

Charity number: SC013560
Company number: SC045595

The Mull Theatre Limited
(A company limited by guarantee)

Directors' report and financial statements

for the year ended 31 March 2011

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The Mull Theatre Limited
(A company limited by guarantee)

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The Mull Theatre Limited
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Legal and administrative information

Charity number SC013560
Company registration number SC045595

Registered office Druimfin
Tobermory
Isle of Mull
Argyll
PA75 6QB

Directors

Samantha Jones
Norman Quirk
Anthony Cox
Gillian King
Duncan MacInnes
Alasdair McCrone
Jon Pope
Patricia Sands

Chair
Deputy Chair

Guiliana Ashford

Resigned - 4 May 2010

Secretary Lesley Hastie

Artistic Director Alasdair McCrone

Executive Director Norman Quirk

Accountants R A Clement Associates
Chartered Accountants
5 Argyll Square
Oban
Argyll
PA34 4AZ

The Mull Theatre Limited
(A company limited by guarantee)

Report of the directors (incorporating the trustees' report)
for the year ended 31 March 2011

The directors present their report and the financial statements for the year ended 31 March 2011. The directors, who are also trustees of The Mull Theatre Limited for the purposes of charity law and who served during the year and up to the date of this report are set out on page 1.

Structure, governance and management

Organisational Structure

The Board of Directors run the company, with day to day decisions being made by the Artistic Director, Alasdair McCrone, and the Administrator, Lesley Hastie. The directors meet on a regular basis to review the company's financial and operational performance and to plan for the future.

Mull Theatre has a Board of Directors that is largely proactive and where members understand their legal, financial, planning and advocacy/fundraising responsibilities.

The artistic director, executive director, and administrator report to and work well with the board on a regular basis and advice and feedback is sought and given when required. Major planning and developmental decisions are always proposed via Board Meetings and passed by the Board. Meetings are held bi-monthly. Attendance at meetings varies depending on the season and work commitments. Meetings are thorough, cordial, business like and positive. The company regularly obtains feedback from our users and audiences which we use to inform our future planning. This self-assessment information is forwarded to and considered by the Board.

At all board meetings, the artistic director, executive director, administrator, and other managers make a full report on the activities and developments which have taken place, are imminent or are planned. These reports focus on the programme and the wide range of responses to it from promoters, audiences and critics. At the end of any given body of work, there will be a review at Board level of the effectiveness of the project.

Risk statement

The Board has considered the major risks to the continued successful operation of the Theatre and is in the process of drawing up a written risk register to enable it to develop a risk management strategy. The Board intends to review these risks on an annual basis in order to devise and implement systems and procedures to mitigate the risks identified in the plan.

In common with many other charities, the Theatre's main income is from public grant funding and this type of funding is always subject to change depending on the aims and objectives of the funder. The Theatre minimises the risk of the cessation of core funding, and any possible box office failure, by providing a programme of excellent, innovative and enjoyable productions throughout a wide geographical area, and addressing community needs and desires for artistic expression.

Reserves policy

In previous years, the core funding grant from the Scottish Arts Council was expressly targeted at preventing losses from occurring by funding the Theatre on a breakeven basis. However, changes in the funding approach, in recognition of the needs of the charity, may now allow the Theatre to build a modest level of reserves for specific purposes such as the replacement of equipment or vehicles and the Theatre will draw up its annual budget accordingly.

Investment power, policy and performance

Under the Memorandum & Articles of Association, the charity has the power to make any investment which the trustees see fit. Funds are held in a mixture of current and deposit accounts to maximise accessibility and investment returns.

The Mull Theatre Limited
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Report of the directors (incorporating the trustees' report)
for the year ended 31 March 2011

Mull Theatre's artistic programme is broad and varied, representing a range of subjects, views and interests through work aimed at the widest possible audience.

The aim is to produce a mixture of accessible and more demanding theatre, including work from prominent Scottish writers, exciting contemporary drama regardless of origin, and specially-commissioned new plays. Productions are usually previewed in a developmental repertory season on Mull before touring widely throughout the Highlands & Islands and beyond. The overriding aim is the achievement of artistic excellence in our work, supported by the highest professional standards in all of our operations.

