

Registered number: 01480595
Charity number: 279714

Canterbury Theatre and Festival Trust
(A company limited by guarantee)

Trustees' report and financial statements

For the year ended 31 December 2018



Canterbury Theatre and Festival Trust
(A company limited by guarantee)

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Canterbury Theatre and Festival Trust
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Reference and administrative details of the charity, its trustees and advisers
For the year ended 31 December 2018

Trustees

Martin Atherton
Hugo Barton
Colin Carmichael
Peter Harris
Peter Hermitage
Andrew Ironside
Celia Glynn-Williams
Professor Daniel Lloyd
Roderick Loder-Symonds (resigned 3 December 2018)
Prof. Keith Mander, Chairman
Dr Kate Neales, Company Secretary
Air Marshall Christopher Nickols (appointed 10 July 2018)
Tony Pratt
Hugh Summerfield FCA, Treasurer
Camilla Swire
Tony Walder
Prof. Gillian Youngs (appointed 5 July 2018)

Company registered number

01480595

Charity registered number

279714

Registered office

8 Orange Street
Canterbury
Kent
CT1 2JA

Company secretary

Dr Kate Neales

Independent auditors

Kreston Reeves LLP
Chartered Accountants
Statutory Auditor
37 St Margaret's Street
Canterbury
Kent
CT1 2TU

Bankers

National Westminster Bank
11 The Parade
Canterbury
Kent
CT1 2SQ

Canterbury Theatre and Festival Trust
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Reference and administrative details of the charity, its trustees and advisers
For the year ended 31 December 2018

Advisers (continued)

Solicitors

Gardner & Croft
2 Castle Street
Canterbury
Kent
CT1 2QH

Investment Advisers

Rathbones Brothers Plc
8 Finsbury Close
London
EC2M 7AZ

Canterbury Theatre and Festival Trust
(A company limited by guarantee)

Chairman's statement
For the year ended 31 December 2018

The Board of the Canterbury Theatre and Festival Trust presents its report for year ending 31 December 2018, which includes the 2018 Festival.

The Canterbury Theatre and Festival Trust is one of Kent's leading arts organisations, producing a two-week international festival, working year-round to commission and promote performances and exhibitions; working to build future audiences; fostering creative ambition and building talent and skills, and spearheading the cultural life of Canterbury. Its primary focus is the annual international Festival which engages over 60,000 participants and whose profile and income generating powers are channelled in turn into year-round cultural activity for young people and communities who may not otherwise be involved with the arts. As one of Kent's longest established cultural providers, the Festival is ideally placed to work with partners and funders to lead with creative flair, inspire with unique events, and to work with participants from diverse communities in an engaging, professional and cost-effective manner.

In 2018, the Festival saw over 60,000 people enjoying both free and ticketed events at numerous venues across the district. The Festival celebrated with over 3,000 performers, local, national and international, across multiple genres, from concerts to walks and from science to cabaret and everything in between. It's important for the Festival to appeal and engage with as many people in the community as possible not just during the Festival but throughout the year. There were 32 sold out events across the Festival with another 41 events at over 90% capacity. Talks and Family Friendly genres yet again saw near capacity audiences across the programme.

In the report to the 2017 accounts I wrote: "Any artistic endeavour such as the Canterbury Festival will have highs and lows". I might have added "Like a roller coaster ...", as we discovered in 2018. 2018 was the second of three transitional years as the Festival adjusted to the loss of Arts Council National Portfolio Funding. Artistically, the transition seems to be going well, with the Board encouraging the Festival team to be cautiously bold, i.e. not to shrink back with declining funding, but to set a programme that will attract additional support, in terms of both finances and audience numbers. Levels of private sponsorship increased significantly. A large audience, some of whom had travelled significant distances, heard Sir Bryn Terfel, accompanied by Annabel Thwaite, deliver a memorable recital to a capacity audience in the Marlowe Theatre, and afterwards had the opportunity to meet Sir Bryn at a reception for sponsors, proving that Canterbury audiences are prepared to pay to hear the very greatest artists.

The site for the Festival Spiegeltent (nearer to the City Centre, and with good parking adjacent) continued to prove popular, and the typically varied programme of cabaret and music again attracted many first-time visitors.

But if the year had many high points, there was a low point that preoccupied the Trustees and the Festival Team for the latter half of the year. The arrival of a new Finance and Business Manager revealed certain irregularities in the Festival's accounts. At the time of writing, the matter is still not fully resolved, but it appears that, there has been some misappropriation of some of the Festival's funds (about £28,000) that is currently subject to ongoing formal legal proceedings, making it inappropriate to make further detailed comment. Fortunately, it has been possible to recover most of the money taken (£25,000) from the Festival's own insurers, so that the loss has been contained.

Further investigation revealed other irregularities in 2015 (£1,000), 2016 (£10,000) and 2017 (£40,000). However the financial statements for the previous years are not required to be resubmitted to Companies House and Charities Commission, please see note 9 for further details.

