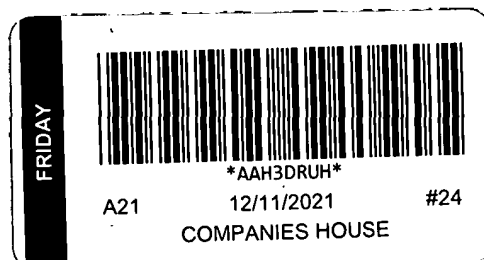


**CUMBRIA THEATRE TRUST**  
**(TRADING AS THEATRE BY THE LAKE)**

**ANNUAL REPORT**  
**AND**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31 2021**



**Company number: 1874868**

**Charity number: 516673**

**CUMBRIA THEATRE TRUST  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31 2021**

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**CUMBRIA THEATRE TRUST  
COMPANY INFORMATION  
FOR THE YEAR ENDED 31 MARCH 2021**

PRESIDENT	Dame Judi Dench	
FOUNDING PRESIDENTS	Graham Lamont Vicky Robinson MBE	
VICE PRESIDENTS	Nigel Illman Doreen Wilkinson	
PATRONS	Lord Bragg of Wigton Sir Tony Cunningham Hunter Davies OBE Dame Patricia Routledge DBE Eric Robson OBE Richard Wilson OBE	
DIRECTORS AND TRUSTEES	Charles Carter * Kate McLaughlin-Flynn * Anne Chambers ** Dr Jim Cox OBE * Steve Freeman Elizabeth Freestone Janaki Fryer-Spedding * Geoffrey Hall ** Ian Hill Fiona Lowry* Philip Moorhouse* Jenna Omeltschenko Godfrey Owen **	(Chair) (Vice Chair)    (Appointed 6/04/2021)   (Resigned 9/06/2021) (Appointed 6/04/2021) (Appointed 6/04/2021) (Appointed 6/04/2021)
	* Member of Finance Committee ** Member of Development Committee	
CHIEF EXECUTIVE	James Cobbold	
KEY MANAGEMENT PERSONNEL	Liz Stevenson – Artistic Director Rachel Swift – Head of Communications Michael Lawler – Head of Finance (until 15/12/2020) Becca Muir – Head of Development (until 27/08/2020) Hilary Rhodes – General Manager (until 25/10/2020)	
REGISTERED OFFICE	Theatre by the Lake Lakeside Keswick Cumbria CA12 5DJ	
AUDITORS	Chittenden Horley Chartered Accountants & Registered Auditors 456 Chester Road Old Trafford Manchester M16 9HD	
MAIN BANKERS	Barclays Bank plc Market Square Keswick Cumbria CA12 5BE	
COMPANY NUMBER	1874868	
CHARITY NUMBER	516673	
TELEPHONE	017687 72282	
WEBSITE	<a href="http://www.theatrebythelake.com">www.theatrebythelake.com</a>	

**CUMBRIA THEATRE TRUST  
CHAIR'S REPORT  
FOR THE YEAR ENDED 31 MARCH 2021**

This year has been dominated by the impact of the coronavirus (Covid-19) pandemic.

We first felt the effect of coronavirus before the end of the last financial year when theatres were closed by government in late March. We had no choice but to cancel immediately our Easter show, *Malory Towers*, a week before its opening night. With limited ability to rehearse and the introduction of social distancing meaning no prospect of viable audiences, we decided soon after to cancel our entire summer season. It was a major disappointment to lose Liz Stevenson's first major season as Artistic Director, which had included four world premieres. There was brief hope that we might be able to re-open with a Christmas show, but the reintroduction of lockdowns led to its cancellation too. The overall result was that the theatre building was closed for the entire financial year.

Ticket sales have historically provided over 60% of the company's income, so the loss of that income threatened the organisation's viability. In the immediate aftermath of closure, our regular grant from Arts Council England (ACE) that we receive as a National Portfolio Organisation (NPO), together with additional support from the ACE Emergency Fund enabled us to avert an immediate cashflow crisis. However, and as I noted in last year's report, we had no choice but to reduce our continuing costs to a level lower than our remaining principal source of revenue, our ACE NPO grant. The implication was that, with huge regret, we had to make the majority of our staff redundant.

This radical step was crucial to the theatre's survival, but has led to the consequential challenge of re-staffing and preparing the theatre to re-open. Making new work requires substantial expenditure before opening and the company had no free reserves to fund this. Our long term plan, initiated in 2015, was to invest the company's free reserves in building Lakeside, our café, with the intent that it would generate substantial additional income, first to restore those free reserves and then to provide additional revenue to fund the theatre's activities. While this financial plan was being followed successfully, the pandemic hit before free reserves had been fully restored.

We are therefore grateful to have received substantial funding over the year from government:

- ACE, who have continued to provide our regular NPO grant, and at the same time relieved us of the delivery conditions attached to it, in addition to an Emergency Response Fund grant
- The Department of Culture, Media and Sport (DCMS) who have given us two substantial grants from the Coronavirus Recovery Fund (CRF), administered by ACE
- Other government support including the furlough scheme, which enabled us to retain staff until July, and business rate relief on the café
- Allerdale District Council (grants), and Cumbria County Council (project grant).

We are equally grateful to have received substantial funding over the year from our friends and supporters:

- The Friends of Theatre by the Lake, who have passed over all the funds that they were holding with no conditions as to their deployment, other than restrictions on the final part of a legacy from a long-term supporter
- The substantial number of ticketholders who donated the cost of their tickets to cancelled productions; or who have retained ticket credits with us rather than ask for refunds, which provides a valuable cashflow benefit
- The substantial number of supporters, often the same ticketholders, who made additional donations

We have ended the financial year well placed to start to re-staff and fund future activity and to be able to reopen. The financial risks remain high as the introduction of further lockdowns at short notice could have a disastrous effect. However, the risks are understood, and steps are in place to manage them as effectively as we can.

We have not been entirely dormant over the last year. Artistically, using remote working and remote access we have produced on-line activities described elsewhere in this report to keep our regular audiences engaged and in touch. We are really looking forward to co-producing a production of *Home I'm Darling* which opens in Scarborough in June, transferring to Bolton before being staged at Theatre by the Lake in October 2021. Administratively, we have taken the opportunity of closure to update our website and to replace both our ticketing system and our accounting system.

Lastly, we are starting to think hard about what Theatre by the Lake will look like in the future. We have a tremendous base on which to build but equally we recognise that we need to change. We intend to improve the way that we work with and reflect our local communities and we want to take even more advantage of our location. Prior to coronavirus, we already knew that our financial sustainability was increasingly challenged and we need to find ways of structuring our programmes to underpin long-term financial security. We increasingly think that we can build on the disruption triggered by the pandemic to build a new and exciting future for the theatre.

**CUMBRIA THEATRE TRUST  
CHAIR'S REPORT  
FOR THE YEAR ENDED 31 MARCH 2021**

On behalf of fellow Trustees I will close with thanks to two particular groups.

- First, the Friends of Theatre by the Lake. "The Friends" has been a separate organisation since before the theatre opened (and a separate charity since 2005) and has been hugely supportive over the last 25 years. For a variety of reasons, not least administrative overlap with the theatre, the committee of the Friends has taken the decision to close the charity. The theatre will take over the Friends scheme – probably in a slightly different guise – but we remain immensely grateful to the Friends for their contribution over many years, and the last year in particular.
- Second, to James Cobbold, Liz Stevenson and the theatre team as a whole for their commitment over the last year. As a small team in difficult circumstances, they have been remarkable.

Lastly, I would like to offer my thanks to my fellow Trustees, who have provided inordinate time and support over the last year. I am immensely grateful personally and without that support, we would not be in the position that we are now.

I am also thankful for the tremendous support that has been given to us from a wide range of organisations and individuals. We are immensely optimistic about the future and cannot wait to return!

**Charles Carter**

Date: 25/09/21

## **CUMBRIA THEATRE TRUST TRUSTEES' AND DIRECTORS' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021**

The trustees present their annual report together with the consolidated financial statements of the charity and its subsidiaries for the year ended March 31 2021.

### **REPORTING FRAMEWORK**

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and 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 (FRS102) (effective 1 January 2019), referred to as the Charities SORP (FRS 102) (second edition – October 2019).

### **OBJECTIVES**

The objectives of Cumbria Theatre Trust (CTT) are:

- "to promote and advance the arts and in particular the performing arts for the benefit of the public"; and
- "to promote and advance education through the development and delivery of creative learning programmes for people of all ages".

The mission that shapes CTT's activities is "to provide a year-round theatre and performing arts resource for communities of, and visitors to, Cumbria". To support this, a permanent theatre building was created in Keswick which presented its first performance on 19 August 1999. Theatre by the Lake (TBTL) is the only professional producing theatre in Cumbria.

### **STRATEGIES**

CTT seeks to deliver its mission through the presentation of performances at TBTL in Keswick, and other venues, and through education and participatory activities. The cornerstone of CTT's strategy is to plan, create and present professional theatre performances in its specialist theatre facilities. In-house productions are complemented by incoming work that provides wide-ranging opportunities for audiences and participants, maximises the use of the theatre facilities and helps to secure the income which underpins the whole operation. The delivery of education and participation activities also represents an important strategy, particularly to widen engagement, raise aspirations and build audiences for the future.