Mull Theatre is funded by Creative Scotland, Argyll and Bute Council, Highlands and Islands Enterprise, Argyll and the Islands Enterprise and by a number of independent trusts and charities. These include The Esme Fairbairn Foundation, The Robertson Trust, The Gannochy Trust.

Objectives and activities

Charitable objects

The object of the charitable company is the advancement of education by the cultivation and improvement of public taste in drama, poetry, music, opera, ballet and similar fine arts in Scotland and in particular in the County of Argyll.

Achievements and performance

The last year has been one of innovation, development and consolidation, as well as one which has maintained high artistic standards, delivered quality productions, honoured our commitment to nationwide touring on a hitherto unprecedented scale and continued our success in achieving funding targets.

We gave year-round full time or part time employment in artistic development, administration, project management, marketing and box-office to a core staff of six people on Mull, as well as seasonal or project work to a further eight in front-of-house as well as various technical and creative roles.

The last year has in some ways been dominated by the discussions, negotiations, scoping study, consultant-led meetings and other matters which may lead to the creation of a new organisation, a combination of Mull Theatre with An Tobar, which would have a much stronger platform and a regional development role. This has involved all members of our board and staff, and has seen the establishment of a joint working party of members of both boards. The next year may well see a major change in the set-up and structure of this organisation which would only be undertaken if it were to be seen to be of maximum potential benefit to its aims and articles of association.

Our main production and touring work has comprised three new productions; Laurel and Hardy, Opium Eater and The Weir. Between them, these shows will have 143 tour performances the length and breadth of Scotland performing in an astonishing range and scale of venues - from the tiniest schoolroom on the Isle of Muck to Dundee Rep, with two sell-out weeks at the Tron in Glasgow.

Laurel and Hardy was a new production of an existing play by the late Tom McGrath who died in 2009. The production was an outstanding success and received praise from audiences, promoters, critics and SAC assessors. It had 30 performances on its tour then moved into the repertoire for summer season performances at Druimfin.

Opium Eater by Andrew Dallmeyer was a new production of an existing play about Thomas De Quincey, the flawed English man of letters and laudanum addict. The production opened at Druimfin and embarked on a tour of small scale venues throughout Argyll as well as a sell-out week at The Tron. Audience and critical response to the show was very positive and SAC assessments similarly so.

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Report of the directors (incorporating the trustees' report)
for the year ended 31 March 2011

The Weir by Conor McPherson was set in a remote rural bar where the local residents tell ghost stories to the new arrival in the area. It uncovers moving themes of loss, abandonment, loneliness and regret for the road not taken. The cast of 5 delivered an excellent production which garnered much praise from critics and audiences. A sell-out first night on the new seats at Druimfin was the catapult into a successful tour. The play had a week at Glasgow's Tron Theatre in mid-November in which every ticket in the building was sold.

Throughout the year we promoted an exceptionally wide range of visiting productions. These have been of almost universally high quality and scope.

The facility at Druimfin has transformed our capability to programme year round and allowed us to expand the repertoire of theatre experience we can bring to the people of Mull and Iona. This programme would grace theatres and arts centres of far larger communities. It included award-winning drama, dance, puppets, children's theatre, audio-visual work, choral music, classical ensembles, jazz groups, stand-up comedy and variety.

We also successfully applied for three-year funding from the Esmée Fairbairn Foundation. This will enable us to undertake significant increases to our small-scale touring work and to mount an annual "wee-islands-tour" in 2011, 2012 and 2013. Our tour of Opium Eater was featured in a short film made for the EFF to celebrate its golden jubilee, one of only six projects throughout the UK to be featured. The film features footage from the actual tour, interviews with members of the company and audience, a short excerpt from the play and a stop-motion sequence featuring the get-in and fit-up at Cairndow Village Hall.

We have consolidated plans and priorities for future developments at Druimfin which include a detailed specification for what we hope will be phase two, including a foyer/café-bar area, design and costume workshops, meeting rooms and circulation space. We are refocusing our priorities for future applications. In the meantime we successfully applied for funding to purchase new computer equipment for all of the office staff as well as new flexible, demountable seating for the auditorium. This arrived and was installed during the production week for The Weir and has already made a huge difference to the quality of the experience at Druimfin and will, we hope, expand its potential uses and functions.