Over the latter part of 2018, the Trustees have spent a considerable time discussing the matter, noting that the irregularities had occurred at a time when there has never been greater Trustee scrutiny of the Festival's finances including starting an investigation into the unexpected loss of £44,000 in the 2017 accounts when the irregularities came to light. The Trustees are attempting to recover historical losses from external sources.

Secondly, the security and robustness of the Festival's current processes have been reviewed, particularly to ensure that BACS transfers are regularly reviewed and approved by the more than one member of staff. A more rigorous process for authorisation of payments has been instituted.

Thirdly, we have been in contact with the Charity Commission, and have taken their advice about the level of annual scrutiny that it is appropriate to apply.

Canterbury Theatre and Festival Trust
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Chairman's statement
For the year ended 31 December 2018

Notwithstanding the above, small organisations with limited resources have to operate by trusting their staff and Trustees. For the record, the Board has complete confidence in the Festival's current staff, and commend the staff for the measured way they have dealt with a difficult issue. The Board also believes that any impact of these irregularities should be of the lightest touch compatible with the proper stewardship of funds entrusted to us, and balance compliance and freedom appropriately for a small organisation.

With new auditors appointed, the Trustees are also undertaking a wider review of some governance issues, following Charity Commission guidelines, including a review of documented accounting practice, and greater clarity over potential conflicts of interest.

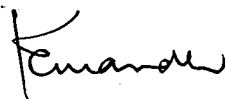
With the strong support of our Partner and Principal Sponsor Canterbury Christ Church University, the Dean and Chapter of Canterbury Cathedral, the King's School, several local businesses and many individuals, the Trustees are confident that the Festival will be able to continue confidently. Our emphasis will continue to be on high standards of artistic excellence that surprise and delight capacity audiences, coupled with constant vigilance on costs. The Festival therefore continues to be grateful for some support from Arts Council England for some continued funding through Grants for the Arts, but more particularly from sponsors, Vice Presidents and Friends whose contributions are vital to the achievement of our aspirations. The Trustees are also appreciative for the enthusiastic commitment of those who buy the thousands of tickets the Festival sells each year. This makes the considerable effort involved in staging the Festival so worthwhile and we are grateful for their essential financial support. To improve the effectiveness of the Festival's interactions with those who buy tickets, the Festival will also be using its reserves to invest in new box office arrangements in 2019.

On behalf of the Trustees, I should like to place on record our appreciation for the energetic and creative leadership of Rosie Turner, the Festival Director, and her loyal and hard-working staff team who continue to deliver artistic and financial stability, developing the Festival's reputation for excellence and accessibility year on year.

I should like to extend my thanks to the large number of volunteers that help each year. They do so with good cheer and their commitment is appreciated.

The Board of Trustees give their time freely to ensure that the Festival remains in good health. Membership of the Board is evolving, and I thank the Trustees, long-standing and more recently appointed, for the lively and professional support that they give to the Festival.

Despite the challenging financial climate, the Festival's goals remain to develop exciting new programmes of artistic excellence in its international Festival while achieving audience numbers to sustain the Festival's financial future and raising its national profile. This will allow it to contribute significantly to support Kent-based artists and reflecting the very best of the City of Canterbury within which it currently operates in a year-round programme of other activities. It is a challenge that the Festival embraces with enthusiasm and with confidence in its long-term future.



Name **Professor Keith Mander**
Chairman

Date 11 July 2019

Canterbury Theatre and Festival Trust
(A company limited by guarantee)

Trustees' report
For the year ended 31 December 2018

OBJECTIVES AND ACTIVITIES

Objectives and aims

The principal objects of the charity as stated in the Memorandum of Association is to promote, maintain, improve and advance the education of the public in the arts, including the arts of drama, mime, dance, singing, opera and music, ballet, cinema, concert, stage performances and the visual arts generally. The charity promotes the arts in East Kent and in particular organises and runs the Canterbury Festival.

Strategies employed to achieve the charity's objectives are: -

1. To engage national and international performing artists covering the range of activities noted as specified in the Articles of Association.
2. Supporting Kent-based artists and performers by promoting their activities.
3. Fostering a greater sense of ownership of the Festival in the region through partnerships.
4. To engage, promote and further develop an educational and outreach programme.
5. Additional creative projects to further develop arts in East Kent.
6. To play a strategically important year-round role supporting and developing the arts in the region.
7. To seek future funding and good financial controls to ensure the sustainability of the Festival.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The Trustees believe the 2018 Festival met the charity's objectives in full.

