from (£403,000) in 2018 to (£363,000) in 2019. This is principally because of changes to key assumptions used to calculate the present value of scheme assets / liabilities, improvements in asset returns and changes in demographic assumptions relating to post-retirement mortality rates. Refer to note 17.

# DERRY THEATRE TRUST

## Notes to Financial Statements for the year ended 31 March 2019

..... continued

### 7.1. Key management personnel

	2019	2018
	£	£
<b>Chief executives' emoluments</b>		
Remuneration and other emoluments	66,919	65,930
Pension contributions	12,668	11,824
	<u>79,587</u>	<u>77,754</u>
Emoluments of other employees did not exceed £60,000.		
<b>Key management personnel remuneration</b>		
Wages and salaries (including pension contributions)	191,558	183,685
Social security costs	16,410	15,796
	<u>207,968</u>	<u>199,481</u>

Remuneration of full time key management personnel is set by the Trustees, as adjusted by inflation.

### 7.2. Trustees' remuneration

The trustees were not remunerated for their services during the year (2018 - £NIL).

The trustees were reimbursed £3,014 in respect of expenses incurred during the year (2018 - £3,011).

### 8. Pension costs

The group operates a defined benefit pension scheme. The scheme and its assets are held by independent managers. Charges incurred in arriving at operating deficit for the year and the statement of recognised gains and losses for the year are shown in note 17 to the accounts.

### 9. Tax on ordinary activities

No group charge to corporation tax arises in the year ended 31 March 2019 (31 March 2018 - £NIL). Derry Theatre Trust is a registered charity for tax purposes and the company policy of the subsidiary companies, is to gift aid any surplus to the parent company, Derry Theatre Trust. As a result no corporation tax liability arises.

# DERRY THEATRE TRUST

## Notes to Financial Statements for the year ended 31 March 2019

..... continued

### 10. Deficit for the year attributable to members'

The trustees have taken advantage of the exemption available under section 408 of the Companies Act 2006 and not presented a separate statement of financial activities for the charitable company.

The results of the parent undertaking for the year ended 2019 showed a deficit of (£234,833), (2018 showed a deficit of (£198,925), before an actuarial gain on the defined benefit pension scheme and an overall deficit of (£133,833) (2018 - deficit (£145,925)) after provision of the actuarial gain on the defined benefit pension scheme.

### 11. Intangible fixed assets Group and company

Conference licence	Total
Cost	£
At 1 April 2018	
At 31 March 2019	20,443
Amortization	
At 1 April 2018	
At 31 March 2019	20,442
Net book values	
At 31 March 2019	1
At 31 March 2018	1

# DERRY THEATRE TRUST

## Notes to Financial Statements for the year ended 31 March 2019

..... continued

### 12. Tangible fixed assets Group and company

	Land and buildings freehold £	Piazza development £	Plant and machinery £	Fixtures, fittings and equipment £	Total £
<b>Cost</b>					
At 1 April 2018	11,369,599	487,326	2,616,284	741,672	15,214,881
Additions	-	-	-	23,021	23,021
At 31 March 2019	11,369,599	487,326	2,616,284	764,693	15,237,902
<b>Depreciation</b>					
At 1 April 2018	3,412,795	209,745	2,500,589	726,737	6,849,866
Charge for the year	207,392	7,702	6,850	13,805	235,749
At 31 March 2019	3,620,187	217,447	2,507,439	740,542	7,085,615
<b>Net book values</b>					
At 31 March 2019	7,749,412	269,879	108,845	24,151	8,152,287
At 31 March 2018	7,956,804	277,581	115,695	14,935	8,365,015

The cost of depreciable assets included in land and buildings at 31 March 2019 was £10,369,599. At the balance sheet date there was no material difference between carrying value and market value.

# DERRY THEATRE TRUST

## Notes to Financial Statements for the year ended 31 March 2019

..... continued

### 13. Group information

#### Company

M Forum Trading Limited and Millennium Forum Productions Limited (company's limited by guarantee) are wholly owned subsidiaries of Derry Theatre Trust, whose registered offices are at Newmarket Street, Derry BT48 6EB. Derry Theatre Trust controls the voting rights of both companies.