Our core staff remains a committed team with the full support of an excellent Board of Directors. We have taken on one new full-time member of staff as admin support/box-office/ building management. We again engaged in a major "development day" in late 2010 as a joint exercise, which was of great benefit to all concerned. Regular staff meetings inform all our decisions and actions and we continue to confidently embrace the changes, challenges and developments which are always before us.

The Mull Theatre Limited
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Report of the directors (incorporating the trustees' report)
for the year ended 31 March 2011

Statement of directors' responsibilities

The directors (who are also trustees of The Mull Theatre Limited under charity law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- 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 operation.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and which enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006, and the provisions of the trust deed. 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.

Fiona McGlynn of R A Clement Associates was deemed to be appointed as independent examiner and the directors recommend that Fiona McGlynn remains in office until further notice.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

This report was approved by the Board on 7-6-11 and signed on its behalf by



Lesley Hastie
Secretary

The Mull Theatre Limited
(A company limited by guarantee)

Independent examiner's report to the directors on the unaudited financial statements of The Mull Theatre Limited.

I report on the accounts for the year ended 31 March 2011 set out on pages 2 to 17.

This report is made to the charity's Trustees, who are also directors of the company, in accordance with the terms of my engagement. My work has been undertaken to enable me to prepare the financial statements on behalf of the charity's Trustees and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's Trustees, as a body, for my work or this report.

Respective responsibilities of trustees and independent examiner

The charity's trustees (who are also the directors of the company for purposes of company law) are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 (the Act) and the Charities Accounts (Scotland) Regulations 2006. The charity's trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1) (c) of the Act, and to state whether particular matters have come to my attention.

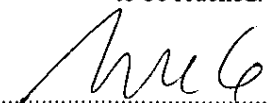
Basis of Independent examiner's statement

My examination is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

In the course of my examination, no matter has come to my attention:

1. which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with Section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Regulations
 - to prepare accounts which agree with the accounting records, comply with Regulation 8 of the 2006 Regulationshave not been met, or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.


.....

Fiona McGlynn
Chartered Accountant
Independent examiner

29/6/11

Of R A Clement Associates
5 Argyll Square
Oban
Argyll
PA34 4AZ

The Mull Theatre Limited
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Statement of financial activities (incorporating the income and expenditure account)

For the year ended 31 March 2011

	Notes	Unrestricted funds £	Restricted funds £	2011 Total £	2010 Total £
Incoming resources					
Incoming resources from generating funds:					
Voluntary income	2	255,377	42,708	298,085	310,645
Investment income		213	-	213	153
Incoming resources from charitable activities	3	69,190	-	69,190	62,099
Other incoming resources		29	398	427	657
Total incoming resources		<u>324,809</u>	<u>43,106</u>	<u>367,915</u>	<u>373,554</u>
Resources expended					
Costs of generating funds:					
Cost of generating voluntary income		6,190	-	6,190	16,536
Charitable activities	4	314,253	28,577	342,830	344,580
Governance costs	6	3,547	-	3,547	3,149
Total resources expended		<u>323,990</u>	<u>28,577</u>	<u>352,567</u>	<u>364,265</u>
Net incoming resources before transfers		819	14,529	15,348	9,289
Transfer of fundraising to Production Centre		(1,850)	1,850	-	-
Net movement in funds/Net income/(expenditure) for the year		(1,031)	16,379	15,348	9,289
Total funds brought forward		<u>14,807</u>	<u>748,475</u>	<u>763,282</u>	<u>753,993</u>
Total funds carried forward		<u>13,776</u>	<u>764,854</u>	<u>778,630</u>	<u>763,282</u>

The notes on pages 10 to 17 form an integral part of these financial statements.