The highlight of the Festival was a performance from Sir Bryn Terfel, who delighted an almost sold out audience. Other popular events included concerts by Dame Evelyn Glennie, The King's Singers, The Shires, Voces8 and the European Union Chamber Orchestra. The Festival extended its Popular Music offer with concerts by The Feeling and Sophie Ellis Bextor – both of which drew many new people to the programme. Talks and Family Friendly events drew almost capacity audiences – the most popular being David Starkey, John Suchet and Pierre Emmanuel Taittinger. The Spiegeltent returned to a new and more central site and audiences for its quirky cabaret programme continued to grow. The quality of experience was perhaps at its peak during two performances which only attracted small numbers and consequently made a considerable financial loss. Journey Through Conflict was a revue comprising live testimony from army veterans of WW2 and more recent campaigns, accompanied by music from the Great War specially arranged for a one-handed pianist. Introduced by Major General Andy Salmon, this performance would never have been seen in Canterbury without the context of Canterbury Festival, and many in the small audience were profoundly moved by the concert and deemed it an extraordinary highlight. By contract, the hilarious and virtuosic Wereldband presented Slapstick in the Marlowe Theatre to a small audience with verve, skill and humour. In presenting work like this (well outside the mainstream) the Festival fulfils its purpose in extending the experience of its audiences, programming work that is sometimes international and unfamiliar, and other times chosen for its relevance, context or artistic interpretation. It is in the nature of the Canterbury Festival to be risk-taking, and the on-going challenge is in balancing such events with safer "more bankable" offers.

Public Benefit

The Trustees confirm that they have complied with the duties set out in the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit. In particular, the Trustees consider how planned activities will contribute to the aims and objectives of the Charity.

Who used and benefited from our services

The loss of core funding from Arts Council and Canterbury City Council meant that ticket prices were carefully reviewed this year. While some were slightly increased, the majority remained cheaper than those of our year-round competitors. Discounts and concessions were available on certain events for students and community groups. There were many free events including Lunchtime Concerts by schools and university players, and a range of free exhibitions and workshops.

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Trustees' report (continued)
For the year ended 31 December 2018

Opening Day events were free and took place in the city centre. Over 250 children from 6 schools took part in the Parade with over 18 hours of workshops delivered over 4 weeks. The Parade was led by Helmonds Muzik Corp marching band from Holland, and the Lord Mayor of Canterbury.

The Festival's Talent Development initiative was greatly enhanced during 2018 due to the experience of Charlotte Chapman, Participation Manager. 65 individuals or small companies applied for Made in Kent in a range of disciplines – classical and popular music, theatre, dance and comedy, while the poetry competition attracted 641 entries.

In the wider community, projects were conducted with Catching Lives (a charity working with homeless people). TEC – Teach, Educate, Create – which is now supported by CCCU, ran with 25 applications from local artists wishing to develop their workshop skills, and the Festival became a Community Ambassador for the Philharmonia Orchestra.

Future goals for the participation elements include deepening (rather than widening) the offer through stronger, more sustainable relationships with partners, and taking a more circular approach to all learning and participation, linking directly back to the Festival.

Fundraising activities

A total of £403,981 (2017: £427,750) excluding box office and programme receipts was raised from grants, Vice Presidents' donations and subscriptions, Gift Aid, general donation, corporate membership, special fundraising and sponsorship.

FINANCIAL REVIEW

The statement of financial activity reflects the Festival's aspirations to become a year-round arts promoting organisation and develop its position as the major promoter of international work within East Kent. Projects in addition to the annual October Programme included:

- The Festival's has run four LINK projects working with local charities supporting the Homeless, Children from abusive homes and Hospice Care.
- Arts Award, funded by Artsworld, is a pilot project enabling four young people to produce an arts portfolio for their Bronze Arts Award qualification.

The financial results for the year were satisfactory. The unrestricted Funds before accounting for transfers shows a deficit of £36,932 (2017: deficit £45,917).

Gross income was £776,789 (2017: £780,914).

Total resources expended were £793,937 in 2018, compared with £850,377 in 2017.

There were unrealised losses on investments of £19,784 (gain of £25,976 in 2017). However, this is after the realisation of £70,000 during the year.

The total reserves, comprising Restricted and Unrestricted Funds, carried forward at the end of year were £577,579 compared with £614,511 in 2017. The Restricted Funds held of £2,430 (2017: £2,430) relate to the successful completion of all outstanding projects.

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Trustees' report (continued)
For the year ended 31 December 2018

FUTURE DEVELOPMENTS

The Festival's priorities remain to develop the artistic excellence and breadth of the programme, and to widen the range of audiences it engages. The Festival will continue to support the creative and digital economy of East Kent, working collaboratively with partners for maximum impact. With core funding severely reduced, the Festival will continue to aspire to a sustainable business model. A key stone in this ambition is the establishment of a Festival Box Office, to capture audience data thus enabling more targeted marketing, and the creation of future festivals that are both relevant and engaging of their audiences.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Recruitment and appointment of new trustees

As set out in the Articles of Association, the Trustees retire by rotation one third each year but shall be eligible for re-election. The Articles allow for the Board to appoint Trustees during the year, such Trustees shall retain their office only until the next AGM but shall then be eligible for re-election. When considering co-opting a Trustee (new appointment), the Board has regard to the requirements of any specialist skills needed and in order to provide necessary academic, professional and commercial knowledge required with respect to a charitable arts company.