### **SPECIAL CIRCUMSTANCES IN 2020-21**

The impact of the Coronavirus (COVID-19) pandemic on CTT was severe. The enforced closure by government of all theatres through 2020-21, together with the constraints of gathering in anything other than very small groups, resulted in the theatre delivering minimal activity in the year. However, we were not entirely dormant and over the year.

Throughout the year we engaged with our audiences online. Activities included:

- Our popular monthly play reading club (over 260 attendances)
- A series of online webinars and workshops delivered by professional artists introducing young people to theatre-making
- The start of our first ever digital programme 'Spark' which started in February 2021, which included live rehearsed readings, scratch performances, a series of audio plays by local writers, and sharing digital productions from new partner theatres and companies.
- We set up 'Cumbrian Creatives' an artist network for Cumbrian theatre makers to connect and benefit from opportunities (currently 266 members). Completing Arts Award Explore with our youth theatre via zoom, and delivering a series of online workshops for 14-18 year old delivered by a diverse group of professional freelance theatre-makers.

Over the course of the Spark programme alone, 37 freelance theatre-makers were employed. We commissioned three artists to develop new ideas for our programme, and we co-commissioned a treatment for *Steel* a new play by a Cumbrian playwright in partnership with Pentabus. We also invested in two Research and Development processes with a view to programming these productions in 2022.

Whilst closed, we wanted to ensure the theatre building was viewed as a creative space. We commissioned a theatre designer to create a community exhibition in our gallery space and two separate installations in the foyer for passers-by to enjoy. We also provided limited services from our catering operations. 2019/20 was the fifth full year of operation for the new café building, the operation of which is outsourced to BaxterStorey Limited along with all bars and catering operations at the theatre. The intent is that these operations will provide an additional revenue stream to the theatre.

Given circumstances, TBTL Services Ltd (TBTLS) and BaxterStorey Ltd jointly agreed to suspend the existing contract with its requirements on BaxterStorey to deliver certain levels of service and provide minimum guaranteed payments, replacing it with a simple interim arrangement for the year. Under this arrangement BaxterStorey agreed to provide services in the new café building and kiosk on a reasonable endeavours basis, with TBTLS receiving a proportion of the sales made together with certain expenses. Under these arrangements, TBTLS received income of £20,750 from BaxterStorey over the year.

**CUMBRIA THEATRE TRUST  
TRUSTEES' AND DIRECTORS' ANNUAL REPORT  
FOR THE YEAR ENDED 31 MARCH 2021**

**FINANCIAL REVIEW**

Background

In the long term, CTT's key financial objective is to ensure financial stability so that the charity can pursue its artistic and educational aims and objectives. In support of this objective are policies relating to reserves, financial risk, trading activities and fundraising which are addressed in more detail within this report.

The extraordinary circumstances of this financial year have required the Trust to introduce short-term financial objectives, while remaining cognisant of its longer term aims.

At the start of the financial year, the overriding aim of the Trust was to maintain a positive cash position at all times.

This intent was made easier by Arts Council England (ACE) declaring at an early point that it would continue its funding to the theatre under the National Portfolio Organisation (NPO) funding programme, including the acceleration of one quarterly payment. By mid-May 2020, the Trust also applied for additional ACE funding from its Emergency Response Fund, as well as applying for funding under various government schemes including the Job Retention (furlough) scheme. The success of these applications secured the theatre's short-term survival.

Even with this additional funding, it was clear that the uncertainties around ticket income (unknown re-opening date, combined with the likelihood of reduced audiences as a result of social distancing), together with a probable end to the government's furlough scheme, meant that we had to reduce our costs to be lower than our regular ACE NPO grant in order to maintain a positive cash position over the year. This resulted in the decision to make the majority of staff redundant.

By June 2020, it was clear that we could meet our short-term financial objective of maintaining a positive cash position through the balance of the financial year. However, it was also clear that we would not have the funds available to re-open the theatre, including the necessary re-staffing.

The second financial objective was therefore developed in tandem with the application conditions attaching to the Department of Culture, Media and Sport (DCMS) Culture Recovery Fund (CRF), administered by ACE. This was to generate sufficient funding to make the theatre building Covid-safe, and to fund two productions.

Applications were made in two rounds of CRF funding. The success of these applications (the first in full and the second in part), has been boosted by better than expected outturns in:

- **Fundraising**, principally
  - Donations from unused tickets
  - General donations
  - Donations from the Friends of Theatre by The Lake
- **Trading**
  - Income from the interim BaxterStorey arrangements
- **Cost management**
  - Lower costs for utilities etc while the buildings were closed
- **One-off events:**
  - Repayment of a longstanding VAT claim

The result is that the Trust has ended the year with substantial cash balances (boosted further by ticket credits that customers have not asked to be returned) and restored reserves. This means that the Trust can revert to its long-standing financial objectives as it starts the 2021/22 financial year, although recognising that the risk to income remains higher than normal because of the continuing pandemic-related threats to ticket sales.

Overview

For the financial year ended 31 March 2021, the Group realised a surplus on unrestricted funds, after transfers of £505,696. This is substantially higher than anticipated at any point in the year. Total incoming resources, including restricted funds relating to special projects, were £2,269,351.

CTT has prepared accounts in compliance with Charities SORP (FRS 102). The statement of financial activities (SOFA), balance sheet, cash flow statement and notes are set out from page 15 onwards.

**CUMBRIA THEATRE TRUST  
TRUSTEES' AND DIRECTORS' ANNUAL REPORT  
FOR THE YEAR ENDED 31 MARCH 2021**

The following simplified income and expenditure account summarises unrestricted funds activity during the year, including management charges and donations paid by the subsidiary trading company to CTT.

	Unrestricted funds 2021		Unrestricted funds 2020	
	£		£	
<b>Income</b>				
Box office receipts	1,383	0.1%	1,922,620	62.6%
Other trading	36,700	2.7%	340,430	11.1%
Donations and partnerships	200,691	15.0%	73,733	2.4%
Education/training income	2,019	0.2%	15,151	0.5%
Investment income	757	0.0%	1,018	0.0%
Other income	15,353	1.1%	102,002	3.3%
Grants – inc. Arts Council	1,081,456	80.9%	614,067	20.0%
	<u>1,338,359</u>	<u>100.0%</u>	<u>3,069,021</u>	<u>100.0%</u>
<b>Expenditure</b>				
Costs of theatre operations and performances	842,721	87.4%	2,777,424	90.3%
Education/training costs	77,368	8.0%	26,300	0.9%
Trading subsidiary expenditure	23,037	2.4%	252,809	8.2%
Other costs of generating funds	20,843	2.2%	19,321	0.6%
	<u>963,969</u>	<u>100.0%</u>	<u>3,075,854</u>	<u>100.0%</u>
<b>Net incoming/(outgoing) resources before other recognised gains/(losses)</b>	374,389		(6,833)	
Transfers from restricted funds	127,017			
Theatre Tax Credit	4,289		139,784	
<b>Net incoming resources</b>	<u>505,695</u>		<u>132,951</u>	

**Funding and Fundraising**

CTT generates income from its activities – ticket sales, ancillary trading, contracts for services, grants for specific projects, fundraising, etc. – which, in a 'normal' year such as 2019/20, represented around 80% of annual turnover. The balance of regular income is made up of grants. Our annual core funding from Arts Council England (ACE), which supports the full range of artistic activity, usually equates to approximately 20% of turnover.

In 2020/21 the circumstances were very different

2020/21 was the third year of a four-year commitment from ACE under the National Portfolio Organisation (NPO) funding programme. As a consequence of funding cuts from central government, and in common with the majority of NPOs, CTT was awarded only a cash standstill grant for the four year period (£604,067 p.a.). This was increased slightly during the year to £625,534 p.a.

Very early in the pandemic, ACE agreed to maintain this grant while at the same time relieving the Trust of all conditions attaching to it (for example, the requirement to produce a certain number of shows each year and deliver certain educational aims). ACE have also declared an intent to extend the NPO programme by one further year, although the Trust will be required to apply for this extension.

During the year, ACE also made three further grants to the theatre either directly or as the administrator for the Department of Culture, Media and Sport (DCMS). These were:

- ACE Emergency Response Fund £180,000
- DCMS Culture Recovery Fund 1 £878,492
- DCMS Culture Recovery Fund 2 £87,699 (for 21/22)

The Trust is immensely grateful to DCMS and ACE for this funding.

We are also grateful to Cumbria County Council for their support of the Trust through their award of a funding grant for National Portfolio Organisations in Cumbria, the first receipt of which was in 2018/19, and Keswick Town Council for their continued project-based funding.



**CUMBRIA THEATRE TRUST  
TRUSTEES' AND DIRECTORS' ANNUAL REPORT  
FOR THE YEAR ENDED 31 MARCH 2021**

The table below summarises core funding received over the last 5 years.