The Mull Theatre Limited
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Balance sheet
as at 31 March 2011

SC045595

	Notes	£	2011 £	£	2010 £
Fixed assets					
Tangible assets	10		824,236		812,431
Current assets					
Debtors	11	23,929		15,639	
Cash at bank and in hand		21,093		30,469	
		<u>45,022</u>		<u>46,108</u>	
Creditors: amounts falling due within one year	12	<u>(90,628)</u>		<u>(95,257)</u>	
Net current liabilities			<u>(45,606)</u>		<u>(49,149)</u>
Net assets			<u>778,630</u>		<u>763,282</u>
Funds	13				
Restricted income funds			764,854		748,475
Unrestricted income funds			13,776		14,807
Total funds			<u>778,630</u>		<u>763,282</u>

The directors statements required by s475(2) and s475(3) are shown on the following page which forms part of the Balance Sheet.

The notes on pages 10 to 17 form an integral part of these financial statements.

The Mull Theatre Limited
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Balance sheet (continued)

SC045595

**Directors' statements required by the Companies Act 2006
for the year ended 31 March 2011**

In approving these financial statements as directors of the company we hereby confirm:

(a) that for the year stated above the company was entitled to the exemption conferred by section 477 of the Companies Act 2006 ;

(b) that no notice has been deposited at the registered office of the company pursuant to section 476 of the Companies Act 2006 requesting that an audit be conducted for the year ended 31 March 2011.

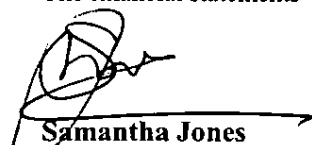
(c) that we acknowledge our responsibilities for:

(1) ensuring that the company keeps proper accounting records which comply with section 386 of the Companies Act 2006, and

(2) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its surplus or deficit for the year then ended in accordance with the requirements of sections 394 and 395, and which otherwise comply with the provisions of the Companies Act relating to financial statements, so far as applicable to the company.

These financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the board on 7th June 2011 and signed on its behalf by


Samantha Jones
Director

The notes on pages 10 to 17 form an integral part of these financial statements.

The Mull Theatre Limited
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Notes to financial statements
for the year ended 31 March 2011

1. Accounting policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and the preceding year.

1.1. Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Statement of Recommended Practice 'Accounting and Reporting by Charities' issued in March 2005 (SORP 2005) and the Companies Act 2006.

1.2. Incoming resources

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Voluntary income is received by way of grants, donations and gifts and is included in full in the statement of financial activities when receivable. Grants where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included.

Gifts donated for resale are included as incoming resources within activities for generating funds when they are sold.

Grants, including grants for the purchase of fixed assets, are recognised in full in the statement of financial activities in the year in which they are receivable.

Income from investments is included in the year in which it is receivable.

1.3. Resources expended

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes including the charity's merchandising.

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

1.4. Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Leasehold properties	-	2% straight line
Fixtures, fittings and equipment	-	25% reducing balance
Motor vehicles	-	25% straight line
Druimfin Lodge	-	4% straight line

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Notes to financial statements
for the year ended 31 March 2011

2. Voluntary income

	Unrestricted funds £	Restricted funds £	2011 Total £	2010 Total £
Donations	3,377	944	4,321	1,853
The Friends of Mull Theatre	-	-	-	1,200
Donations for Production Centre	-	-	-	2,292
Argyll & Bute Council - donation	-	-	-	1,000
Creative Scotland - Core Funding	240,000	-	240,000	240,000
Foyle Foundation	-	12,500	12,500	-
Creative Scotland - Theatre seating	-	28,964	28,964	-
Mull & Iona Community Trust	-	300	300	-
Sundry Tour/Production Grants	12,000	-	12,000	64,300
	<u>255,377</u>	<u>42,708</u>	<u>298,085</u>	<u>310,645</u>

3. Incoming resources from charitable activities

	Unrestricted funds £	2011 Total £	2010 Total £
Box office takings and theatre fees	58,180	58,180	45,473
Management fees	-	-	2,400
Merchandising and FOH income	666	666	252
Programme and other sales	944	944	653
Druimfin Hires and recharges	9,400	9,400	13,321
	<u>69,190</u>	<u>69,190</u>	<u>62,099</u>

4. Costs of charitable activities - by fund type

	Unrestricted funds £	Restricted funds £	2011 Total £	2010 Total £
Theatre management	143,310	28,577	171,887	166,409
Tours and productions	164,278	-	164,278	177,252
Education	5,867	-	5,867	919
New Writing	798	-	798	-
	<u>314,253</u>	<u>28,577</u>	<u>342,830</u>	<u>344,580</u>