Induction and training of new trustees

New Trustees are offered training to brief them on their legal obligations under charity and company law, the contents of the Memorandum and Articles of Association, the committee and decision-making process, the business plan and current financial performance of the charity. From time to time trustees are encouraged to attend appropriate external training events, where these will facilitate the understanding of their role.

Organisational structure

The charity is governed by the Board of Directors, which meets at least five times a year and is responsible for making strategic and governance decisions regarding the Trust. There are sub-committees covering sponsorship and finance and secondly strategy and planning. These sub-committees are assisted by the charity's staff members. A Festival Director is appointed by the Trustees to manage the day-to-day operations of the charity, supported by a fundraising, marketing and finance team. The Festival Director has delegated authority, within terms approved by the Trustees, for operational matters including finance, employment and artistic performance related activity. At each board meeting, detailed written reports are submitted by the officers and sub-committees for open discussion.

Canterbury Theatre and Festival Trust
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Trustees' report (continued)
For the year ended 31 December 2018

Related parties

The Canterbury Festival Foundation was incorporated in 2002 as a charitable company limited by guarantee, in order to promote and support the charitable objects of the Canterbury Theatre and Festival Trust (the charity). The aim of the organisation is to raise endowment funds which can be invested, and income used for the benefit of Canterbury Theatre and Festival Trust. The Canterbury Theatre and Festival Trust has the power to appoint Trustees to the Canterbury Festival Foundation. In 2018, the Foundation donated £20,000 (2017: £20,000) to the charity.

The Friends of Canterbury Festival is an organisation incorporated as from June 2004 within the Canterbury Festival Foundation which raises funds for Canterbury Theatre and Festival Trust. In 2018, the Friends donated a total of £25,000 (2017: £16,000) to the charity.

Each year the Canterbury Festival Foundation offers a Bursary to a young musician which is presented at a concert held during the Canterbury Festival. The costs with respect to individual grant making are borne by the charity, on behalf of the Foundation. The work is carried out on an in-kind basis by employees of the charity as part of their normal duties and the cost of staging the concert is met by the charity as part of its general expenditure on production.

Risk management

The charity's risk management strategy includes: -

1. A bi-annual review of the risks the charity may face.
2. The establishment of systems and procedures to mitigate those risks identified in the delivery of the Festival's Strategic Plan 2017-2021 created in 2016 for the period to 2021 .
3. The implementation of procedures designed to minimise any potential impact on the charity, should these risks materialise.

The charity maintains a Risk Register which identifies the principal risks as non-financial issues arising from artistic excellence, competition and public perception together with management of the specific risks concerning the loss of core income or failure to reach fundraising targets. the trustees are satisfied that adequate steps are taken to mitigate these risks and others identified within the Risk Register.

A further key element in the management of financial risk is the setting of a reserve policy and its regular review by Trustees.

Reserve policy

The Trustees have established the level of reserve, freely available funds, at a level which: -

1. Notes the requirements to cover the charity's working capital on a day-to-day basis.
2. Meet forward liabilities in advance of income.
3. Fund non-profit making performances for the benefit of the community.
4. Generally, comply with sound financial management.

The Reserves Policy is to retain approximately one year's overhead costs of £300,000, including £200,000 to cover unforeseen programming difficulties. The Trustees acknowledge there is little guarantee in the forward funding budgets, whether from central or local government and other regulated bodies. Consequently, the reserve policy should provide a cushion to meet any adverse downturns.

As noted above, sub-committees are established in the area of finance and sponsorship and strategy and planning. It is recognised by the Trustees that these sub-groups are important to the long-term sustainability of the charity.

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Trustees' report (continued)
For the year ended 31 December 2018

Investment policy and objectives

Under the Memorandum and Articles of Association the charity has the power to invest in any way the Trustees feel appropriate.

The Trustees have decided to invest £300,000 of the Unrestricted reserves with Rathbone's Investments. The Trustees have set an ethical approach to the Festival's investment portfolio. It does not wish to: -

- Invest directly in companies the major part of whose business is pornography, gambling, tobacco, pay day loans or armaments.
- Invest in pooled investment funds where there is a significant exposure to companies the major part of whose business is pornography, gambling, tobacco, pay day loans or armaments.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Canterbury Theatre and Festival Trust for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year 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 those financial statements, the trustees are required to: -

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charity Statement of Recommended Practice (SORP).
- Make judgements and estimates that are reasonable and prudent.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which 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 Companies Act 2006. 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

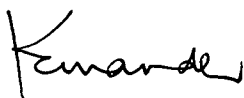
In so far as the trustees are aware: -

- There is no relevant audit information of which the charitable company's auditors are unaware.
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

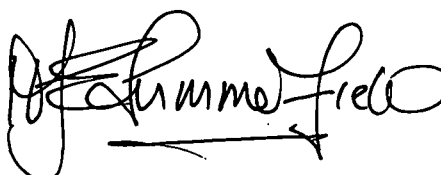
This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

This report was approved by the trustees, on 11 July 2018 and signed

ON BEHALF OF THE BOARD:



Prof. Keith Mander, Chairman



Hugh Summerfield FCA (Treasurer)

Canterbury Theatre and Festival Trust
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Independent auditors' report to the members of Canterbury Theatre and Festival Trust

Opinion

We have audited the financial statements of Canterbury Theatre and Festival Trust (the 'charity') for the year ended 31 December 2018 set out on pages 14 to 30. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2018 and of its 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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.