<b>Cumbria Theatre Trust – annual grant aid (£), 2016-2021</b> <i>(excluding emergency funding described above)</i>					
	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>
Arts Council England NPO	604,067	604,067	604,067	604,067	625,534
Cumbria County Council	3,000	0	10,000	10,000	10,000
Keswick Town Council	3,500	3,500	3,500	3,500	3,000

Substantial donations were also received from the Friends of Theatre by the Lake (the Friends) amounting to £126,355. These donations are considerably larger than prior years. There are two principal reasons for this. First, it is due to a substantial legacy received by the Friends that has been handed over to the theatre. Second, it is because the Friends, a separate charity, has decided to discontinue its operations and close down, principally because there is substantial administrative overlap with the Theatre's operations. Its core membership operation will transfer to the theatre (and is likely to evolve over time). The Friends have transferred the majority of the funds that they were holding to the theatre and this has boosted the donation this year. Because of the closure of the charity, there will be minimal transfers in future years.

The trustees place great importance on relationships with donors and supporters and are committed to ensuring best practice through ethical, sustainable fundraising. The charity is not currently registered with a regulatory body but follows the principles of the Fundraising Regulator's voluntary regulation scheme. No commercial participator carried out any fundraising activities.

**Income from Activities**

There was minimal income from ticket sales this year.

CTT operates a subsidiary company for trading activities which might fall outside its charitable objectives, including bars and catering, ice creams, merchandise and programmes. In March 2016, the operation of bars and catering activities was contracted for a five year period to BaxterStorey Limited, a commercial operator, who contribute a proportion of turnover, with a guaranteed monthly payment, to the subsidiary company. This contract, including the minimum guarantees, was suspended for 2020/21 and replaced with a reasonable endeavours contract which rewarded the Trust on the basis of a percentage of sales.

TBTL Services Limited donates its profits to CTT through Gift Aid.

Our second subsidiary company, Theatre by the Lake Productions Limited, is a Special Purpose Vehicle company which was set up to prepare productions for presentation at TBTL and other venues, and to claim theatre tax relief.

CTT's financial statements for the year ended 31 March 2021 are consolidated with the profit and loss accounts of TBTL Services Limited and Theatre by the Lake Productions Limited. TBTL Services Limited made a net profit of £13,663, which was donated to the Charity (see also note 28). Theatre by the Lake Productions Limited made a loss of £4,289 before submitting a tax credit claim to HMRC (see also note 29).

**Public Benefit**

The Trustees are aware of the Charity Commission guidance on public benefit.

Given the circumstances of the last year, the public benefit provided by the Trust was minimal by comparison with prior years. Nevertheless, the majority of performances in this year, which reached some 740 people, were free of charge.

**Investment Powers and Policy**

The Trust's investment powers are defined in the Memorandum of Association, however no investments were held during 2020/21.

**Reserves Policy**

The unrestricted reserves of the Trust are £1,836,490. The Trust also has restricted reserves of £3,764,945 not available for the general purposes of the charity at the end of the year. Reserves are further analysed in notes 19 and 20.

Free reserves, of the Trust, were £539,003 at the year-end (2020: £10,000).

At 31 March 2021 cash reserves stood at £1,277,154 including cash representing restricted fund balances (£455,185) and deferred income and third party resources (£210,405).

Over the financial year 2020-21, the Trustees have monitored cash closely. They have ensured that all income budgets were constructed on a conservative basis (for example, this included budgeting nil ticket income, high levels of ticket refunds, minimal success at fundraising, minimal income from trading, only partial success with ACE grant applications) and cost budgets similarly. As the year has progressed, and particularly towards the end of the year, it has become clear that income (other than ticket income) has substantially exceeded expectations.

## **CUMBRIA THEATRE TRUST TRUSTEES' AND DIRECTORS' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021**

The trustees consider that the level of free reserves at the current time is satisfactory and provides contingency against one failed production that would need to be cancelled as a result of reinstated lockdowns and theatre closures.

The Trustees will monitor reserves closely over the coming year and re-establish a target figure in the light of prevailing conditions and experience.

### Financial Control and Audit

The board of trustees delegates review of the effectiveness of all internal controls, including operational, financial and compliance controls and risk management systems to the Finance Committee. The internal control systems are appropriate to the scale and complexity of the organisation. Detailed management accounts are reviewed by the Finance Committee, whilst summary management account are presented regularly to meetings of the board of trustees.

In the early part of 2020/21, when conditions were uncertain, the Finance Committee required management to produce short-term budgets and authorised these monthly, and any additional expenditure outside these item-by-item.

The Finance Committee monitors and reviews financial performance, financial management and management reporting arrangements, and then reports its findings to the main board. The finance specialist on the board (Kate McLaughlin-Flynn) chairs the Finance Committee

The full board accepts responsibility for financial matters, though in practice much of the work is delegated to the Finance Committee. Processes include scrutiny of management accounts throughout the year, consideration of accounting and investment policies, risk management policies and compliance with statutory requirements. The Finance Committee will also respond to any relevant matters relating to annual financial statements raised by the external auditors as a result of audit work. The full board will consider the appointment of the external auditors and approves their remuneration and terms of engagement.

### Financial Risk Management

The Finance Committee considers the financial risks to which CTT may be exposed, assesses their potential impact on the organisation and identifies strategies to mitigate their effect, should those risks materialise. CTT's risk management strategy and the principal risks and uncertainties, including financial risks, are outlined on page 9.

## **PLANS FOR FUTURE PERIODS**

### Priorities for 2021/22

Our intended plan for 2021/22 is to adopt a conservative approach that reflects the continuing impact of coronavirus. Our priority for 2021/22 is to ensure that Cumbria Theatre Trust survives and is sustainable in the future. Our specific priorities are:

- To re-open with a production of *Home I'm Darling* in late Summer 2021. This is a co-production to reduce the front-end costs and income is budgeted based on some social distancing
- To mount a home-produced Christmas production with income that is based on no social distancing
- In addition, to mount various minor and visiting productions.

### Plans and Objectives for 2021/22 and Beyond

In early 2020 we had embarked on developing a strategy for 2021 and beyond that would continue to develop our role as a leading producing theatre and build stronger links with our local communities. Importantly, this strategy was also intending to address the necessary changes to our business model to enable us to operate effectively in an increasingly stringent business environment. The intent was that this strategy and associated plan would form the basis of an application to Arts Council England for continued funding as part of its National Portfolio.

The hiatus caused by coronavirus does not affect our ability to plan for the future. However, we cannot plan on the same basis as before because the environment in which we are operating has changed, not least because there is considerable uncertainty as to:

- the continuing impact of coronavirus on our ability to stage productions, including the ability to rehearse, and the willingness of employees and volunteers to work in confined spaces
- when audiences will return. Our experience of previous significant downturns (e.g. foot and mouth in 2007, flooding and the financial crisis in 2008-10) show that audiences can be slow to return and we suspect that the same will happen with this crisis, exacerbated by the fact that a significant proportion of our historical audiences fall into categories where there is higher risk of harm from coronavirus
- how Arts Council England, or government more generally, will support theatre into the future.

We have resuscitated this planning process, and will by mid 2021 produce an outline plan for 2022/23 and by the end of the year a longer term plan for the theatre.

**CUMBRIA THEATRE TRUST  
TRUSTEES' AND DIRECTORS' ANNUAL REPORT  
FOR THE YEAR ENDED 31 MARCH 2021**

**PRINCIPAL RISKS AND UNCERTAINTIES**

Cumbria Theatre Trust's risk management strategy comprises:

- regular review of the principal risks and uncertainties faced by the group;
- the establishment of policies, systems and procedures to mitigate those risks;
- the implementation of procedures to minimise or manage any potential impact on the organisation, should those risks materialise.

This overall approach remains valid, although the risk analysis has been re-worked temporarily to reflect the current situation.

At present, the charity is entirely reliant on support from Arts Council England for its survival. As part of the Arts Council England's 2018-22 National Portfolio, CTT receives funding and has to meet certain conditions in return, which are principally focused on delivering a prescribed amount and quality of artistic content. At present the charity's most significant risk is loss of Arts Council England funding or re-imposition of its conditions (which the charity would be unable to meet as it does not have the staff to deliver them). If either of these risks materialise, it would adversely affect the charity's ability to operate.

Provided Arts Council England continue with the current arrangements, and given the cash balances that we have built over 2020-21, trustees are confident that the charity can be sustained in its current form. Given previous experience with establishing the theatre in Keswick in the 1990s, and dealing with other the after effects of major crises including foot & mouth, flooding and the global financial crisis, trustees are confident that, using the approach described above, they can find a path to reopen the theatre and, over time, return to be a business of similar scale.

As the theatre moves towards re-opening, we will return to a risk management process similar to that which we used previously, which identified that the principal risks and uncertainties faced by CTT. These relate to its financial ability to create and stage performances to standards which will retain the interest and support of the public; operational issues relating to the management, maintenance and conduct of a public building; and uncertainties relating to future income.

