

REGISTERED COMPANY NUMBER: 02726275 (England and Wales)
REGISTERED CHARITY NUMBER: 1012630

Report of the Trustees and

Unaudited Financial Statements for the Year Ended 31 March 2023

for

Merlin Theatre Trust Limited

Merlin Theatre Trust Limited

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for the Year Ended 31 March 2023

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Merlin Theatre Trust Limited

Reference and Administrative Details
for the Year Ended 31 March 2023

TRUSTEES

Ms S Roles
Mrs D Bardgett
Mr G Clark (resigned 9.1.23)
Ms E Reynolds
Mrs A E Dimery
Ms K L Brickley

COMPANY SECRETARY

Mrs A E Dimery

REGISTERED OFFICE

Merlin Theatre Trust Limited
Bath Road
Frome
Somerset
BA11 2HG

REGISTERED COMPANY NUMBER 02726275 (England and Wales)

REGISTERED CHARITY NUMBER 1012630

INDEPENDENT EXAMINER

Moore
Chartered Accountants
30 Gay Street
Bath
BA1 2PA

OBJECTIVES AND ACTIVITIES

Objectives and activities

The object for which the Merlin Theatre Trust was established is to advance education and provide facilities in the interest of social welfare for recreation and leisure time for the inhabitants of Frome and the surrounding neighbourhood.

The purpose and beliefs of the Merlin Theatre Trust

Our purpose is to provide the people of Frome and the surrounding area with excellent, memorable experiences in the performing arts. In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit : running a charity (PB2)'.

We believe that opportunities to enjoy the arts, whether as a member of an audience or as a participant in a production, a workshop or class, can significantly increase the well-being and quality of life of individuals, of communities and of society as a whole.

We believe in collaboration and that - by working with audiences, participants, artists, arts companies and other arts venues, with Frome Community College, other local schools, our local authorities, business community, voluntary groups, media and with our funders and supporters - we will achieve much more than we could without them.

Our aims and objectives

We have four enduring aims:

To be known as an organisation that attracts and supports excellent artists (professional and non-professional) to produce and present their work.

To be talked about as an inclusive organisation that embraces and listens to audiences, participants, learners and volunteers, whatever their background or circumstances.

To provide artists, audiences and participants with excellent, memorable experiences.

To work hand in hand with Frome Community College and other partners to realise the Merlin's potential as a creative, educational and community resource.

OBJECTIVES AND ACTIVITIES

Achievements and Performance

Director's comments

ACHIEVEMENTS AND PERFORMANCE 22-23

We are still in recovery mode following the COVID years. Audiences were slow to start, but the year picked up as audiences became more confident. We still programmed an average of 30-35 live events per season working with over 90 volunteers.

Screenings and community productions were the most popular events, Frome Festival was also well attended. We were still able to support small scale professional touring companies and had a full outdoor program in our amphitheatre.

The Christmas show James and The Giant Peach sold out with three weeks to go; we were still hesitant with only six performances; we could have sold more.

Youth theatres were well attended with parents encouraging the COVID generation of children to socialise and fulfil their creative instincts.

We employed a new technical manager on 16 hours (plus) per week. This is following years of paying a freelance staff member. This enables us to focus on maintenance and refurbishing. We spent a large amount on upgrading the very tired and out of date technical areas and equipment, making it safer, more efficient, and easier to use for visiting companies and freelance technicians.

FINANCIAL REVIEW

Financial report

Theatrical activities increased considerably this year but with smaller audiences due to the social distancing requirements. We were lucky to be able to use the ECOS outdoor space as well.

Theatrical turnover including bar rose by £76k to £207k but the other income reduced from £8k to nil because the government Job Retention Scheme was progressively phased out in the prior year. Donations and fundraising reduced by £11k as a result of £17k of grants received in the current prior year not repeated.

The main increase in overheads were advertising/marketing and salaries with other increases in cleaning, maintenance, technical equipment and telephone/internet.

Reserves policy and going concern

Reserves are needed to bridge the gap between the spending and receiving of income and to cover unplanned emergency repairs and other expenditure. The trustees consider that the ideal level of reserves as at 31 March 2023 would be £20,000 to £25,000. The current free reserves of £40,944 exceed this level but there are maintenance and capital expenditure requirements in the short to medium-term that will result in the excess reserves being utilised.

The Trust had no negative reserves and the trustees have reviewed the circumstances of the Theatre Trust and consider that adequate resources continue to be available to fund the activities of the Trust and group for the foreseeable future. The trustees are of the view that the Trust is a going concern.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Merlin Theatre Trust Limited is a registered charity and company limited by guarantee governed by its Memorandum and Articles of Association; it currently has 53 members. This Trustees report is prepared in accordance with S419(2) of the Companies Act 2006.

Appointment, induction and training of Trustees

Trustees are elected by the Members of the charitable company at the Annual General Meeting - there must be between eight and twelve trustees, who must all be members of the company.

When recruiting new Trustees, the Board considers any specialist skills needed. New Trustees have an orientation meeting with the Chair and are briefed about current plans and recent financial performance. As part of their induction, they meet with key employees and other Trustees.