#### Subsidiary undertakings

Company	Country of incorporation & Company No.	Nature of business
<b>Subsidiary undertakings</b>		
M Forum Trading Limited	Northern Ireland NI050180	Operating a theatre for Arts & Entertainment
Millennium Forum Productions Ltd	Northern Ireland NI637011	Producing external touring performances

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Reserves	Results for the year
	£	£
M Forum Trading Limited	-	-
Millennium Forum Productions Ltd	<u>(337,149)</u>	<u>(12,450)</u>

Income for M Forum Trading Limited for the year amounted to £2,721,328 and expenditure for the year amounted to £2,581,851. Company policy of M Forum Trading Limited is to gift the operating surplus arising, of £139,477 (31 March 2018 - £136,871) to Derry Theatre Trust, resulting in a nil reserves/asset position at 31 March 2019 (31 March 2018 - £NIL).

Income for Millennium Forum Productions Ltd for the year amounted to £235,625 (31 March 2018 - £253,524) and expenditure for the year amounted to £248,075 (31 March 2018 - £242,721), resulting in an operating deficit of £12,450 (31 March 2018 - surplus of £10,803).

# **DERRY THEATRE TRUST**

## **Notes to Financial Statements for the year ended 31 March 2019**

..... continued

<b>14. Stocks</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Group</b>		
Stocks	<u>7,585</u>	<u>10,437</u>
The replacement value of stock does not materially differ from cost.		
<b>15. Debtors</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Group</b>		
Trade debtors	137,484	84,771
Other debtors	107,022	54,795
Prepayments	<u>87,313</u>	<u>75,895</u>
	<u>331,819</u>	<u>215,461</u>
<b>Company</b>		
Trade debtors	37,772	14,400
Amounts owed by M Forum Trading Limited	-	148,991
Other debtors	<u>13,788</u>	<u>25,262</u>
	<u>51,560</u>	<u>188,653</u>

Loans to group companies are interest free, unsecured and repayable on demand.

# DERRY THEATRE TRUST

## Notes to Financial Statements for the year ended 31 March 2019

..... continued

16. Creditors: amounts falling due within one year	2019 £	2018 £
<b>Group</b>		
Trade creditors	242,314	209,749
Deferred income - rent in advance	226,488	327,539
Other taxes and social security costs	36,268	13,759
Accrued expenses	342,115	82,025
	<u>847,185</u>	<u>633,072</u>
	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Company</b>		
Trade creditors	2,444	3,575
Amounts owed to M Forum Trading Limited	78,785	-
Deferred income - rent in advance	4,333	4,333
Other taxes and social security costs	17,271	13,759
Accrued expenses	50,079	32,362
	<u>152,912</u>	<u>54,029</u>

### Security : Company

Charitable company property is secured by :-

Debentures in favour of (1) The Millennium Commission and (2) The Department for Social Development on the Trust's Land contained in folios LY62853 and LY3478 County Londonderry.

Loans from group companies are interest free, unsecured and repayable on demand.

# DERRY THEATRE TRUST

## Notes to Financial Statements for the year ended 31 March 2019

..... continued

### Group and company

17. The charitable company operates a funded defined pension plan with benefits earned up to 31 March 2015 linked to final salary and benefits after 31 March 2015 linked to a career average revalued earnings basis. The assets of the scheme are held separately from those of the charitable company. The pension scheme is a multi-employer defined benefit scheme administered by NILGOSC. The scheme operates on a roll forward approach of calculating pension scheme assets and liabilities by making adjustments to the results of the last full valuation (31 March 2016).

### 17.1 Principal actuarial assumptions were :

	2019	2018
	%	%
Salary increase rate	3.6	3.5
Pension increase rate	2.1	2.0
Rate of increase in deferred pensions	2.1	2.0
Discount rate	2.5	2.6

Pension contributions are determined by Aon, a member of the Institute of Actuaries, on the basis of the actuarial report in April 2018.

- 17.2 The fair value of the scheme assets, the present value of the scheme liabilities and the resulting (deficit) are:

	Value at 31/03/19 £	Value at 31/03/18 £
Equities	1,642,795	1,764,294
Bonds	648,835	306,404
Property	309,232	247,100
Other	160,138	153,202
Total market value of assets	2,761,000	2,471,000
Present value of scheme liabilities	(3,124,000)	(2,874,000)
Deficit in the scheme	(363,000)	(403,000)
Net pension liability	(363,000)	(403,000)



# **DERRY THEATRE TRUST**

## **Notes to Financial Statements for the year ended 31 March 2019**

..... continued

An analysis of the movements in the (deficit) during the year are shown below:

### **Group and company**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
(Deficit) brought forward	(403,000)	(392,000)
Total operating charge	(138,000)	(138,000)
Total finance cost	(9,000)	(9,000)
Actuarial gain / (deficit)	101,000	53,000
Employer contributions	86,000	83,000
(Deficit) carried forward	<u>(363,000)</u>	<u>(403,000)</u>

The employers' contribution into the scheme during the year ended 31 March 2019 amounted to £85,771 - employers' contribution rate of 18% (31 March 2018 - £82,953 - at a contribution rate of 18%). The employers' contribution for the year ended 31 March 2020 is estimated at £94,000.