**GOING CONCERN**

The Trustees have reviewed forward projections that demonstrate financial sustainability based on:

- ticket revenues that are lower than pre-Covid levels (because there will be fewer performances and restricted audiences);
- costs that are lower than pre-Covid levels (principally because of lower permanent staffing levels); and
- cash and reserves that have increased due to additional grant support (including from ACE), donations and closely managed costs.

Having considered the risks inherent in these projections, and having reviewed the charity's reserves the Trustees have concluded that it is appropriate to prepare these accounts on a going concern basis.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing Documents**

CTT is a company limited by guarantee, governed by its Memorandum and Articles of Association dated 4 December 1984. It is registered with the Charity Commission.

CTT established a wholly owned trading subsidiary company for the benefit of the charity, TBTL Services Limited, a private company limited by shares, governed by its Memorandum and Articles of Association dated 22 June 2009.

Theatre by the Lake Productions Limited, a special purpose vehicle wholly owned subsidiary company, was established for CTT to take advantage of the government's theatre production tax credit scheme. It is a private company limited by shares and governed by its Articles of Association dated 13 October 2014.

**Organisation**

The governing body of CTT is the board of trustees whose members are non-executive and unpaid. The board normally meets at least four times a year and retains full and effective control over the Company. The board of trustees has a set of board rules which provide a detailed framework for the conduct of the company, including the appointment, roles and responsibilities of trustees, delegation of responsibilities and the conduct of meetings. The board delegates the management and artistic operation of the company to the Executive Director (Chief executive) and Artistic Director. They normally attend meetings of the board, together with other senior staff, as appropriate. All staff who attend board meetings do so as non-voting participants. The Executive Director currently acts as company secretary for CTT, TBTL Services Ltd and Theatre by the Lake Productions Limited.

**CUMBRIA THEATRE TRUST  
TRUSTEES' AND DIRECTORS' ANNUAL REPORT  
FOR THE YEAR ENDED 31 MARCH 2021**

The board of trustees takes responsibility for appointing the Executive Director and Artistic Director and will determine the contract of employment and monitor the performance of individuals undertaking these roles. The responsibility for the appointment of other staff would normally be delegated to the Executive Director and Artistic Director.

Unusually and directly as a result of the coronavirus crisis, the Board or Finance committee met over 40 times by videoconference over 2020/21, mostly for short update and decision-making meetings.

#### **Trustee Appointment**

The Articles of Association specify that the number of members of the board is not less than five and not more than fifteen, including trustees nominated by external bodies currently designated in the board rules. At present, only the Friends of Theatre by the Lake take up this role. Nominated representative members on the board are not subject to the electoral process but are deemed to have resigned as members if they are no longer the nominee of the organisation they represent.

Elected directors would normally retire at the end of their term of office (up to 4 years) but may seek re-election for a second term.

At the 2020 AGM two Trustees, Godfrey Owen and Geoffrey Hall, were re-elected for one year. Both Trustees had completed their final term but, given circumstances, Trustees wished to retain their experience for the subsequent year.

#### **Meetings and Board Rules**

The Articles of Association and board rules provide for the appointment, or re-appointment, of a Chair, or two people to serve as Joint Chairs, for a period of four years. Charles Carter was appointed as the Chair with Kate McLaughlin-Flynn appointed as Vice-Chair on 19 August 2019.

The quality, effectiveness and timeliness of information provided to the board of trustees is kept under review, as are arrangements for conducting board business, including delegation to committees. Two standing committees were established during the year: the Finance Committee and a Development Committee which consider financial matters and fundraising matters, respectively, in more details than would be appropriate at full board meetings.

Special groups are formed from time to time to deal with specific items, for example, the process for recruitment of a new Artistic Director in early 2019 was delegated to a special group comprising select trustees, plus external advisers.

#### **Directors' Transactions**

From time to time, members of the board or persons connected with them may enter into transactions with CTT in the normal course of business of both parties. It is the board's policy that any such transactions should be revealed to and approved by the board. There were no such transactions this year.

Relevant transactions during the year, are disclosed in note 28 (page 30). All transactions are considered by trustees to represent excellent value for money and fully compliant with Charity Commission guidelines.

#### **Related Parties and Co-operation with Other Organisations**

None of our trustees receives remuneration or other benefit from their work with the charity. Any connection to a related party must be declared. There were no such connections this year.

The charity's wholly owned subsidiary companies operate for the benefit of the charity. TBTL Services Limited operates bars and catering services and other ancillary trading activities; Theatre by the Lake Productions Limited enables the charity to take advantage of the government's theatre production tax credit scheme.

CTT has a close relationship with the Friends of Theatre by the Lake, a registered charity whose objects include financial support for CTT. The trust also has relationships with funders, each of whom agrees specific targets and objectives.

#### **Staff and Internal Policies**

##### Staff Numbers

The average number of employees in 2019/20 was 52.

The statement of an average number of employees for 2020/21 would be misleading. Over the first half of 2020/21 39 staff were made redundant with one further employee being made redundant in December 2021, with the result that at 31 December 2020, the number of employees was 11. This increased to 15 by 31 March 2021.

##### Volunteers

Recruitment, induction and training of volunteers represents a vital element of CTT's staffing strategy, with approximately 240 dedicated front of house staff 'on the books'. Due to the theatre's closure, no volunteer support was used through the year. Full-time staff have kept in touch with the volunteer workforce by email and videoconference as they represent a vital part of the theatre's success, particularly in offering a unique welcome to theatre customers. In financial terms, our volunteers' contribution in a 'normal' year is valued at around £150,000 per annum.

**CUMBRIA THEATRE TRUST  
TRUSTEES' AND DIRECTORS' ANNUAL REPORT  
FOR THE YEAR ENDED 31 MARCH 2021**

Pay Policy

Trustees are aware that salaries, particularly for key specialist staff, have always been significantly below national comparators within theatre and the arts. The aspiration has been to offer more competitive salaries for specialist staff and policy has been to ensure that pay awards are implemented as and when these become affordable.

No employee was paid in excess of £60,000 excluding employer's national insurance and pension contributions (2019/20 – none).

**DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the company and of the surplus or deficit of the company for that period. In preparing those financial statements, the directors have:

- identified suitable accounting policies, reviewed these policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepared the financial statements on the going concern basis.

The directors are responsible for keeping records which disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information.

The financial statements have been prepared in accordance with the accounting policies set out on pages 19 and 20 and comply with the Statement of Recommended Practice (as applicable to charities preparing their accounts in accordance with FRS 102), current statutory requirements and the governing document.

**SMALL COMPANY PROVISIONS AND APPROVAL**

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Approved by the Board of Trustees and signed on its behalf by:

On behalf of the Board

*Charles Carter*

**Charles Carter** - Chair

Date: September 25 2021

**CUMBRIA THEATRE TRUST**  
**INDEPENDENT AUDITORS REPORT TO THE MEMBERS AND TRUSTEES OF CUMBRIA THEATRE TRUST**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**Opinion**

We have audited the financial statements of Cumbria Theatre Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended March 31 2021 which comprise the Group Statement of Financial Activities, the Group and parent Charity's Balance Sheets, the Group and Parent Charity's Statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at March 31 2021 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

**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 auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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

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

- the information given in the trustees' report (incorporating the [directors' report] for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the [strategic report and the]<sup>7</sup> directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' 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 directors' report and from the requirement to prepare a strategic report.

**CUMBRIA THEATRE TRUST**  
**INDEPENDENT AUDITORS REPORT TO THE MEMBERS AND TRUSTEES OF CUMBRIA THEATRE TRUST**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**Responsibilities of trustees**

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

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

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

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks in respect of irregularities and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognize non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with the directors and other management, and from our professional knowledge and experience of the charity sector and theatres in particular;
- We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statement to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual and alleged fraud;
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and
- Understanding the design of the company's remuneration policies.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 3 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing the financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to the actual and potential litigation claims; and
- reviewing correspondence with relevant regulators and HMRC.

No instances of material non-compliance were identified. However, there are inherent limitations in our audit procedures described above.

**CUMBRIA THEATRE TRUST  
INDEPENDENT AUDITORS REPORT TO THE MEMBERS AND TRUSTEES OF CUMBRIA THEATRE TRUST  
FOR THE YEAR ENDED 31 MARCH 2021**

The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members and its trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

*Peter Smith*

**Peter Smith BA FCA DChA– Senior Statutory Auditor**

For and on behalf of:  
HGA Accountants & Financial Consultants Ltd t/a Chittenden Horley  
Chartered Accountants and Statutory Auditors  
456 Chester Road  
Old Trafford  
Manchester M16 9HD

Date: October 22 2021



HGA Accountants & Financial Consultants Ltd t/a Chittenden Horley is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.



