

Registration Number NI031527
Charity Number NIC104797

DERRY THEATRE TRUST

Trustees' Report and Consolidated Financial Statements

for the year ended 31 March 2020

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COMPANIES HOUSE

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
Shauna Cusack*
Andrew Thompson* Resigned 4 July 2019
Kevin Campbell* Resigned 4 July 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
Elaine McParland
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 2020

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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 2020

The Trustees (in their capacity as Trustees and Directors) present their annual report for the year ended 31 March 2020. 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.

DERRY THEATRE TRUST
Company limited by guarantee
Trustees' report (incorporating the directors' report and strategic report)
for the year ended 31 March 2020

..... 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.

Strategic report

Achievements and performances

Key performance indicators for the company are as follows:

	2020	2019
Shows/conferences	135	137
Performances	224	253
Audience	137,976	144,970

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 - Blood Brothers, The Sound of Music and We Will Rock You;
- Amateur performances - Hairspray, Legally Blonde and Annie Junior;
- Musical Artists - The Waterboys, The High Kings, Tommy Fleming and Aslan;
- Comedy shows - Conal Gallen, Jimmy Carr, Tommy Tiernan, Neil Delamere, Give Me Head Peace and Jake O Kane;
- Cultural shows - Sleeping Beauty Ballet & The Ulster Orchestra - Viennese Concert ; and
- Local interest shows - Sleeping Beauty (pantomime), Springfest, Walled City Tattoo and Home Grown.

In the year 2019/202 the theatre continued to provide music and drama workshops for the youth with the Interact festival and the in house youth production of Legally Blonde, using the best of local talent.

The in-house pantomime production of Snow White proved to be one of the highlights of the year, with over 25,000 seats sold and record amounts taken at the box office. The lead role in the production 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 £3,305,512 (2019 - £3,752,649) resulting in an operating deficit of (£223,190) (2019 - (£247,282)) before actuarial changes in the pension scheme. Several factors have had an impact on the results. Several shows were cancelled due to the coronavirus epidemic in March 2020, an increase in the pension charge and lower rental income due to a vacancy in one of the commercial units, all had an impact on the results for the year. A fall in global stock markets at the year end reduced the value of assets in the pension fund at 31 March 2020 and increased the overall deficit for the year by £365,000. Net assets at the balance sheet date were £7,335,724. The deficit on the pension scheme at 31 March 2020 was (£842,000) (2019 - (£363,000)).

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Company limited by guarantee
Trustees' report (incorporating the directors' report and strategic report)
for the year ended 31 March 2020

..... continued

The results reflect the difficult economic climate in which the theatre operates. The coronavirus epidemic in the spring of 2020 has resulted in the indefinite closure of the Millennium Forum and the furloughing of staff in March 2020. Due to the nature of ongoing events there is a level of uncertainty as to when the theatre will open for business and on re-opening the impact social distancing will have on the attendance figures of the theatre.

Continued provision of core funding from Derry City & Strabane District Council £443,300 (2019 - £443,300) and The Arts Council £70,250 (2019 - £72,013) are of vital importance to the operation of the theatre and management gratefully acknowledge this continued support. Overall the trustees are satisfied with the results and the year end financial position.

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 is registered with the charities commission, 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.

DERRY THEATRE TRUST
Company limited by guarantee
Trustees' report (incorporating the directors' report and strategic report)
for the year ended 31 March 2020

..... 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 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. Investment 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 £3.529 million, equating to quarterly expenditure of approximately £882,250. The Trust intends to increase reserves to this desired level when future opportunities arise.