Emphasis of matter

As highlighted in note 9 during the year financial irregularities were discovered in the charity's accounting records which were subsequently found to have arisen as a result of fraudulent activity. The total cost to the charity arising from this fraudulent activity amounted to £80,326 which arose between the year ended 31 December 2015 and the year ended 31 December 2018, of which a net cost of £6,020 has been recognised in the current year, this includes monies totalling £25,000 received from the insurers. Our opinion is not modified in this respect.

Other information

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

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Independent auditors' report to the members of Canterbury Theatre and Festival Trust

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

Arising solely from the financial irregularities referred to in our Emphasis of Matter paragraph above we have determined that adequate accounting records were not kept.

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:

- returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a Strategic report.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charity 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

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Independent auditors' report to the members of Canterbury Theatre and Festival Trust

Auditors' responsibilities for the audit of the financial statements

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

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

- 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 of the effectiveness of the charitable company'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 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 Auditors' 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 Auditors' report. However, future events or conditions may cause the 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.

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.

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Independent auditors' report to the members of Canterbury Theatre and Festival Trust

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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Kreston Reeves LLP

Samantha Rouse FCCA DChA (Senior statutory auditor)

for and on behalf of

Kreston Reeves LLP

Chartered Accountants
Statutory Auditor

Canterbury
Date: *12 July 2019*

Canterbury Theatre and Festival Trust
(A company limited by guarantee)

Statement of financial activities incorporating income and expenditure account
For the year ended 31 December 2018

		Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	As restated Total funds 2017 £
	Note				
Income from:					
Donations and legacies	2	133,594	-	133,594	95,395
Charitable activities	3	448,301	-	448,301	511,655
Other trading activities	4	194,715	-	194,715	161,727
Investments	5	179	-	179	12,137
Total income		776,789	-	776,789	780,914
Expenditure on:					
Raising funds:					
Voluntary income	6	49,882	-	49,882	85,082
Fundraising trading	7	90,746	-	90,746	92,902
Investment management		37	-	37	10
Promotion of the Arts	8	647,252	-	647,252	628,648
Other expenditure	9	6,020	-	6,020	43,735
Total expenditure		793,937	-	793,937	850,377
Net expenditure before investment gains/(losses)		(17,148)	-	(17,148)	(69,463)
Net gains/(losses) on investments	14	(19,784)	-	(19,784)	25,976
Net expenditure before other recognised gains and losses		(36,932)	-	(36,932)	(43,487)
Net movement in funds		(36,932)	-	(36,932)	(43,487)
Reconciliation of funds:					
Total funds brought forward		612,081	2,430	614,511	657,998
Total funds carried forward		575,149	2,430	577,579	614,511

The notes on pages 17 to 30 form part of these financial statements.

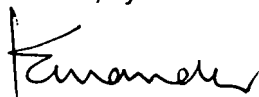
Canterbury Theatre and Festival Trust
(A company limited by guarantee)
Registered number: 01480595

Balance sheet
As at 31 December 2018

	Note	£	2018 £	£	2017 £
Fixed assets					
Tangible assets	13		3,588		8,718
Investments	14		304,723		394,507
			<u>308,311</u>		<u>403,225</u>
Current assets					
Debtors	15	32,177		63,095	
Cash at bank and in hand		290,869		173,940	
		<u>323,046</u>		<u>237,035</u>	
Creditors: amounts falling due within one year	16	(53,778)		(25,749)	
Net current assets			<u>269,268</u>		<u>211,286</u>
Net assets			<u>577,579</u>		<u>614,511</u>
Charity Funds					
Restricted funds	18		2,430		2,430
Unrestricted funds	18		575,149		612,081
Total funds			<u>577,579</u>		<u>614,511</u>

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

The financial statements were approved and authorised for issue by the Trustees on 11 July 2019 and signed on their behalf, by:



Prof. Keith Mander, Chairman



Hugh Summerfield FCA (Treasurer)

The notes on pages 17 to 30 form part of these financial statements.