The Mull Theatre Limited
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Notes to financial statements
for the year ended 31 March 2011

5. Costs of charitable activities - by activity

	Activities undertaken directly £	2011 Total £	2010 Total £
Theatre management	171,887	171,887	166,409
Tours and productions	164,278	164,278	177,252
Education	5,867	5,867	919
New Writing	798	798	-
	<u>342,830</u>	<u>342,830</u>	<u>344,580</u>

6. Governance costs

	Unrestricted funds £	2011 Total £	2010 Total £
Independent examiner's/auditors remuneration	1,300	1,300	2,000
Cost of trustees' meetings	1,977	1,977	552
Credit card and other finance charges	540	540	597
Bad debts	(270)	(270)	-
	<u>3,547</u>	<u>3,547</u>	<u>3,149</u>

7. Net incoming resources for the year

	2011 £	2010 £
Net incoming resources is stated after charging:		
Depreciation and other amounts written off tangible fixed assets	28,955	31,062
Independent Examiner's/Auditors' remuneration	<u>1,300</u>	<u>2,000</u>

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Notes to financial statements
for the year ended 31 March 2011

8. Employees

Employment costs	2011	2010
	£	£
Wages, fees and allowances	187,390	179,505
Social security costs	13,934	12,772
Other costs	5,884	6,946
	<u>207,208</u>	<u>199,223</u>

No employee received emoluments of more than £60,000 (2010 : None).

Number of employees

The average monthly numbers of employees (excluding the directors) during the year, was as follows:

	2011	2010
	Number	Number
Administration	3	8
Actors, production, directors	9	9
Box Office and Front of House	12	7
Marketing and Fundraising	2	2
Cleaning	4	-
	<u>30</u>	<u>26</u>

Two directors received remuneration during the year, one in his capacity as Artistic Director and the other as Executive Director. No director received remuneration or benefits in kind in their role as a trustee.

Five directors received reimbursement of expenses in respect of travel and subsistence, which were all incurred in respect of work carried out on behalf of the charity.

	Gross	Expenses	Expenses	
	Salary	reimbursed	reimbursed	Total
		(as employee)	(as director)	
Alasdair McCrone	29,407	1,934	88	2,022
Norman Quirk	9,688	-	123	123
Duncan MacInnes	-	-	857	857
Gillian King	-	-	60	60
Jon Pope	-	-	406	406
	<u>39,095</u>	<u>1,934</u>	<u>1,534</u>	<u>3,468</u>

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Notes to financial statements
for the year ended 31 March 2011

9. Taxation

The charity's activities fall within the exemptions afforded by the provisions of the Income and Corporation Taxes Act 1988. Accordingly, there is no taxation charge in these accounts.

10. Tangible fixed assets	Production centre	Fixtures, fittings and equipment	Motor vehicles	Druimfin Lodge	Total
	£	£	£	£	£
Cost					
At 1 April 2010	786,808	55,949	33,689	30,369	906,815
Additions	257	40,503	-	-	40,760
At 31 March 2011	<u>787,065</u>	<u>96,452</u>	<u>33,689</u>	<u>30,369</u>	<u>947,575</u>
Depreciation					
At 1 April 2010	15,736	38,884	33,689	6,075	94,384
Charge for the year	15,741	11,999	-	1,215	28,955
At 31 March 2011	<u>31,477</u>	<u>50,883</u>	<u>33,689</u>	<u>7,290</u>	<u>123,339</u>
Net book values					
At 31 March 2011	<u>755,588</u>	<u>45,569</u>	<u>-</u>	<u>23,079</u>	<u>824,236</u>
At 31 March 2010	<u>771,072</u>	<u>17,065</u>	<u>-</u>	<u>24,294</u>	<u>812,431</u>

11. Debtors

	2011	2010
	£	£
Trade debtors	324	2,785
Other debtors	23,605	12,854
	<u>23,929</u>	<u>15,639</u>