The actual reserves at 31 March 2020 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 2020

..... 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 2020 this donation raised £130,750 (2019 - £125,453). 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;

DERRY THEATRE TRUST
Company limited by guarantee
Trustees' report (incorporating the directors' report and strategic report)
for the year ended 31 March 2020

..... 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 9 July 2020 and signed below on its behalf by:



Martin Bradley
Trustee

DERRY THEATRE TRUST
Trustees' responsibility statement
for the year ended 31 March 2020

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 2020 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 2020, 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

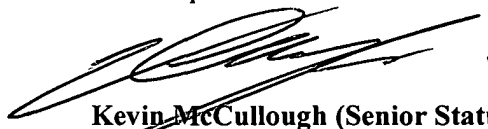
Independent auditors' report to the members of DERRY THEATRE TRUST continued

- 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: 9 July 2020

DERRY THEATRE TRUST
Company limited by guarantee

Statement of Financial Activities
(including Income & Expenditure Account)
for the year ended 31 March 2020

		Unrestricted	Restricted	Restricted	2020	Unrestricted	Restricted	Restricted	2019
		income	income	capital		income	income	capital	
		funds	funds	funds	Total	funds	funds	funds	Total
	Notes	£	£	£	£	£	£	£	£
Income									
Donations	2	-	130,750	-	130,750	-	125,453	-	125,453
Income from charitable activities	2	2,195,614	534,126	25,974	2,755,714	2,355,486	527,563	20,000	2,903,049
Income from other trading activities	2	419,048	-	-	419,048	724,147	-	-	724,147
Total income		<u>2,614,662</u>	<u>664,876</u>	<u>25,974</u>	<u>3,305,512</u>	<u>3,079,633</u>	<u>653,016</u>	<u>20,000</u>	<u>3,752,649</u>
Expenditure									
Charitable activities	3	2,577,801	534,126	220,513	3,332,440	2,841,622	527,563	215,319	3,584,504
Trading activities	3	196,262	-	-	196,262	415,427	-	-	415,427
Total expenditure		<u>2,774,063</u>	<u>534,126</u>	<u>220,513</u>	<u>3,528,702</u>	<u>3,257,049</u>	<u>527,563</u>	<u>215,319</u>	<u>3,999,931</u>
Net income/(expenditure)	25	(159,401)	130,750	(194,539)	(223,190)	(177,416)	125,453	(195,319)	(247,282)
Actuarial (deficit)/gain in respect of defined benefit pension scheme	17	(365,000)	-	-	(365,000)	101,000	-	-	101,000
Net movement in funds		(524,401)	130,750	(194,539)	(588,190)	(76,416)	125,453	(195,319)	(146,282)
Total funds brought forward		(757,355)	675,211	8,006,058	7,923,914	(680,939)	549,758	8,201,377	8,070,196
Total funds carried forward	19 / 20	<u>(1,281,756)</u>	<u>805,961</u>	<u>7,811,519</u>	<u>7,335,724</u>	<u>(757,355)</u>	<u>675,211</u>	<u>8,006,058</u>	<u>7,923,914</u>

All income and expenditure derive from continuing activities

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 2020

		2020		2019	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	11		1		1
Tangible assets	12		7,966,507		8,152,287
			<u>7,966,508</u>		<u>8,152,288</u>
Current assets					
Stocks	14	1,846		7,585	
Debtors	15	186,302		331,819	
Cash at bank and in hand		725,502		642,407	
		<u>913,650</u>		<u>981,811</u>	
Creditors: amounts falling due within one year	16	<u>(702,434)</u>		<u>(847,185)</u>	
Net current assets			<u>211,216</u>		<u>134,626</u>
Total assets less current liabilities			8,177,724		8,286,914
Pension liability	17		<u>(842,000)</u>		<u>(363,000)</u>
Net assets			<u><u>7,335,724</u></u>		<u><u>7,923,914</u></u>
Funds					
Restricted funds	19		8,617,480		8,681,269
Unrestricted funds	20		<u>(1,281,756)</u>		<u>(757,355)</u>
Total charity funds			<u><u>7,335,724</u></u>		<u><u>7,923,914</u></u>

The financial statements were approved and authorised for issue by the Trustees on 9 July 2020 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.