**CUMBRIA THEATRE TRUST**  
**GROUP STATEMENT OF FINANCIAL ACTIVITIES (including the income and expenditure account)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
<b>INCOME</b>					
Donations	2	1,282,147	927,992	2,210,139	778,969
Charitable activities	3	3,402	3,000	6,402	2,010,906
Other trading activities	4	52,053	-	52,053	370,262
Investment income	5	757	-	757	1,018
<b>TOTAL INCOME</b>		<b>1,338,359</b>	<b>930,992</b>	<b>2,269,351</b>	<b>3,161,155</b>
<b>EXPENDITURE</b>					
Costs of raising funds	6	43,880	-	43,880	272,174
Costs of charitable activities	7	920,089	514,621	1,434,710	3,071,681
<b>TOTAL</b>		<b>963,969</b>	<b>514,621</b>	<b>1,478,590</b>	<b>3,343,855</b>
<b>Net income / (expenditure) before transfers / taxation</b>		<b>374,390</b>	<b>416,371</b>	<b>790,761</b>	<b>(182,700)</b>
Transfers	19	127,017	(127,017)	-	-
Theatre tax credit claimable	29	4,289	-	4,289	139,784
<b>Net movement in funds (net income after taxation)</b>		<b>505,696</b>	<b>289,354</b>	<b>795,050</b>	<b>(42,916)</b>
<b>Reconciliation of funds</b>					
Total funds brought forward	19	1,330,794	3,475,591	4,806,385	4,849,301
<b>Total funds carried forward</b>	<b>19</b>	<b>1,836,490</b>	<b>3,764,945</b>	<b>5,601,435</b>	<b>4,806,385</b>

The notes on pages 17 to 31 form part of these financial statements.

**CUMBRIA THEATRE TRUST  
GROUP AND PARENT CHARITY BALANCE SHEET  
AS AT 31 MARCH 2021**

	Notes	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
<b>FIXED ASSETS</b>					
Tangible assets	11	4,580,008	4,749,804	4,580,008	4,749,804
Intangible assets	12	27,040	-	27,040	-
Investments	13	-	-	200	200
Total Fixed Assets		4,607,048	4,749,804	4,607,248	4,750,004
<b>CURRENT ASSETS</b>					
Stocks	14	2,387	5,541	2,387	4,221
Debtors	15	153,542	274,320	169,258	276,267
Cash at bank and in hand		1,277,154	451,411	1,254,071	438,054
Total Current Assets		1,433,083	731,272	1,425,716	718,542
<b>CREDITORS</b>					
Amounts falling due within one year	16	(438,696)	(674,691)	(431,529)	(662,161)
<b>NET CURRENT ASSETS</b>					
		994,387	56,581	994,187	56,381
<b>TOTAL NET ASSETS</b>					
		5,601,435	4,806,385	5,601,435	4,806,385
<b>FUNDS</b>					
Unrestricted Fund	19	1,836,490	1,330,794	1,836,490	1,330,794
Restricted Funds	19	3,764,945	3,475,591	3,764,945	3,475,591
		5,601,435	4,806,385	5,601,435	4,806,385

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The notes on pages 17 to 31 form part of these financial statements.

Approved by the Board of Directors and authorised for issue on: September 25 2021

*Charles Carter*

C Carter – Director

Company registration number: 1874868

**CUMBRIA THEATRE TRUST**  
**GROUP AND PARENT CHARITY STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
<b>Cash flows from operating activities</b>				
Net cash provided by (used in) operating activities	<u>736,654</u>	<u>(27,349)</u>	<u>860,729</u>	<u>164,964</u>
<b>Cash flows from tax credits:</b>				
Theatre tax credit received	<u>133,800</u>	<u>183,232</u>	<u>-</u>	<u>-</u>
<b>Cash flows from investing activities:</b>				
Bank Interest	757	1,018	757	1,018
Purchase of property plant and equipment	(11,669)	(49,899)	(11,669)	(49,899)
Website	(33,800)	-	(33,800)	-
Net cash (used in) investing activities	<u>(44,712)</u>	<u>(48,881)</u>	<u>(44,712)</u>	<u>(48,881)</u>
Change in cash and cash equivalents in the year	825,742	107,002	816,017	116,083
Cash and cash equivalents at the start of the year	451,411	344,409	438,054	321,971
Cash and cash equivalents at the end of the year	<u>1,277,153</u>	<u>451,411</u>	<u>1,254,071</u>	<u>438,054</u>

**Reconciliation of net income/(expenditure) to net cashflow from operating activities**

Net (expenditure) per the SoFA	790,761	(182,700)	795,050	(182,700)
Adjustments for:				
Depreciation charges	181,465	186,925	181,465	186,925
Amortisation charges	6,760	-	6,760	-
Dividends and interest from investments	(757)	(1,018)	(757)	(1,018)
(Increase)/decrease in stocks	3,155	1,939	1,834	687
(Increase)/decrease in debtors	(8,734)	68,102	107,009	264,472
Increase/(decrease) in creditors	(235,996)	(100,597)	(230,632)	(103,402)
Net cash provided by (used in) operating activities	<u>736,654</u>	<u>(27,349)</u>	<u>860,729</u>	<u>164,964</u>

**Analysis of cash and cash equivalents**

Cash in hand	1,277,153	451,411	1,254,071	438,054
Total cash and cash equivalents	<u>1,277,153</u>	<u>451,411</u>	<u>1,254,071</u>	<u>438,054</u>

There was no movement in net debt in this or the preceding year.

**CUMBRIA THEATRE TRUST**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

**1 ACCOUNTING POLICIES**

**Basis of preparation**

The financial statements have been prepared: under the historic cost convention; in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) effective January 1 2019 (second edition – October 2019); FRS102; and the Companies Act 2006. The charity constitutes a public benefit entity as defined by FRS102.

The accounts are prepared in £ sterling, which is the functional currency.

**Going Concern**

The Trustees have addressed the impact of COVID 19 in their annual report, and have concluded that there are no issues concerning the Group's ability to continue as a going concern.

**Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**Group financial statements**

These financial statements consolidate the results of the Charity and its wholly owned subsidiaries (TBTL Services Ltd and Theatre By The Lake Productions Ltd) on a line by line basis. A separate Statement of Financial Activities (including the income and expenditure account) for the Charity because it has taken advantage of the exemption afforded by s408 of the Companies Act 2006.

**Fund Accounting**

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the charitable objectives of Cumbria Theatre Trust. Restricted funds are funds subject to specific restrictive conditions imposed by donors or by the purpose of the grant. The purpose and use of these funds is set out in note 21.

**Incoming resources**

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. The following applies to particular types of income:

**Grants**, whether of a capital or revenue nature, are recognised when the charity has entitlement to the funds, any performance conditions have been met and it is probable that the income will be received.

**Donations** from individuals and other bodies (not being of the nature of a grant) are recognised when receivable.

**Earned income** is measured at the fair value of the consideration received or receivable for services and goods supplied, net of discounts and VAT.

**In kind support** consisting of donated facilities is recognised as income when the charity has control over the facilities, the receipt of economic benefit is probable and can be measured reliably. The facilities are recognised at the value the charity would have been prepared to pay for them. A corresponding amount is included as expenditure.

**Deferred income**

Income is only deferred and included in creditors when:

- The income relates to a future accounting period
- A sales invoice has been raised ahead of the work being carried out and there is no contractual entitlement to the income until the work has been done
- Not all the terms and conditions of the grant or donation have been met, including the incurring of expenditure and the grant conditions are such that unspent grant must be refunded

**Expenditure and irrecoverable VAT**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

Costs of raising funds	including those associated with fundraising activities, managing investments and commercial trading by the subsidiary company.
Charitable activities	costs of undertaking the work of the charity, such as theatre performances, education and participation including costs incurred by the production company.

The charity is registered for VAT and is able to recover some of the input tax charged as it relates to VATable supplies. Costs are stated net of the recoverable amount of VAT, where VAT has been charged.

**CUMBRIA THEATRE TRUST**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

**1 ACCOUNTING POLICIES (continued)**

**Allocation of support costs**

Support costs are those functions which assist the work of the charity either by supporting the delivery of charitable activities or by supporting the generation of funds. They include property costs, back office functions, staff costs, depreciation, finance costs and professional fees. The basis of allocations is set out in note 8.

**Production costs**

Where performances of a production straddle the year end: payroll, rehearsal and audition costs are recognised in the year in which they arise; and production costs (eg scenery and costumes) and creative team fees are apportioned between periods on the basis of the number of performances and included in either accruals or prepayments. Costs of productions that have not opened at the year end are normally carried forward as prepayments. In 2019/20 because of the temporary closure of the theatre the relevant productions costs were not carried forward, and recognised in that year.

**Pension contributions**

The charity operates a defined contribution pension scheme for its employees, using NOW Pensions Ltd. Contributions are 3% employer, 5% employee.

The charity also makes contributions (3% employer, 5% employee) to the actors Equity Pension fund in respect of the relevant qualifying workers (actors and stage managers). Contributions are charged to the SoFA as they become payable

**Volunteers**

The value of services provided by volunteers is not included in these financial statements. Details of the contribution made by volunteers is included in the Trustees' report.

**Tangible fixed assets and depreciation**

Assets are initially recognised at historical costs or transaction value unless otherwise stated.