# DERRY THEATRE TRUST

## Notes to Financial Statements for the year ended 31 March 2019

..... continued

### 17.3 Analysis of the amount charged to operating (deficit)

	2019 £	2018 £
Current service cost	(138,000)	(138,000)
Past service cost	-	-
Expected return on pension scheme assets	66,000	60,000
Interest on pension scheme liabilities	(75,000)	(69,000)
Total operating / finance charge	<u>(147,000)</u>	<u>(147,000)</u>

### 17.4 Analysis of amount recognised in Statement of total recognised gains and losses

	2019 £	2018 £
Actuarial gain on pension scheme assets	116,000	58,000
Actuarial (deficit) on the scheme liabilities	(15,000)	(5,000)
Actuarial gain	<u>101,000</u>	<u>53,000</u>

### 17.5 History of experience gains and losses

A history of experience gains and losses is shown below:

	2019 £	2018 £	2017 £	2016 £	2015 £
Difference between the expected and actual return on scheme assets:					
amount (£)	116,000	58,000	335,000	(6,000)	85,000
percentage of scheme assets	(4)%	(2)%	(16)%	(-)%	(5)%
Experience gains and losses on scheme liabilities:					
amount (£)	(15,000)	(5,000)	(476,000)	108,000	(177,000)
percentage of the present value of the scheme liabilities	(-)%	(-)%	(20)%	(5)%	(11)%
Total amount recognised in Statement of total recognised gains and losses:					
amount (£)	101,000	53,000	(141,000)	102,000	(92,000)
percentage of the present value of the scheme liabilities	<u>(3)%</u>	<u>(2)%</u>	<u>(6)%</u>	<u>(5)%</u>	<u>(7)%</u>

# **DERRY THEATRE TRUST**

## **Notes to Financial Statements for the year ended 31 March 2019**

..... continued

### **18. Financial commitments - office equipment**

At 31 March 2019 the group had annual commitments under non-cancellable operating leases as follows :

	<b>2019</b>	<b>2018</b>
Expiry date :	<b>£</b>	<b>£</b>
Within one year	1,370	1,370
Between one and five years	1,026	2,396
	<u>2,396</u>	<u>3,766</u>

# DERRY THEATRE TRUST

## Notes to Financial Statements for the year ended 31 March 2019

..... continued

### 19. Restricted funds - Group

	2018 £	Income £	Expenditure £	2019 £
<b>Restricted capital funds</b>				
Capital project fund	8,106,377	20,000	(215,319)	7,911,058
Donation	95,000	-	-	95,000
	<u>8,201,377</u>	<u>20,000</u>	<u>(215,319)</u>	<u>8,006,058</u>
<b>Restricted income funds</b>				
Development donation fund	549,758	125,453	-	675,211
Derry City & Strabane District Council	-	443,300	(443,300)	-
Arts Council for Northern Ireland	-	72,013	(72,013)	-
Sundry	-	12,250	(12,250)	-
	<u>549,758</u>	<u>653,016</u>	<u>(527,563)</u>	<u>675,211</u>
<b>Total group restricted funds</b>	<u>8,751,135</u>	<u>673,016</u>	<u>(742,882)</u>	<u>8,681,269</u>

### Restricted funds - Company

	2018 £	Income £	Expenditure £	2019 £
<b>Restricted capital funds</b>				
Capital project fund	8,106,377	20,000	(215,319)	7,911,058
Donation from Arts Council	95,000	-	-	95,000
	<u>8,201,377</u>	<u>20,000</u>	<u>(215,319)</u>	<u>8,006,058</u>
<b>Restricted income funds</b>				
Development donation fund	549,758	125,453	-	675,211
Derry City & Strabane District Council	-	443,300	(443,300)	-
Arts Council for Northern Ireland	-	72,013	(72,013)	-
	<u>549,758</u>	<u>640,766</u>	<u>(515,313)</u>	<u>675,211</u>
<b>Total company restricted funds</b>	<u>8,751,135</u>	<u>660,766</u>	<u>(730,632)</u>	<u>8,681,269</u>
<b>Purpose of restricted funds</b>				

# **DERRY THEATRE TRUST**

## **Notes to Financial Statements for the year ended 31 March 2019**

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Core grants received from Derry City & Strabane District Council and The Arts Council of Northern Ireland are annual operating grants contributing towards the operating costs of the theatre. These grants are fully utilised in the year.