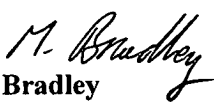
DERRY THEATRE TRUST

Company No.NI031527

**Company statement of financial position
as at 31 March 2020**

		2020		2019	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	11		1		1
Tangible assets	12		7,966,507		8,152,287
			<u>7,966,508</u>		<u>8,152,288</u>
Current assets					
Debtors	15	65,221		51,560	
Cash at bank and in hand		591,196		573,126	
		<u>656,417</u>		<u>624,686</u>	
Creditors: amounts falling due within one year	16	<u>(75,293)</u>		<u>(152,912)</u>	
Net current assets			<u>581,124</u>		<u>471,774</u>
Total assets less current liabilities			8,547,632		8,624,062
Pension liability	17		<u>(842,000)</u>		<u>(363,000)</u>
Net assets			<u><u>7,705,632</u></u>		<u><u>8,261,062</u></u>
Funds					
Restricted funds	19		8,617,480		8,681,269
Unrestricted funds	20		<u>(911,848)</u>		<u>(420,207)</u>
Total charity funds			<u><u>7,705,632</u></u>		<u><u>8,261,062</u></u>

The financial statements were approved and authorised for issue by the Trustees on 9 July 2020 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 2020

	Notes	2020 £	2019 £
Cash flows from operating activities			
Net deficit before actuarial deficit		(223,190)	(247,282)
<i>Adjustments for:</i>			
Depreciation		240,335	235,749
Defined benefit pension scheme service cost		114,000	61,000
<i>Changes in:</i>			
Stocks		5,739	2,852
Debtors		145,517	(116,358)
Creditors		(144,751)	214,113
Cash generated from operating activities		<u>137,650</u>	<u>150,074</u>
Payments to acquire tangible fixed assets	22	(54,555)	(23,021)
Net increase in cash and cash equivalents in the year		<u>83,095</u>	<u>127,053</u>
Net debt at 1 April 2019		<u>642,407</u>	<u>515,354</u>
Net cash and cash equivalents at 31 March 2020		<u><u>725,502</u></u>	<u><u>642,407</u></u>

DERRY THEATRE TRUST

Notes to Financial Statements for the year ended 31 March 2020

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 (issued in October 2019), 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 to the date of the performance 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 2020

..... 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 2020

..... 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 2.3% (2019 - 2.5%).

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/past 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 2020

..... 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 2020

..... continued

2. Donations	Unrestricted funds	Restricted funds		2020 Total	2019 Total
	£	£		£	£
Development donation	-	130,750		130,750	125,453
	-	130,750		130,750	125,453
Income from charitable activities	Unrestricted income funds	Restricted income funds	Restricted capital funds	2020 Total	2019 Total
	£	£	£	£	£
Derry City & Strabane District Council	-	443,300	-	443,300	443,300
Arts Council of Northern Ireland	-	70,250	-	70,250	72,013
	-	513,550	-	513,550	515,313
Box office	1,885,184	-	-	1,885,184	2,045,106
Performance rentals	92,076	-	-	92,076	128,760
Education & Outreach	20,334	900	-	21,234	19,989
Interact	-	14,426	-	14,426	10,045
Programme/merchandising	4,291	-	-	4,291	7,077
Costs recharged	43,001	-	-	43,001	55,415
Room/piazza rentals	99,548	-	-	99,548	53,284
Marketing contributions	49,110	-	-	49,110	46,200
Applause/Priority + income	2,070	-	-	2,070	1,860
Sundry grants	-	5,250	25,974	31,224	20,000
	2,195,614	534,126	25,974	2,755,714	2,903,049
Income from other trading activities					
Touring income	-	-	-	-	221,049
FOH and bar income	164,237	-	-	164,237	204,070
Sponsorship income	27,233	-	-	27,233	32,020
Advertising income	15,390	-	-	15,390	19,961
Confectionery sales	87,508	-	-	87,508	87,360
Miscellaneous income	14,097	-	-	14,097	18,013
Ticket booking fee income	5,510	-	-	5,510	6,744
Rental income	105,073	-	-	105,073	134,930
	419,048	-	-	419,048	724,147