Individual fixed assets costing more than £500 are capitalised at cost and are depreciated over their estimated useful lives on a straight-line basis as set out below.

Depreciation rates are as follows:

Long leasehold property	Theatre site	over 50 years from 1999/2000
	Café site	over 50 years from 2015/2016
Fixtures & fittings		10%
Theatre Equipment	Electronic equipment	20%
	Other equipment	10%
Office equipment & software		20%

Long leasehold land which is held on 125 year lease will not be depreciated until the lease has less than 50 years to runs. The value of land included in fixed assets is £115,000.

**Intangible fixed assets**

Intangible assets costing more than £500 are capitalised. The charity's website is classified as an intangible fixed assets and the costs of its development have been capitalised. The website is being amortised over its useful economic live of five years on a straight-line basis.

**Stocks**

Stock represents merchandise and programme supplies for resale, and administrative, production and technical consumables for use in the charity. All stock is valued at the lower of cost or net realisable value.

**Debtors**

Trade and other debtors are recognised at the settlement amount due and prepayments are valued at the amount prepaid.

**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.

**Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount.

**Financial instruments**

The charity has only basic financial instruments which are initially recorded at cost, subsequently measured at their settlement value.

**Theatre tax credits**

Where the trading subsidiary, Theatre By the Lake Productions Ltd) incurs qualifying losses in respect of theatre productions these are surrendered for a cash payment under HMRC Theatre Tax Relief regime. Where receipt of these tax credits is virtually certain they are included in the accounts in the year in which the qualifying losses occurred.

**CUMBRIA THEATRE TRUST**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

**2 DONATIONS**

	2021			2020		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
<b>Core grants</b>						
Arts Council England - NPO	625,534	-	625,534	604,067	-	604,067
ACE - emergency funding	180,000		180,000	-	-	-
ACE - CRF1	-	878,492	878,492	-	-	-
Cumbria County Council	10,000	-	10,000	10,000	-	10,000
Allerdale BC - covid support grants	48,925	-	48,925	-	-	-
HMRC - CJRS (furlough)	216,997	-	216,997			-
<b>Donations</b>						
Friends of Theatre by the Lake	91,355	35,000	126,355	72,169	5,000	77,169
Other donations (including Gift Aid)	109,336	14,500	123,836	73,733	14,000	87,733
	<u>1,282,147</u>	<u>927,992</u>	<u>2,210,139</u>	<u>759,969</u>	<u>19,000</u>	<u>778,969</u>

**3 INCOME FROM CHARITABLE ACTIVITIES**

Theatre Performances	1,383	-	1,383	1,922,620	40,650	1,963,270
Education & Participation	2,019	3,000	5,019	15,151	32,485	47,636
	<u>3,402</u>	<u>3,000</u>	<u>6,402</u>	<u>1,937,771</u>	<u>73,135</u>	<u>2,010,906</u>

The movement in deferred box office income is shown in note 19.

The above incoming resources comprise grants and donations from the following organisations:

	£	£
	2021	2020
<b>Performances at Theatre by the Lake</b>		
Contributions from co-producers	-	25,550
Individual Donations	-	11,000
	<u>-</u>	<u>36,550</u>
<b>Education &amp; Participation</b>		
Friends of Theatre by the Lake (income included in note 2)	-	5,000
Cumbria Community Foundation	-	4,333
Keswick Town Council	3,000	3,500
Individual Donations	-	7,798
	<u>3,000</u>	<u>20,631</u>
	<u>3,000</u>	<u>57,181</u>

**CUMBRIA THEATRE TRUST**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

**4 INCOME FROM OTHER TRADING ACTIVITIES**

	2021			2020		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
<b><i>Fundraising</i></b>						
Business partnerships	-	-	-	11,575	-	11,575
Equipment & costume hire etc	15,353	-	15,353	6,797	-	6,797
Room hires	-	-	-	11,461	-	11,461
Total fundraising activities	15,353	-	15,353	29,833	-	29,833
<b><i>Trading subsidiary</i></b>						
Turnover & other income	36,700	-	36,700	340,429	-	340,429
Total subsidiary activities	36,700	-	36,700	340,429	-	340,429
Total income from other activities	52,053	-	52,053	370,262	-	370,262

**5 INVESTMENT INCOME**

	2021	2020
	£	£
Bank interest received	757	1,018
	<u>757</u>	<u>1,018</u>

Bank interest is receivable on cash balances held in appropriate interest bearing deposits.

**CUMBRIA THEATRE TRUST**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

**6 COSTS OF GENERATING FUNDS**

	2021			2020		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
<b>Generating donations &amp; grants</b>						
Direct costs	-	-	-	610	-	610
Support costs	5,254	-	5,254	2,616	-	2,616
Governance costs	248	-	248	47	-	47
Charged to restricted funds	-	-	-	(16)	16	-
	<u>5,502</u>	<u>-</u>	<u>5,502</u>	<u>3,257</u>	<u>16</u>	<u>3,273</u>
<b>Fundraising</b>						
Direct costs	9,839	-	9,839	11,653	-	11,653
Support costs	5,254	-	5,254	4,360	-	4,360
Governance costs	248	-	248	78	-	78
Charged to restricted funds	-	-	-	(27)	27	-
	<u>15,341</u>	<u>-</u>	<u>15,341</u>	<u>16,064</u>	<u>27</u>	<u>16,091</u>
<b>Trading subsidiary</b>						
Direct costs	2,746	-	2,746	193,092	-	193,092
Support costs	20,291	-	20,291	59,718	-	59,718
Total subsidiary activities	<u>23,037</u>	<u>-</u>	<u>23,037</u>	<u>252,810</u>	<u>-</u>	<u>252,810</u>
Total expenditure on other activities	<u>43,880</u>	<u>-</u>	<u>43,880</u>	<u>272,131</u>	<u>43</u>	<u>272,174</u>

**7 COSTS OF CHARITABLE ACTIVITIES**

**Costs of theatre operations and performances (including touring)**

In-house productions: actors	-	-	-	344,644	-	344,644
In-house productions: creatives	(17,862)	-	(17,862)	327,932	-	327,932
Other direct costs	489,448	-	489,448	1,272,238	-	1,272,238
Incoming work: direct costs	-	-	-	165,719	-	165,719
Box office and house management	-	-	-	155,886	-	155,886
Marketing and publicity	13,666	-	13,666	211,985	-	211,985
Support costs	776,129	-	776,129	535,482	-	535,482
Governance costs	23,430	-	23,430	9,564	-	9,564
Charged to restricted funds	(442,090)	442,090	-	(246,026)	246,026	-
	<u>842,721</u>	<u>442,090</u>	<u>1,284,811</u>	<u>2,777,424</u>	<u>246,026</u>	<u>3,023,450</u>

**Education and participation**

Direct costs	104,997	-	104,997	24	21,770	21,794
Support costs	43,909	-	43,909	25,973	-	25,973
Governance costs	993	-	993	464	-	464
Charged to restricted funds	(72,531)	72,531	-	(161)	161	-
	<u>77,368</u>	<u>72,531</u>	<u>149,899</u>	<u>26,300</u>	<u>21,931</u>	<u>48,231</u>
	<u>920,089</u>	<u>514,621</u>	<u>1,434,710</u>	<u>2,803,724</u>	<u>267,957</u>	<u>3,071,681</u>

Direct costs include staff costs of the team in place before restructuring during the year. Where the Charity was able to it furloughed staff and took advantage of the HMRC CJRS, the income from which is included in note 2.



**8 SUPPORT AND GOVERNANCE COSTS**

	2021			2020		
	Support	Governance	Total	Support	Governance	Total
	£	£	£	£	£	£
Salaries and related costs	232,637	13,900	246,537	56,308	6,571	62,879
Direct governance costs	-	920	920	-	1,651	1,651
Premises	251,372	1,166	252,538	214,206	62	214,268
General office	82,072	823	82,895	120,990	1,232	122,222
Financial	3,041	7,077	10,118	42,177	8,180	50,357
Consultancy and development	94,522	-	94,522			
Depreciation	187,284	941	188,225	186,789	136	186,925
	<u>850,928</u>	<u>24,828</u>	<u>875,755</u>	<u>620,470</u>	<u>17,832</u>	<u>638,302</u>
Apportioned as:						
Generating grants and donations	5,254	248	5,502	2,616	47	2,663
Theatre performances	776,129	23,430	799,558	535,482	9,564	545,046
Participation and outreach	43,909	993	44,902	25,973	464	26,437
Fundraising activities	5,254	248	5,502	4,360	78	4,438
Trading subsidiary	20,382	(91)	20,291	59,718	-	59,718
	<u>850,928</u>	<u>24,828</u>	<u>875,755</u>	<u>628,149</u>	<u>10,153</u>	<u>638,302</u>

**Analysis of governance costs**

	2021	2020
	£	£
External audit	7,077	8,180
Costs of Trustee meetings, travel, administration etc.	920	1,651
Apportionment of staff costs	13,900	6,571
Apportionment of support costs	<u>2,931</u>	<u>1,430</u>
	<u>24,828</u>	<u>17,832</u>

**Allocation of support costs**

The following bases of allocation are used:

- Premises (utilities, repairs etc):	Management review of space usage
- General office (stationery, postage, telephone, IT etc):	Management review of staff time
- Financial (bank charges, loss on disposal of assets etc):	Management review of staff time
- Depreciation:	Management review of staff time

Support costs relating to the trading subsidiary are included in the management charge in note 27.