Capital project fund grants are the original capital funding from donors The Millennium Commission, The Arts Council of Northern Ireland, Derry City Council, DSD and Tara Consultants, towards the building costs of The Millennium Forum. This funding is reduced annually by the related depreciation charge on the assets of the company.

The development donation fund is a donation added to ticket costs to be used for improvements, development of shows, enhancement expenditure and to finance future refurbishment projects.

Other grants received from Arts & Business, ESB and Children In Need contribute towards the cost of theatrical performances produced by the Millennium Forum, including Interact Youth Arts Festival and Education Programme productions.

### **20. Unrestricted funds - Group**

	2018	Income	Expenditure	Actuarial pension gain	2019
	£	£	£	£	£
<b>Total unrestricted funds</b>	<u>(680,939)</u>	<u>3,079,633</u>	<u>(3,257,049)</u>	<u>101,000</u>	<u>(757,355)</u>

### **Unrestricted funds - Company**

	2018	Income	Expenditure	Actuarial pension gain	2019
	£	£	£	£	£
<b>Total unrestricted funds</b>	<u>(356,240)</u>	<u>274,407</u>	<u>(439,374)</u>	<u>101,000</u>	<u>(420,207)</u>

### **Purposes of unrestricted funds**

Unrestricted funds are funds that are utilised at the discretion of the trustees in furtherance of the objectives of the charitable group/company. Included in company unrestricted funds is gift aid from the subsidiary company, M Forum Trading Limited and rental income. Included in group unrestricted income is all income and costs from the subsidiary trading companies, M Forum Trading Limited and Millennium Forum Productions Limited.

# DERRY THEATRE TRUST

## Notes to Financial Statements for the year ended 31 March 2019

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### 21. Company limited by guarantee

The charitable company is limited by guarantee not having a share capital.

Every member of the charitable company undertakes to contribute to the assets/liabilities of the charitable company in the event of the same being wound up while he/she is a member, or within one year after he/she ceases to be a member, for payments of the debts and liabilities of the charitable company contracted before he/she ceases to be a member, and of the costs, charges and expenses of winding up and for the adjustment of the rights of the contributories amongst themselves, such amount as maybe required not exceeding one pound.

### 22. Gross cash flows

	2019 £	2018 £
<b>Capital expenditure</b>		
Payments to acquire tangible assets	(23,021)	-

### 23. Related party transactions

Derry City & Strabane District Council nominate councillors Colin Kelly, Andrew Thompson, Angela Dobbins, Kevin Campbell, Shauna Cusack, Michael Cooper and Graham Warke to the board of trustees. The Council provided core funding during the year of £443,300 (2018 - £443,300).

Transactions with the chief executive officer, David McLaughlin, during the year, amounted to £10,417 in respect of royalties paid on the production of the pantomime (2018 - £9,316) and mileage & subsistence expenses of £2,935 (2018 - £2,628).

Transactions with Martin Bradley, trustee and chairman, during the year amounted to £3,014 (2018 - £3,011) in respect of mileage & subsistence expenses.

Room rental income received during the year, from Foyle School of Speech and Drama, an organisation operated by trustee, Sandra Biddle, amounted to £11,030 (2018 - £9,924).

Room rental income received during the year, from Grove Theatre Group Limited, a company operated by trustee Martin Mullan, amounted to £3,746 (2018 - £3,746).

Martin Bradley is a Trustee and chairperson of the company and is the chairperson of Arts & Business. During the year ended 31 March 2019 M Forum Trading Limited received grants from Arts & Business of £2,250 (2018 - £4,405).

# **DERRY THEATRE TRUST**

## **Notes to Financial Statements for the year ended 31 March 2019**

..... continued

### **24. Analysis of net assets between funds for the group**

	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>Total 2019 £</b>
<b>Consolidated fund balances at 31 March 2019</b>			
Fixed assets	146,230	8,006,058	8,152,288
Net Current assets/liabilities	(540,585)	675,211	134,626
Pension liability	(363,000)	-	(363,000)
	<u>(757,355)</u>	<u>8,681,269</u>	<u>7,923,914</u>