Canterbury Theatre and Festival Trust
(A company limited by guarantee)

Statement of cash flows
For the year ended 31 December 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	20	<u>52,503</u>	<u>(122,726)</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		179	37
Purchase of tangible fixed assets		-	(4,153)
Proceeds from sale of investments		<u>70,000</u>	<u>271</u>
Net cash provided by/(used in) investing activities		<u>70,179</u>	<u>(3,845)</u>
Change in cash and cash equivalents in the year		122,682	(126,571)
Cash and cash equivalents brought forward		<u>168,187</u>	<u>294,758</u>
Cash and cash equivalents carried forward	21	<u><u>290,869</u></u>	<u><u>168,187</u></u>

The notes on pages 17 to 30 form part of these financial statements.

Canterbury Theatre and Festival Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 December 2018

1. Accounting policies

Canterbury Theatre and Festival Trust is a charitable company, limited by guarantee, domiciled in England and Wales, registration number 01480595. The registered office is 8 Orange Street, Canterbury, Kent, CT1 2JA.

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

The charity's functional and presentational currency is in Pounds Sterling.

The charity's financial statements are presented to the nearest pound.

1.2 Company status

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

1.3 Going concern

The trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

1.4 Income

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

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income tax recoverable in relation to donations received under Gift Aid is recognised at the time of the donation.

Canterbury Theatre and Festival Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 December 2018

1. Accounting policies (continued)

1.5 Expenditure

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

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

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

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

1.6 Tangible fixed assets and depreciation

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities incorporating income and expenditure account.

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

Long-term leasehold property	-	Over the remaining term of the lease
Marketing equipment	-	33.33% and 20% on cost
Office furniture	-	25% on cost
Office computers	-	25% on cost

1.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of financial activities incorporating income and expenditure account.

1.8 Interest receivable

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

Canterbury Theatre and Festival Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 December 2018

1. Accounting policies (continued)

1.9 Debtors

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

1.10 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.11 Liabilities and provisions

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

1.12 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.13 Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.14 Fund accounting

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

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

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

Canterbury Theatre and Festival Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 December 2018

1. Accounting policies (continued)

1.15 Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Investment valuations

Investment valuations are obtained by trustees from the investment managers, who utilise the closing quoted market price information available at the balance sheet date.

2. Income from donations and legacies

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	113,984	-	113,984	89,671
Gift Aid	19,610	-	19,610	5,724
	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and legacies	133,594	-	133,594	95,395
	<hr/>	<hr/>	<hr/>	<hr/>
Total 2017	95,395	-	95,395	
	<hr/>	<hr/>	<hr/>	

3. Income from charitable activities

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Box office/other events	342,600	-	342,600	302,582
Nightly programme sales	3,104	-	3,104	2,820
Grants	102,597	-	102,597	206,253
	<hr/>	<hr/>	<hr/>	<hr/>
	448,301	-	448,301	511,655
	<hr/>	<hr/>	<hr/>	<hr/>
Total 2017	503,155	8,500	511,655	
	<hr/>	<hr/>	<hr/>	

Canterbury Theatre and Festival Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 December 2018

Grants received included in the above are as follows:

	2018 £	2017 £
Canterbury City Council	1,464	33,464
Kent County Council	4,100	8,500
Dean & Chapter of Canterbury Cathedral	10,000	10,000
Non-recurring grants	3,000	1,001
Arts Council England	81,153	143,740
H R Pratt Boorman Trust	-	1,000
LINK Project	2,880	8,548
	<hr/>	<hr/>
Total	102,597	206,253
	<hr/> <hr/>	<hr/> <hr/>

4. Fundraising income

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Fundraising	11,145	-	11,145	5,090
Sponsorship	144,500	-	144,500	107,217
Subscriptions	12,145	-	12,145	13,957
Advertising	15,705	-	15,705	13,825
Rental & other income	11,220	-	11,220	21,638
	<hr/>	<hr/>	<hr/>	<hr/>
	194,715	-	194,715	161,727
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Total 2017	161,727	-	161,727	
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	

5. Investment income

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Income from listed investments	-	-	-	12,100
Bank interest receivable	179	-	179	37
	<hr/>	<hr/>	<hr/>	<hr/>
	179	-	179	12,137
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Total 2017	12,137	-	12,137	
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	

Canterbury Theatre and Festival Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 December 2018

6. Costs of raising total funds

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Marketing	8,975	-	8,975	8,291
Educational projects	-	-	-	559
Administration	1,053	-	1,053	489
Website	166	-	166	449
Office costs	4,677	-	4,677	4,543
Premises	3,015	-	3,015	2,651
Sundry	2,050	-	2,050	4,484
Voluntary income staff costs	29,946	-	29,946	63,616
	<u>49,882</u>	<u>-</u>	<u>49,882</u>	<u>85,082</u>
Total 2017	<u>85,082</u>	<u>-</u>	<u>85,082</u>	

7. Activities for generating income

	2018 £	2017 £
Marketing	13,790	6,065
Administration	1,618	280
Educational projects	-	349
Website	255	273
Office costs	7,187	3,256
Premises	4,633	1,887
Sundry	3,151	2,694
Fundraising costs	2,706	21,714
Wages and salaries	50,595	49,737
National insurance	5,095	5,052
Pension cost	1,716	1,595
Total	<u>90,746</u>	<u>92,902</u>