**9 Trustee and staff information**

**a) Trustee information**

The trustees are all volunteers and were not paid or received any benefits from employment with the Trust or its subsidiary in the year (2020: £nil); neither were they reimbursed expenses during the year (2020: £nil). No charity trustee received payment for professional or other services supplied to the charity (2020: £nil). Directors and Officers liability insurance costing £2,059 (2020 : £547) was taken out during the year.

**b) Staff information**

	2020	2019
	£	£
<b>Actors and Freelance Stage Managers</b>		
Fees	5,974	312,557
Pension contributions	45	4,990
Employer's NI contributions	-	-
	<u>6,019</u>	<u>317,547</u>

In line with HMRC guidance, most artists engaged under Equity contracts are treated as self-employed earners for both tax and NI purposes. Payments to such people are disclosed above as actors' and stage managers' fees.

In accordance with the collective agreement between Equity and UK Theatre, Cumbria Theatre Trust made pension contributions of 5% of fees paid to actors or stage managers enrolled in the Equity Pension Scheme, provided that the members made a contribution of 3%.

	2020	2019
	£	£
<b>Employees</b>		
Wages and salaries	651,084	891,049
Employer's NI contributions	44,893	69,682
Employer's pension contributions	12,268	17,819
	<u>708,245</u>	<u>978,550</u>

No employee earned more than £60,000 excluding employer's national insurance and pension contributions.

In accordance with current legislation, the company operates a defined contributions pension scheme provided by NOW: Pensions Limited which meets its auto-enrolment obligations. The company contributes the minimum requirement of 3%.

The average monthly headcount was 33 staff (2020: 52). The average number of full-time equivalent employees, actors and stage managers was 19 (2020: 38)

However, neither of these figures gives the true picture for 2020/21. Over the first half of 2020/21 39 staff were made redundant with one further employee being made redundant in December 2021, with the result that at 31 December 2020, the number of employees was 11. This increased to 15 by 31 March 2021.

**Key management**

In addition to the Board of Trustees, the Charity considers its Artistic Director and the other members of the senior management team, as set out on page 1, be Key Management Personnel for the purposes of the SORP. Remuneration and benefits (salary and pension contributions) received by these employees amounted to £211,987 in the year (2020: £248,099)..

**10 Net movement in total funds for the year**

	2021	2020
	£	£
This is stated after charging:		
Auditor's remuneration (for parent and subsidiary)	7,077	10,377
Depreciation	181,465	186,925
Payments under operating leases	11,132	11,132
Trustees' remuneration	-	-
Trustees' expenses	-	-

**CUMBRIA THEATRE TRUST**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

**11 TANGIBLE FIXED ASSETS**

Group & Charity	Long Leasehold			Office	Total
	Land & Buildings	Fixtures & Fittings	Theatre Equipment	Equipment & Software	
Cost	£	£	£	£	£
As at 1 April 2020	6,778,620	554,502	825,699	185,519	8,344,340
Additions	-	-	-	11,669	11,669
Disposals	-	-	(1,879)	-	(1,879)
As at 31 March 2021	<u>6,778,620</u>	<u>554,502</u>	<u>823,820</u>	<u>197,188</u>	<u>8,354,130</u>
<b>Depreciation</b>					
As at 1 April 2020	2,223,346	445,467	755,118	170,605	3,594,536
Provided	134,581	23,454	16,937	6,493	181,465
Disposals	-	-	(1,879)	-	(1,879)
As at 31 March 2021	<u>2,357,927</u>	<u>468,921</u>	<u>770,176</u>	<u>177,098</u>	<u>3,774,122</u>
<b>Net Book Value</b>					
As at 31 March 2021	<u>4,420,693</u>	<u>85,581</u>	<u>53,644</u>	<u>20,090</u>	<u>4,580,008</u>
As at 1 April 2020	<u>4,555,274</u>	<u>109,035</u>	<u>70,581</u>	<u>14,914</u>	<u>4,749,804</u>

**12 INTANGIBLE FIXED ASSETS**

Group & Charity	Website	Total
Cost	£	£
As at 1 April 2020	-	-
Additions	33,800	33,800
As at 31 March 2021	<u>33,800</u>	<u>33,800</u>
<b>Amortisation</b>		
As at 1 April 2020	-	-
Provided	6,760	6,760
As at 31 March 2021	<u>6,760</u>	<u>6,760</u>
<b>Net Book Value</b>		
As at 31 March 2021	<u>27,040</u>	<u>27,040</u>
As at 1 April 2020	<u>-</u>	<u>-</u>

**13 FIXED ASSET INVESTMENTS**

	Group 2021	Group 2020	Charity 2021	Charity 2020
	£	£	£	£
Shares in subsidiary undertakings	-	-	200	200
	<u>-</u>	<u>-</u>	<u>200</u>	<u>200</u>

TBTL Services Limited (registered company number 06946177) is wholly owned by the charity and operates certain trading activities. Theatre by the Lake Productions Limited (registered company number 09259767) is wholly owned by the charity and produces, runs and closes productions on behalf of the charity. The accounts of both subsidiaries are consolidated in these financial statements (see also notes 27 and 28). Both subsidiary companies are incorporated in England and Wales.

**CUMBRIA THEATRE TRUST**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
<b>14 STOCKS</b>				
Goods for resale	-	1,320	-	-
Consumable items	<u>2,387</u>	<u>4,221</u>	<u>2,387</u>	<u>4,221</u>
	<u>2,387</u>	<u>5,541</u>	<u>2,387</u>	<u>4,221</u>

**15 DEBTORS**

Trade debtors	687	68,955	687	12,071
VAT refund due	54,250	2,351	53,932	2,342
Other debtors	98,605	175,832	88,332	36,048
Inter-company balances	-	-	26,307	211,536
Prepayments	-	27,182	-	14,270
	<u>153,542</u>	<u>274,320</u>	<u>169,258</u>	<u>276,267</u>

**16 CREDITORS: amounts falling due within one year**

Trade creditors	165,561	100,005	161,300	92,507
Taxation and social security	4,331	28,425	4,331	28,425
Deferred income - advance bookings	1,059	212,247	1,059	212,247
Deferred income - grants and other	23,752	12,477	23,752	12,195
Customer credits	139,277	81,415	139,277	81,415
Third party resources	47,376	75,181	47,376	75,181
Other creditors	14,292	34,047	14,292	34,047
Accruals	28,047	115,894	25,142	111,144
Loan - Cumbria County Council	15,000	15,000	15,000	15,000
	<u>438,695</u>	<u>674,691</u>	<u>431,529</u>	<u>662,161</u>

**17 MOVEMENTS IN DEFERRED INCOME**

	Advance Bookings £	Grants & Other £	2021 £	2020 £
Deferred income brought forward	212,247	12,195	435,339	435,339
Released in the year	(212,247)	(12,195)	(435,339)	(435,339)
Deferred in the year	1,059	23,752	193,951	224,442
Deferred income carried forward	<u>1,059</u>	<u>23,752</u>	<u>193,951</u>	<u>344,834</u>

**18 THIRD PARTY RESOURCES**

	2021 £	2020 £
Balance brought forward	75,181	76,093
Receipts in the year	56,010	211,394
Withheld for theatre hire and other charges	(853)	(58,263)
Forwarded to hiring organisations or refunded to their customers	<u>(82,962)</u>	<u>(304,404)</u>
Balance carried forward	<u>47,376</u>	<u>(75,181)</u>

Third party resources refers to tickets sold by Cumbria Theatre Trust as agent for organisations which have hired Theatre by the Lake for their own presentations. The charity's charges of £nil (2020: £58,263) are included in the financial statements under incoming resources from charitable activities.