12. Creditors: amounts falling due within one year

	2011	2010
	£	£
Trade creditors	66,829	83,595
Other taxes and social security	2,428	3,941
Other creditors	1,038	251
Accruals and deferred income	20,333	7,470
	<u>90,628</u>	<u>95,257</u>

The Mull Theatre Limited
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Notes to financial statements
for the year ended 31 March 2011

13. Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total funds £
Fund balances at 31 March 2011 as represented by:			
Tangible fixed assets	2,139	822,097	824,236
Current assets	43,265	1,757	45,022
Current liabilities	(31,628)	(59,000)	(90,628)
	<u>13,776</u>	<u>764,854</u>	<u>778,630</u>

14. Unrestricted funds

	At 1 April 2010 £	Incoming resources £	Outgoing resources £	Transfers £	At 31 March 2011 £
Unrestricted funds	<u>14,807</u>	<u>324,809</u>	<u>(323,990)</u>	<u>(1,850)</u>	<u>13,776</u>

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Notes to financial statements
for the year ended 31 March 2011

15. Restricted funds	At 1 April 2010 £	Incoming resources £	Outgoing resources £	Transfers £	At 31 March 2011 £
Capital Funds					
Druimfin Lodge	24,294	-	(1,215)	-	23,079
Production Centre	709,633	-	(15,741)	2,742	696,634
IT equipment and computers	-	10,096	(3,332)	-	6,764
Technical Equipment	14,548	914	(3,865)	-	11,597
Theatre seating and signage	-	31,204	(4,424)	(1,711)	25,069
Revenue Funds					
Signage	-	-	-	1,711	1,711
Production centre - revenue fund	-	892	-	(892)	-
	<u>748,475</u>	<u>43,106</u>	<u>(28,577)</u>	<u>1,850</u>	<u>764,854</u>

Purposes of restricted funds

Outgoing resources on the Druimfin Lodge fund represents depreciation now charged directly to the restricted fund.

Production Centre

Incoming resources consist of grants and donations from other organisations and trusts, miscellaneous income/refunds/private donations, and interest earned on the funds held in the Building Account. Depreciation is now charged directly to the restricted fund and is shown as outgoing resources.

Technical Equipment

Foundation for Sport and Arts funded specialist technical equipment for the Production Centre. Further grants were received towards the dance floor which includes carriage costs. Depreciation on these assets is now charged directly to the restricted fund.

Theatre seating and signage

Grants and donations were received towards the costs of theatre seating and signage. Of this amount, £29,493 was spent on seating during the year, and a balance of £1,711 has been transferred to a revenue fund to be carried forward to be spent on signage. The outgoing resources in the year represents the depreciation of the assets which is being charged directly to the restricted fund.

Production Centre - Revenue fund

Of the incoming donations for the year, £257 was spent on blinds for the centre and is shown as a transfer to the restricted asset. The balance of funds raised has been transferred to the main Capital Fund to contribute to the repayment of the outstanding liability.

Computers and IT equipment

Grants were received towards the purchase of computers and equipment. Depreciation on these assets is being charged directly to the restricted fund and is shown as outgoing resources.

The Mull Theatre Limited
(A company limited by guarantee)

Notes to financial statements
for the year ended 31 March 2011

16. Related party transactions

Alicia Hendrick, wife of director Alasdair McCrone, was employed during the year on a free-lance contract. Mull Theatre Ltd paid £2,500 in respect of fees and £720 in respect of expenses for work carried out.

Conflicts of Interest

The Trust operates a policy to deal with potential conflicts of interest. This includes maintaining a register of interests for all board members/directors and senior managers, which details any contractual or financial relationship or position of authority with outside companies, firms, associations or organisations. Whenever a board member/director or senior manager has an interest in any item discussed by the Board, he/she takes no part in the discussions or decision making process.

Any declarations of interest are recorded in the minutes of the appropriate board meetings. The register of interests is available to any member of the company who wishes to examine it.

17. Company limited by guarantee

The Mull Theatre Limited is a company limited by guarantee and accordingly does not have a share capital.

Every member of the company undertakes to contribute such amount as may be required not exceeding £1 to the assets of the charitable company in the event of its being wound up while he or she is a member, or within one year after he or she ceases to be a member.