Canterbury Theatre and Festival Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 December 2018

8. Charitable activities

		Total	As restated
	Activities	2018	Total
	£	£	2017
			£
Artist, venue, technical & box office costs	387,923	387,923	401,462
Nightly programme costs	3,742	3,742	3,557
Education costs	14,162	14,162	14,713
Insurance	7,083	7,083	4,814
Auditors remuneration	6,850	6,850	4,500
Professional fees	-	-	2,113
Marketing	34,948	34,948	37,853
Administration	3,934	3,934	547
Educational projects	-	-	682
Website	620	620	535
Office costs	17,469	17,469	7,671
Premises costs	11,261	11,261	4,464
Sundry costs	10,920	10,920	5,779
Wages and salaries	130,989	130,989	124,535
National insurance	12,584	12,584	11,534
Pension cost	4,767	4,767	3,889
	647,252	647,252	628,648
Total 2017	628,648	628,648	

Canterbury Theatre and Festival Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 December 2018

9. Other expenditure

	Unrestricted funds 2018 £	Total funds 2018 £	As restated Total funds 2017 £
Historic irregularities	31,020	31,020	43,735
Insurance monies proceeds	(25,000)	(25,000)	-
	<u>6,020</u>	<u>6,020</u>	<u>43,735</u>
Total 2017	<u>43,735</u>	<u>43,735</u>	

In July 2018, a number of irregular transactions were identified as being of a fraudulent nature. As stated in the Trustees' report, these transactions were sustained during financial years 31 December 2015 to 31 December 2018. The amounts disclosed above relate to the loss specifically incurred in those years, together with any professional/legal fees incurred which relate to the irregularities.

The amount disclosed above in respect of the current year, also includes insurance monies received amounting to £25,000 in relation to the losses incurred, within the accounting period ended 31 December 2018.

The comparative amount for the year ended 31 December 2017 has been restated, as detailed above however, restatement of the financial statements for the year ended 31 December 2016 and 2015 is not required.

10. Net income/(expenditure)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the charity	5,130	5,311
Auditors' remuneration - audit	<u>6,850</u>	<u>4,500</u>

During the year, no Trustees received any remuneration (2017 - £NIL).

During the year, no Trustees received any benefits in kind (2017 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2017 - £NIL).

11. Trustee indemnity insurance

During the year the Charity paid £3,483 (2017: £4,814) for a complete insurance policy to include indemnity cover for the organisation and its Trustees from loss arising from neglect or defaults of its Trustees and Officers.

Canterbury Theatre and Festival Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 December 2018

12. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	207,960	229,942
Social security costs	20,324	22,308
Other pension costs	7,408	7,708
	<u>235,692</u>	<u>259,958</u>

The average number of persons employed by the charity during the year was as follows:

	2018 No.	2017 No.
Administration	6	7
Marketing	1	1
	<u>7</u>	<u>8</u>

No employee received remuneration amounting to more than £60,000 in either year.

The Trustees and certain other senior employees who have authority and responsibility for planning, directing and controlling the activities of the charity, are considered to be key management personnel. As noted above, no Trustees received remuneration during the year (2017: £Nil) and the total salaries received by key management personnel during the year was £118,725 (2017: £118,000). In addition employer pension contributions amounted to £5,087 (2017: £4,846) and employer national insurance contributions amounted to £13,117 (2017: £12,907).

13. Tangible fixed assets

	Long-term leasehold property £	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
Cost					
At 1 January 2018 and 31 December 2018	45,284	6,500	2,116	20,399	74,299
Depreciation					
At 1 January 2018	42,067	4,514	2,116	16,884	65,581
Charge for the year	670	1,986	-	2,474	5,130
At 31 December 2018	42,737	6,500	2,116	19,358	70,711
Net book value					
At 31 December 2018	2,547	-	-	1,041	3,588
At 31 December 2017	3,217	1,986	-	3,515	8,718

Canterbury Theatre and Festival Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 December 2018

14. Fixed asset investments

	Listed securities £
Market value	
At 1 January 2018	394,507
Disposals	(70,000)
Revaluations	(19,784)
	<hr/>
At 31 December 2018	304,723
	<hr/>
Historical cost	<u>278,195</u>

15. Debtors

	2018 £	2017 £
Trade debtors	12,610	21,044
Other debtors	9,802	27,876
Prepayments and accrued income	9,765	14,175
	<hr/>	<hr/>
	32,177	63,095
	<hr/>	<hr/>

16. Creditors: Amounts falling due within one year

	2018 £	2017 £
Bank loans and overdrafts	-	5,753
Trade creditors	22,429	7,612
Other taxation and social security	5,116	-
Other creditors	2,056	-
Accruals and deferred income	24,177	12,384
	<hr/>	<hr/>
	53,778	25,749
	<hr/>	<hr/>

Canterbury Theatre and Festival Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 December 2018

17. Financial instruments

	2018 £	2017 £
Financial assets measured at fair value through income and expenditure	304,723	394,507
Financial assets measured at amortised cost	22,412	48,920
	<u>327,135</u>	<u>443,427</u>
Financial liabilities measured at amortised cost	<u>48,662</u>	<u>25,749</u>

Financial assets measured at fair value through income and expenditure comprise investments.