DERRY THEATRE TRUST

Notes to Financial Statements for the year ended 31 March 2020

..... continued

3. Costs of charitable activities - by activity

	Charitable activities £	Trading activities £	2020 Total £	2019 Total £
Production costs	1,554,170	-	1,554,170	1,860,737
Production costs - Education Project	20,018	-	20,018	17,695
Production costs - MF Interact	14,428	-	14,428	12,145
Touring costs	-	43,928	43,928	246,274
Wages	594,378	25,568	619,946	617,142
Credit card charges	30,778	-	30,778	31,068
Cost of sales - bar	-	73,141	73,141	86,421
Cost of sales - confectionery	-	34,045	34,045	30,796
Access costs	2,400	-	2,400	-
Marketing & advertising	114,415	-	114,415	118,737
Depreciation	240,335	-	240,335	235,749
Maintenance	89,128	3,000	92,128	95,547
Support costs (below)	672,390	16,580	688,970	647,620
	<u>3,332,440</u>	<u>196,262</u>	<u>3,528,702</u>	<u>3,999,931</u>

Support costs

	Core Theatre activities £	Trading activities £	2020 Total £	2019 Total £
Administration wages	313,201	-	313,201	304,958
Staff training & welfare	3,328	-	3,328	1,292
Computer costs	36,590	5,580	42,170	39,289
Telephone	24,748	-	24,748	15,536
Rates	2,109	7,000	9,109	16,583
Light & heat	96,693	-	96,693	86,740
Cleaning	42,998	-	42,998	47,908
Insurance	26,470	2,000	28,470	30,337
Miscellaneous	71,344	-	71,344	79,780
Audit fees	6,600	2,000	8,600	9,350
Legal & professional fees	48,309	-	48,309	15,847
	<u>672,390</u>	<u>16,580</u>	<u>688,970</u>	<u>647,620</u>

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

DERRY THEATRE TRUST

Notes to Financial Statements for the year ended 31 March 2020

..... continued

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

4. Group deficit	2020	2019
	£	£
Net deficit is stated after charging:		
Depreciation of tangible assets	240,335	235,749
(Profit)/Loss on foreign exchange	511	(771)
Operating lease rentals		
- Office equipment	<u>1,428</u>	<u>2,628</u>
5. Auditors' remuneration	2020	2019
	£	£
Fees payable to the companies auditors for the audit of the companies annual financial statements	<u>8,600</u>	<u>9,350</u>
6. Income and Expenditure account	2020	2019
	£	£
Income per Statement of Financial Activities	3,305,512	3,752,649
less		
Capital grant income	<u>(25,974)</u>	<u>(20,000)</u>
	3,279,538	3,732,649
Expenditure	<u>(3,528,702)</u>	<u>(3,999,931)</u>
Net deficit	<u>(249,164)</u>	<u>(267,282)</u>

DERRY THEATRE TRUST

Notes to Financial Statements for the year ended 31 March 2020

..... continued

7. Employees - Company and group

Number of employees	2020	2019
The average monthly numbers of employees (including the chief executive) during the year were:		
Front of House / Security	20	23
Technical	18	18
Administration	4	5
Box Office	8	8
Marketing	5	5
Bar	3	4
	<u>58</u>	<u>63</u>
Employee status		
Full time employees	23	24
Part time employees	<u>35</u>	<u>39</u>
 Employment costs	 2020	 2019
	£	£
Wages and salaries	685,721	715,328
Social security costs	51,446	52,584
Pension costs-other operating charge	195,980	154,188
	<u>933,147</u>	<u>922,100</u>

Pension

The company defined benefit pension scheme deficit has increased during the year, from (£363,000) in 2019 to (£842,000) in 2020. This is principally because of changes to key assumptions used to calculate the present value of scheme assets / liabilities, decreases in asset returns, charges in relation to the McCloud judgement 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 2020

..... continued

7.1. Key management personnel

	2020	2019
Chief executives' emoluments	£	£
Remuneration and other emoluments	67,923	66,919
Pension contributions	13,585	12,668
	<u>81,508</u>	<u>79,587</u>

Emoluments of other employees did not exceed £60,000.

Key management personnel remuneration

Wages and salaries (including pension contributions)	151,485	191,558
Social security costs	12,663	16,410
	<u>164,148</u>	<u>207,968</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 (2019 - £NIL).

The trustees were reimbursed £2,997 in respect of expenses incurred during the year (2019 - £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 the accounts.