Trustees are encouraged to attend appropriate training events where these will facilitate undertaking their role.

Organisation

The Board of Trustees administers the charity. The Board meets a minimum of five times a year with dates and core agendas planned up to six months in advance. Trustees' working groups consider policies as required.

The Director (Artistic) Claudia Pepler is appointed by the Trustees to manage the day-to-day operations of the charity. To facilitate effective operations, the Director (Artistic), within terms of delegation approved by the Trustees, has authority for overall management of staff and the business, artistic programming, drafting of key documents, reporting to public Funders and financial and business planning matters. Business is planned and managed through a Development Programme.

The trustees have examined the major strategic, business and operational risks that the charity faces. The trustees are satisfied that systems are in place to mitigate these risks.

This is demonstrated in the following way:-

Finance papers and figures are presented in advance of Board meetings and financial reporting is included on the agenda. These papers are also circulated to our Funders including Frome Town Council.

Our Volunteers

Thanks and gratitude are extended to all members of staff and the volunteers who help in the smooth running of the Merlin and in particular the stewards who staff the bar, coffee area and shop, plus of course stewarding for shows, Box office and Front of House. Many of the staff and volunteers are busy 'behind the scenes' and so their work can go un-noticed. It is largely due to their work however that the Merlin is such a successful theatre. It is estimated that the volunteer hours are worth more than £15,000 in in-kind support to the theatre.

Merlin Theatre Trust Limited

Report of the Trustees
for the Year Ended 31 March 2023

Approved by order of the board of trustees on and signed on its behalf by:

.....
Mrs A E Dimery - Trustee

Independent Examiner's Report to the Trustees of
Merlin Theatre Trust Limited

Independent examiner's report to the trustees of Merlin Theatre Trust Limited ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 March 2023.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under Section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under Section 145(5) (b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by Section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of Section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Mark Powell CA

Moore
Chartered Accountants
30 Gay Street
Bath
BA1 2PA

Date:

Merlin Theatre Trust Limited

Statement of Financial Activities
for the Year Ended 31 March 2023

	Notes	Unrestricted fund £	Restricted funds £	31.3.23 Total funds £	31.3.22 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies		17,106	-	17,106	22,806
Charitable activities					
Box office takings		113,924	-	113,924	87,557
Youth Groups		10,535	-	10,535	5,631
Overheads recovered and sundry income		5,724	-	5,724	7,117
Hirings		10,979	-	10,979	4,217
Live Streaming		24,410	-	24,410	7,826
Other trading activities	2	29,738	-	29,738	18,695
Investment income	3	68	-	68	-
Other income		-	-	-	7,822
Total		<u>212,484</u>	<u>-</u>	<u>212,484</u>	<u>161,671</u>
EXPENDITURE ON					
Raising funds		14,412	-	14,412	7,660
Charitable activities					
Cost of productions		201,870	5,413	207,283	159,794
Operation of theatre		8,812	-	8,812	-
Total		<u>225,094</u>	<u>5,413</u>	<u>230,507</u>	<u>167,454</u>
NET INCOME/(EXPENDITURE)		(12,610)	(5,413)	(18,023)	(5,783)
Transfers between funds	12	<u>13,235</u>	<u>(13,235)</u>	<u>-</u>	<u>-</u>
Net movement in funds		625	(18,648)	(18,023)	(5,783)
RECONCILIATION OF FUNDS					
Total funds brought forward		64,002	49,850	113,852	119,635

The notes form part of these financial statements

Merlin Theatre Trust Limited

Statement of Financial Activities
for the Year Ended 31 March 2023

	Unrestricted fund £	Restricted funds £	31.3.23 Total funds £	31.3.22 Total funds £
Notes				
TOTAL FUNDS CARRIED FORWARD	<u>64,627</u>	<u>31,202</u>	<u>95,829</u>	<u>113,852</u>

The notes form part of these financial statements

Merlin Theatre Trust Limited

Balance Sheet

31 March 2023

	Notes	Unrestricted fund £	Restricted funds £	31.3.23 Total funds £	31.3.22 Total funds £
FIXED ASSETS					
Tangible assets	8	23,682	31,202	54,884	60,082
CURRENT ASSETS					
Stocks	9	2,697	-	2,697	1,404
Debtors	10	7,279	-	7,279	362
Cash at bank and in hand		<u>56,375</u>	<u>-</u>	<u>56,375</u>	<u>68,729</u>
		66,351	-	66,351	70,495
CREDITORS					
Amounts falling due within one year	11	(25,406)	-	(25,406)	(16,725)
		<u>40,945</u>	<u>-</u>	<u>40,945</u>	<u>53,770</u>
NET CURRENT ASSETS					
		<u>40,945</u>	<u>-</u>	<u>40,945</u>	<u>53,770</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>64,627</u>	<u>31,202</u>	<u>95,829</u>	<u>113,852</u>
NET ASSETS		<u>64,627</u>	<u>31,202</u>	<u>95,829</u>	<u>113,852</u>
FUNDS	12				
Unrestricted funds				64,627	64,002
Restricted funds				<u>31,202</u>	<u>49,850</u>
TOTAL FUNDS				<u>95,829</u>	<u>113,852</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2023.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2023 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

The notes form part of these financial statements

Merlin Theatre Trust Limited

Balance Sheet - continued
31 March 2023

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

The financial statements were approved by the Board of Trustees and authorised for issue on and were signed on its behalf by:

.....
Mrs A E Dimery - Trustee

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Income

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

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Individual fixed assets costing £250 or more are capitalised at cost

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Theatre refurbishment - 5% straight line

Office equipment - 20% or 25% straight line

Theatre equipment - 10% or 20% straight line

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Funds held by the charity are either:

- Unrestricted general funds - these can be used in accordance with the charitable objectives at the discretion of the trustees.