	2019/20					Balance b/f and c/f 31 Mar 2020	2020/2021					Balance 31 Mar 2021
	Balance 1 Apr 2019 £	Income £	Expenditure £	TTR £	Transfer £	£	Income £	Expenditure £	TTR £	Transfer £	£	£
<b>Unrestricted Funds:</b>												
General fund	1,197,845	3,069,020	(3,075,855)	139,784	-	1,330,794	1,338,359	(963,969)	4,289	127,017	-	1,836,490
Designated fund												
	<u>1,197,845</u>	<u>3,069,020</u>	<u>(3,075,855)</u>	<u>139,784</u>	<u>-</u>	<u>1,330,794</u>	<u>1,338,359</u>	<u>(963,969)</u>	<u>4,289</u>	<u>127,017</u>	<u>-</u>	<u>1,836,490</u>
<b>Restricted Funds:</b>												
<b>Revenue:</b>												
ACE Catalysis Match Funding	37,840	-	(37,840)	-	-	-	-	-	-	-	-	-
Cultural Recovery Fund	-	-	-	-	-	-	878,492	(382,877)	-	(127,017)	-	368,598
Changing Culture	-	-	-	-	-	-	12,500	-	-	-	-	12,500
Productions	20,000	36,550	(56,550)	-	-	-	-	-	-	-	-	-
Education and Participation	13,566	37,485	(21,770)	-	-	29,281	3,000	(12,295)	-	-	-	19,986
Friends: Legacy	-	-	-	-	-	-	35,000	-	-	-	-	35,000
Skills Development	-	4,100	(2,000)	-	-	2,100	2,000	-	-	-	-	4,100
Other Staffing	-	14,000	(14,000)	-	-	-	-	-	-	-	-	-
<b>Capital:</b>												
Capital grants & donations received	29,000	-	(14,000)	-	-	15,000	-	-	-	-	-	15,000
Capital grants & donations expended	3,551,050	-	(121,840)	-	-	3,429,210	-	(119,449)	-	-	-	3,309,761
	<u>3,651,456</u>	<u>92,135</u>	<u>(268,000)</u>	<u>-</u>	<u>-</u>	<u>3,475,591</u>	<u>930,992</u>	<u>(514,621)</u>	<u>-</u>	<u>(127,017)</u>	<u>-</u>	<u>3,764,945</u>
<b>Total Funds</b>	<u>4,849,301</u>	<u>3,161,155</u>	<u>(3,343,855)</u>	<u>139,784</u>	<u>-</u>	<u>4,806,385</u>	<u>2,269,351</u>	<u>(1,478,590)</u>	<u>4,289</u>	<u>-</u>	<u>-</u>	<u>5,601,435</u>

**19 STATEMENT OF FUNDS (continued)**

Restricted fund balances at the year end are held for the following purposes.

**Cultural Recovery Fund 1**

To enable the theatre to meet the challenges of the pandemic and relaunch its activities in a Covid secure way whilst managing the financial risk.

**Changing Culture**

To pay for management and freelance practitioner costs incurred in the management of the relationship between industry hosts, mentors and students on the Changing Culture Programme

**Education & Participation**

The charity has received grants from Keswick Town Council, Cumbria County Council and donations from Friends of Theatre by the Lake and private individuals towards the general aim of encouraging participation of young people and communities in the arts.

**Friends: Legacy**

Transferred by the friends for a purpose to be specified by them.

**Capital grants received**

This represents amounts received to fund the purchase of fixed assets. Items purchased and not capitalised are charged as revenue costs in the year of acquisition, and amounts spent on capitalised assets are transferred to either unrestricted funds or capital grants expended, depending upon whether restrictions remain or not on the assets so acquired.

**Capital grants & donations expended**

This records the expenditure on capital assets funded by capital grants where there are continuing restrictions on the assets, and provides a fund against which depreciation can be charged in future periods. Depreciation of £121,842 has been charged to this fund this year.

Restrictions relate both to funds given for the construction and fitting out of Theatre by the Lake and its continued use by the Charity as a theatre, and also to the redevelopment of the Café by the Lake.

The trust plans to utilise all remaining restricted revenue reserves within the next financial year. Funds are transferred to 'capital grants & donations expended' if used to purchase capital equipment.

**20 ANALYSIS OF CHARITY FUNDS**

*As at March 31 2021*

	Unrestricted funds £	Restricted Funds £	Total £
Fixed assets	1,297,487	3,309,761	4,607,248
Net Current assets	539,003	455,184	994,187
	<u>1,836,490</u>	<u>3,764,945</u>	<u>5,601,435</u>

*As at March 31 2020*

Fixed assets	1,320,794	3,429,210	4,750,004
Net Current assets	10,000	46,381	56,381
	<u>1,330,794</u>	<u>3,475,591</u>	<u>4,806,385</u>

**CUMBRIA THEATRE TRUST**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

**21 CONSTITUTION**

The company is limited by guarantee and does not have a share capital. In the event of winding up, the members are liable to contribute £1 each. The number of members at 31 March 2021 was 9 (2020: 9).

The company is controlled by its members in general meeting. No individual member or group of members has overall control of the company.

**22 TAXATION**

The company is a registered charity and is entitled to claim annual exemption from UK Corporation Tax.

**23 CAPITAL COMMITMENTS**

At the year end, the company had no capital commitments.

**24 CONTINGENT LIABILITIES**

The Arts Council of England lottery award (£4,685,704) is repayable in the event of the company being wound up. The written consent of the grantor is required before the theatre can be disposed of.

Similar conditions apply to past capital grants from Cumbria County Council (£282,500), European Regional Development Fund (£200,000) and Northern Rock Foundation (£200,000).

Should the company face an insolvent winding up, ACE is entitled to the title of the building.

These liabilities are not expected to crystallise.

**25 RELATED PARTY TRANSACTIONS**

Friends of Theatre by the Lake is an independent charity which has the right to nominate one member to the Board of Cumbria Theatre Trust as detailed in the Trustees' Report. Donations totalling £126,355 (2020 - £77,169) were received from Friends of Theatre by the Lake during the year

Keswick Town Council is also entitled to nominate one member to the Board. A grant of £3,000 was received from Keswick Town Council towards our education and participation work in Keswick and the surrounding area. (2020: £3,500)

Allerdale Borough Council is also entitled to nominate one member to the Board. The group received £64,875 in business support grants from Allerdale Borough Council during the year (2020: none).

Donations totalling £646 were received in aggregate from trustees during the year (2020: £14,000).

There were no other outstanding balances with related parties at the end of the year (2020: Nil) and no other transactions with charity trustees during the year.

**26 OPERATING LEASE COMMITMENTS**

At 31 March 2021 the company had the following commitments under non-cancellable operating leases:

	<b>2021</b>	<b>2021</b>	<b>2020</b>	<b>2020</b>
	<b>Property</b>	<b>Others</b>	<b>Property</b>	<b>Others</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Minimum amounts payable:				
within one year	<b>8,000</b>	-	<b>8,000</b>	<b>2,018</b>
within two to five years	<b>17,846</b>	-	<b>25,846</b>	-
Total	<b>33,846</b>	<b>2,018</b>	<b>33,846</b>	<b>2,018</b>

**27 Parent charity - Statement of Financial Activities**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total 2021 £</b>	<b>Total 2020 £</b>
Total incoming resources	1,363,951	930,992	<b>2,294,943</b>	4,471,184
Total resources expended	<u>985,272</u>	<u>514,621</u>	<b>1,499,893</b>	4,515,824
Net income / (expenditure) for the	<u>378,679</u>	<u>416,371</u>	<b>795,050</b>	(44,640)

**28 Subsidiary undertaking - commercial and trading activities**

A summary of the results and closing balances of the subsidiary, TBTL Services Ltd, is shown below.

	<b>2021 £</b>	<b>2020 £</b>
Turnover	<b>20,750</b>	340,429
Intercompany adjustments	-	-
Activities for generating funds: trading operations	<b>20,750</b>	340,429
Cost of sales	<b>2,746</b>	72,210
Administration & premises expenses	<b>20,291</b>	85,600
Management charge	-	95,000
Cost of trading operations	<b>23,037</b>	252,810
	<b>(2,287)</b>	87,619
Other income	<b>15,950</b>	-
Net profit/(loss) reported in consolidated accounts	<b>13,663</b>	87,619
Add back intercompany adjustments	-	-
Net profit for the year reported by TBTL Services Ltd	<b>13,663</b>	87,619
Gift Aid	<b>(13,663)</b>	(87,619)
Retained in the subsidiary	-	-

As at the balance sheet date, the assets and liabilities of the subsidiary were:

Current assets	<b>23,400</b>	84,474
Creditors: amounts due within one year	<b>(23,300)</b>	(84,374)
	<b>100</b>	100
Represented by:		
Aggregate share capital and reserves	<b>100</b>	100
Profit and Loss Account	-	-
	<b>100</b>	100



**CUMBRIA THEATRE TRUST**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

**27 Parent charity - Statement of Financial Activities**

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Total incoming resources	1,363,951	930,992	<b>2,294,943</b>	4,471,184
Total resources expended	985,272	514,621	<b>1,499,893</b>	4,515,824
Net income / (expenditure) for the	<u>378,679</u>	<u>416,371</u>	<u><b>795,050</b></u>	<u>(44,640)</u>

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Add back intercompany adjustments	-	-
Net profit for the year reported by TBTL Services Ltd	<u>13,663</u>	<u>87,619</u>
Gift Aid	<u>(13,663)</u>	<u>(87,619)</u>
Retained in the subsidiary	<u>-</u>	<u>-</u>

As at the balance sheet date, the assets and liabilities of the subsidiary were:

Current assets	23,400	84,474
Creditors: amounts due within one year	<u>(23,300)</u>	<u>(84,374)</u>
	<u>100</u>	<u>100</u>
Represented by:		
Aggregate share capital and reserves	100	100
Profit and Loss Account	-	-
	<u>100</u>	<u>100</u>