9. Tax on ordinary activities

No group charge to corporation tax arises in the year ended 31 March 2020 (31 March 2019 - £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 2020

..... 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 2020 showed a deficit of (£190,430) (2019 showed a deficit of (£234,833) before an actuarial deficit on the defined benefit pension scheme and an overall deficit of (£555,430) (2019 - deficit (£133,833)) 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 2019	
At 31 March 2020	20,443
Amortization	
At 1 April 2019	
At 31 March 2020	20,442
Net book values	
At 31 March 2020	1
At 31 March 2019	1

DERRY THEATRE TRUST

Notes to Financial Statements for the year ended 31 March 2020

..... continued

12. Tangible fixed assets Group and company

	Land and buildings freehold £	Piazza development £	Plant and machinery £	Fixtures, fittings and equipment £	Total £
Cost					
At 1 April 2019	11,369,599	487,326	2,616,284	764,693	15,237,902
Additions	-	-	-	54,555	54,555
At 31 March 2020	11,369,599	487,326	2,616,284	819,248	15,292,457
Depreciation					
At 1 April 2019	3,620,187	217,447	2,507,439	740,542	7,085,615
Charge for the year	207,392	7,702	6,850	18,391	240,335
At 31 March 2020	3,827,579	225,149	2,514,289	758,933	7,325,950
Net book values					
At 31 March 2020	7,542,020	262,177	101,995	60,315	7,966,507
At 31 March 2019	7,749,412	269,879	108,845	24,151	8,152,287

The cost of depreciable assets included in land and buildings at 31 March 2020 was £10,369,599. At the balance sheet date there was no material difference between carrying value and market value.

The building cost of the theatre building includes the build cost of three rental units. The total cost of these rental units is negligible compared to the total build cost.

DERRY THEATRE TRUST

Notes to Financial Statements for the year ended 31 March 2020

..... 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
Subsidiary undertakings		
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	(369,907)	(32,758)

Income for M Forum Trading Limited for the year amounted to £2,515,525 and expenditure for the year amounted to £2,289,409. Company policy of M Forum Trading Limited is to gift the operating surplus arising, of £226,116 (31 March 2019 - £139,477) to Derry Theatre Trust, resulting in a nil reserves/asset position at 31 March 2020 (31 March 2019 - £NIL).

Income for Millennium Forum Productions Ltd for the year amounted to £12,241 and expenditure for the year amounted to £44,999, resulting in an operating deficit of £32,758 (31 March 2019 - deficit of £12,450).

DERRY THEATRE TRUST

Notes to Financial Statements for the year ended 31 March 2020

..... continued

14. Stocks	2020	2019
	£	£
Group		
Stocks	1,846	7,585
	<u>1,846</u>	<u>7,585</u>

The replacement value of stock does not materially differ from cost.

15. Debtors	2020	2019
	£	£
Group		
Trade debtors	93,515	137,484
Other debtors	68,131	107,022
Prepayments	24,656	87,313
	<u>186,302</u>	<u>331,819</u>
Company		
Trade debtors	51,138	37,772
Other debtors	14,083	13,788
	<u>65,221</u>	<u>51,560</u>

DERRY THEATRE TRUST

Notes to Financial Statements for the year ended 31 March 2020

..... continued

16. Creditors: amounts falling due within one year	2020 £	2019 £
Group		
Trade creditors	320,017	242,314
Deferred income - box office & rent	214,048	226,488
Other taxes and social security costs	18,364	36,268
Other creditors	50,804	-
Accrued expenses	99,201	342,115
	<u>702,434</u>	<u>847,185</u>
	2020 £	2019 £
Company		
Trade creditors	2,084	2,444
Amounts owed to M Forum Trading Limited	13,705	78,785
Deferred income - rent in advance	4,250	4,333
Other taxes and social security costs	18,364	17,271
Accrued expenses	36,890	50,079
	<u>75,293</u>	<u>152,912</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 2020

..... 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 2019).

17.1 Principal actuarial assumptions were :

	2020	2019
	%	%
Salary increase rate	3.4	3.6
Pension increase rate	1.9	2.1
Rate of increase in deferred pensions	1.9	2.1
Discount rate	2.3	2.5

Pension contributions are determined by Aon, a member of the Institute of Actuaries, on the basis of the actuarial report in April 2020.