Financial assets measured at amortised cost comprise trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, bank overdrafts, accruals and other creditors.

18. Statement of funds

Statement of funds - current year

	Balance at 1 January 2018 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2018 £
Designated funds					
Designated Funds - Orange Street maintenance fund	1,462	-	-	-	1,462
General funds					
General Funds	610,619	776,789	(793,937)	(19,784)	573,687
Total Unrestricted funds	<u>612,081</u>	<u>776,789</u>	<u>(793,937)</u>	<u>(19,784)</u>	<u>575,149</u>
Restricted funds					
Restricted Fund	2,430	-	-	-	2,430
Total of funds	<u>614,511</u>	<u>776,789</u>	<u>(793,937)</u>	<u>(19,784)</u>	<u>577,579</u>

Canterbury Theatre and Festival Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 December 2018

18. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 January 2017 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2017 £
Designated Funds - Orange Street maintenance fund	1,462	-	-	-	1,462
General funds					
General Funds	656,536	772,414	(844,307)	25,976	610,619
Restricted funds					
Restricted Fund	-	8,500	(6,070)	-	2,430
Total of funds	657,998	780,914	(850,377)	25,976	614,511

Designated funds

Orange Street Maintenance Fund

The board has designated the funds that it has specifically earmarked for necessary building maintenance.

Restricted funds

Restricted funds in respect of Kent Arts Investment and the Visual Evaluation of Made in Kent were received during the prior year and used for grants to artists.

Summary of funds - current year

	Balance at 1 January 2018 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2018 £
Designated funds	1,462	-	-	-	1,462
General funds	610,619	776,789	(793,937)	(19,784)	573,687
	612,081	776,789	(793,937)	(19,784)	575,149
Restricted funds	2,430	-	-	-	2,430
	614,511	776,789	(793,937)	(19,784)	577,579

Canterbury Theatre and Festival Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 December 2018

18. Statement of funds (continued)

Summary of funds - prior year

	Balance at 1 January 2017 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2017 £
Designated funds	1,462	-	-	-	1,462
General funds	656,536	772,414	(844,307)	25,976	610,619
	<u>657,998</u>	<u>772,414</u>	<u>(844,307)</u>	<u>25,976</u>	<u>612,081</u>
Restricted funds	-	8,500	(6,070)	-	2,430
	<u>657,998</u>	<u>780,914</u>	<u>(850,377)</u>	<u>25,976</u>	<u>614,511</u>

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
Tangible fixed assets	3,588	-	3,588
Fixed asset investments	304,723	-	304,723
Current assets	320,616	2,430	323,046
Creditors due within one year	(53,778)	-	(53,778)
	<u>575,149</u>	<u>2,430</u>	<u>577,579</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £
Tangible fixed assets	8,718	-	8,718
Fixed asset investments	394,507	-	394,507
Current assets	234,605	2,430	237,035
Creditors due within one year	(25,749)	-	(25,749)
	<u>612,081</u>	<u>2,430</u>	<u>614,511</u>

Canterbury Theatre and Festival Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 December 2018

20. Reconciliation of net movement in funds to net cash flow from operating activities

	2018 £	2017 £
Net expenditure for the year (as per Statement of Financial Activities)	(36,932)	(43,487)
Adjustment for:		
Depreciation charges	5,130	5,311
Gains/(losses) on investments	19,784	(25,976)
Dividends, interest and rents from investments	(179)	(37)
Dividends received and re-invested	-	(12,100)
Decrease/(increase) in debtors	30,917	(40,097)
Increase/(decrease) in creditors	33,783	(6,340)
Net cash provided by/(used in) operating activities	52,503	(122,726)

21. Analysis of cash and cash equivalents

	2018 £	2017 £
Cash in hand	140	110
Notice deposits (less than 3 months)	290,729	173,830
Overdraft facility repayable on demand	-	(5,753)
Total	290,869	168,187

22. Related party transactions

i) During the year, the trustees donated £17,422 (2017: £10,617) to the charity.

ii) As noted in the Report of the Trustees, Canterbury Theatre and Festival Trust has a close relationship with Canterbury Festival Foundation. The Canterbury Festival Foundation was incorporated in 2002 as a charitable company limited by guarantee, in order to promote and support the charitable objects of the Canterbury Theatre and Festival Trust. From the excess of income over expenditure the Foundation made a donation totalling £45,000 (2017: £36,000) to the Canterbury Theatre and Festival Trust in order to support its charitable activities for the year to December 2018.

23. Controlling party

The charity is a company limited by guarantee and was controlled throughout the year by the Trustees.