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

	Value at 31/03/20 £	Value at 31/03/19 £
Equities	970,854	1,642,795
Bonds	881,973	648,835
Property	227,900	309,232
Other	198,273	160,138
Total market value of assets	2,279,000	2,761,000
Present value of scheme liabilities	(3,121,000)	(3,124,000)
Deficit in the scheme	(842,000)	(363,000)
Net pension liability	(842,000)	(363,000)

DERRY THEATRE TRUST

Notes to Financial Statements for the year ended 31 March 2020

..... continued

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

Group and company

	2020	2019
	£	£
(Deficit) brought forward	(363,000)	(403,000)
Total operating charge	(197,000)	(138,000)
Total finance cost	(8,000)	(9,000)
Actuarial (deficit) / gain	(365,000)	101,000
Employer contributions	91,000	86,000
(Deficit) carried forward	<u>(842,000)</u>	<u>(363,000)</u>

The employers' contribution into the scheme during the year ended 31 March 2020 amounted to £91,980 - employers' contribution rate of 18% (31 March 2019 - £85,771 - at a contribution rate of 18%). The employers' contribution for the year ended 31 March 2021 is estimated at £84,000.

DERRY THEATRE TRUST

Notes to Financial Statements for the year ended 31 March 2020

..... continued

17.3 Analysis of the amount charged to operating (deficit)

	2020 £	2019 £
Current service cost	(162,000)	(138,000)
Past service cost	(35,000)	-
Return on pension scheme assets	70,000	66,000
Interest on pension scheme liabilities	(78,000)	(75,000)
Total operating / finance charge	<u>(205,000)</u>	<u>(147,000)</u>

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

	2020 £	2019 £
Actuarial (deficit)/gain on pension scheme assets	(631,000)	116,000
Actuarial gain / (deficit) on the scheme liabilities	266,000	(15,000)
Actuarial (deficit)/gain	<u>(365,000)</u>	<u>101,000</u>

17.5 History of experience gains and losses

A history of experience gains and losses is shown below:

	2020 £	2019 £	2018 £	2017 £	2016 £
Difference between the expected and actual return on scheme assets:					
amount (£)	(631,000)	116,000	58,000	335,000	(6,000)
percentage of scheme assets	(28)%	(4)%	(2)%	(16)%	(-)%
Experience gains and losses on scheme liabilities:					
amount (£)	266,000	(15,000)	(5,000)	(476,000)	108,000
percentage of the present value of the scheme liabilities	(9)%	(-)%	(-)%	(20)%	(5)%
Total amount recognised in Statement of total recognised gains and losses:					
amount (£)	(365,000)	101,000	53,000	141,000	102,000
percentage of the present value of the scheme liabilities	<u>(12)%</u>	<u>(3)%</u>	<u>(2)%</u>	<u>(6)%</u>	<u>(5)%</u>

DERRY THEATRE TRUST

Notes to Financial Statements for the year ended 31 March 2020

..... continued

18. Financial commitments - office equipment

At 31 March 2020 the group had annual commitments under non-cancellable operating leases as follows :

	2020	2019
Expiry date :	£	£
Within one year	1,200	1,370
Between one and five years	2,100	1,026
	<u>3,300</u>	<u>2,396</u>

19. Restricted funds - Group

	2019 £	Income £	Expenditure £	2020 £
Restricted capital funds				
Capital project fund	7,911,058	25,974	(220,513)	7,716,519
Donation	95,000	-	-	95,000
	<u>8,006,058</u>	<u>25,974</u>	<u>(220,513)</u>	<u>7,811,519</u>
Restricted income funds				
Development donation fund	675,211	130,750	-	805,961
Derry City & Strabane District Council	-	443,300	(443,300)	-
Arts Council for Northern Ireland	-	70,250	(70,250)	-
Other grants	-	20,576	(20,576)	-
	<u>675,211</u>	<u>664,876</u>	<u>(534,126)</u>	<u>805,961</u>
Total group restricted funds	<u>8,681,269</u>	<u>690,850</u>	<u>(754,639)</u>	<u>8,617,480</u>

DERRY THEATRE TRUST

Notes to Financial Statements for the year ended 31 March 2020

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Restricted funds - Company

	2019 £	Income £	Expenditure £	2020 £
Restricted capital funds				
Capital project fund	7,911,058	25,974	(220,513)	7,716,519
Donation from Arts Council	95,000	-	-	95,000
	<u>8,006,058</u>	<u>25,974</u>	<u>(220,513)</u>	<u>7,811,519</u>
Restricted income funds				
Development donation fund	675,211	130,750	-	805,961
Derry City & Strabane District Council	-	443,300	(443,300)	-
Arts Council for Northern Ireland	-	70,250	(70,250)	-
	<u>675,211</u>	<u>644,300</u>	<u>(513,550)</u>	<u>805,961</u>
Total company restricted funds	<u>8,681,269</u>	<u>670,274</u>	<u>(734,063)</u>	<u>8,617,480</u>

Purpose of restricted funds

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, Derry City and Strabane District Council, The Arts Council of Northern Ireland and Children In Need contribute towards

- 1) The cost of theatrical performances produced by the Millennium Forum, including Interact Youth Arts Festival and Education Programme productions and
- 2) Sundry capital projects.

DERRY THEATRE TRUST

Notes to Financial Statements for the year ended 31 March 2020

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20. Unrestricted funds - Group

	2019	Income	Expenditure	Actuarial pension deficit	2020
	£	£	£	£	£
Total unrestricted funds	<u>(757,355)</u>	<u>2,614,662</u>	<u>(2,774,063)</u>	<u>(365,000)</u>	<u>(1,281,756)</u>

Unrestricted funds - Company

	2019	Income	Expenditure	Actuarial pension deficit	2020
	£	£	£	£	£
Total unrestricted funds	<u>(420,207)</u>	<u>331,189</u>	<u>(457,830)</u>	<u>(365,000)</u>	<u>(911,848)</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.

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 may be required not exceeding one pound.

DERRY THEATRE TRUST

Notes to Financial Statements
for the year ended 31 March 2020

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22. Gross cash flows

	2020	2019
	£	£
Capital expenditure		
Payments to acquire tangible assets	<u>(54,555)</u>	<u>(23,021)</u>

23. Related party transactions

Derry City & Strabane District Council nominate councillors, Andrew Thompson, 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 (2019 - £443,300).

Transactions with the chief executive officer, David McLaughlin, during the year, amounted to £11,709 in respect of royalties paid on the production of the pantomime (2019 - £10,417) and mileage & subsistence expenses of £2,040 (2019 - £2,935).

Transactions with Martin Bradley, trustee and chairman, during the year amounted to £2,997 (2019 - £3,014) 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 £9,700 (2019 - £11,030).

Room rental income received during the year, from Grove Theatre Group Limited, a company operated by trustee Martin Mullan, amounted to £4,917 (2019 - £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 2020 M Forum Trading Limited received grants from Arts & Business of £900 (2019 - £2,250).

DERRY THEATRE TRUST

Notes to Financial Statements for the year ended 31 March 2020

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24. Analysis of net assets between funds for the group

	Unrestricted funds £	Restricted funds £	Total 2020 £
Consolidated fund balances at 31 March 2020			
Fixed assets	183,432	7,783,076	7,966,508
Net current assets	(623,188)	834,404	211,216
Pension liability	(842,000)	-	(842,000)
	<u>(1,281,756)</u>	<u>8,617,480</u>	<u>7,335,724</u>

	Unrestricted funds £	Restricted funds £	Total 2019 £
Consolidated fund balances at 31 March 2019			
Fixed assets	174,672	7,977,616	8,152,288
Net current assets	(569,027)	703,653	134,626
Pension liability	(363,000)	-	(363,000)
	<u>(757,355)</u>	<u>8,681,269</u>	<u>7,923,914</u>

25. Post balance sheet event

The Covid-19 pandemic (Coronavirus) in the spring of 2020 has resulted in the indefinite closure of the Millennium Forum and at present there is uncertainty regarding when the theatre will re-open for business and in the event of re-opening the impact social distancing will have on the operation of the theatre. Derry Theatre Trust continues to avail of the government furloughing scheme and financial assistance from funders.