- Restricted funds - these can only be used for particular restricted purposes.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

1. ACCOUNTING POLICIES - continued

Pension costs

The theatre makes employers contributions to defined contribution scheme for its employees. These costs are included in the Financial Statements on an accruals basis.

2. OTHER TRADING ACTIVITIES

	31.3.23	31.3.22
	£	£
Fundraising events	30	160
Bar & Catering income	<u>29,708</u>	<u>18,535</u>
	<u>29,738</u>	<u>18,695</u>

3. INVESTMENT INCOME

	31.3.23	31.3.22
	£	£
Deposit account interest	<u>68</u>	<u>-</u>

4. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	31.3.23	31.3.22
	£	£
Independent examination fee	2,153	1,450
Depreciation - owned assets	9,940	9,873
Other operating leases	<u>11,695</u>	<u>6,849</u>

5. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2023 nor for the year ended 31 March 2022.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2023 nor for the year ended 31 March 2022.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

6. STAFF COSTS

The average monthly number of employees during the year was as follows:

	31.3.23	31.3.22
Admin Staff	<u>2</u>	<u>2</u>

No employees received emoluments in excess of £60,000.

7. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	22,806	-	22,806
Charitable activities			
Box office takings			
	87,557	-	87,557
Youth Groups	5,631	-	5,631
Overheads recovered and sundry income			
	7,117	-	7,117
Hirings			
	4,217	-	4,217
Live Streaming	7,826	-	7,826
Other trading activities	18,695	-	18,695
Other income	<u>-</u>	<u>7,822</u>	<u>7,822</u>
Total	<u>153,849</u>	<u>7,822</u>	<u>161,671</u>
EXPENDITURE ON			
Raising funds	7,660	-	7,660
Charitable activities			
Cost of productions	<u>159,794</u>	<u>-</u>	<u>159,794</u>
Total	<u>167,454</u>	<u>-</u>	<u>167,454</u>
NET INCOME/(EXPENDITURE)	(13,605)	7,822	(5,783)

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023**7. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued**

	Unrestricted fund £	Restricted funds £	Total funds £
RECONCILIATION OF FUNDS			
Total funds brought forward	77,607	42,028	119,635
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS CARRIED FORWARD	<u>64,002</u>	<u>49,850</u>	<u>113,852</u>

8. TANGIBLE FIXED ASSETS

	Improvements to property £	Theatre Equipment £	Office Equipment £	Totals £
COST				
At 1 April 2022	77,107	97,239	5,997	180,343
Additions	<u>-</u>	<u>4,742</u>	<u>-</u>	<u>4,742</u>
At 31 March 2023	<u>77,107</u>	<u>101,981</u>	<u>5,997</u>	<u>185,085</u>
DEPRECIATION				
At 1 April 2022	51,955	62,309	5,997	120,261
Charge for year	<u>1,797</u>	<u>8,143</u>	<u>-</u>	<u>9,940</u>
At 31 March 2023	<u>53,752</u>	<u>70,452</u>	<u>5,997</u>	<u>130,201</u>
NET BOOK VALUE				
At 31 March 2023	<u>23,355</u>	<u>31,529</u>	<u>-</u>	<u>54,884</u>
At 31 March 2022	<u>25,152</u>	<u>34,930</u>	<u>-</u>	<u>60,082</u>

9. STOCKS

		31.3.23	31.3.22
		£	£
Stocks		<u>2,697</u>	<u>1,404</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023**10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.3.23	31.3.22
	£	£
Trade debtors	4,614	362
VAT	<u>2,665</u>	<u>-</u>
	<u>7,279</u>	<u>362</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.23	31.3.22
	£	£
Trade creditors	13,153	5,219
Social security and other taxes	362	-
Other creditors	1,568	1,236
Accruals and deferred income	<u>10,323</u>	<u>10,270</u>
	<u>25,406</u>	<u>16,725</u>

12. MOVEMENT IN FUNDS

	At 1.4.22	Net movement in funds	Transfers between funds	At 31.3.23
	£	£	£	£
Unrestricted funds				
General fund	64,002	(12,610)	13,235	64,627
Restricted funds				
Arts Council England, South West	38,528	(4,713)	(4,713)	29,102
Theatre Royal Bath	3,500	(700)	(700)	2,100
Government Job Retention Scheme	<u>7,822</u>	<u>-</u>	<u>(7,822)</u>	<u>-</u>
	<u>49,850</u>	<u>(5,413)</u>	<u>(13,235)</u>	<u>31,202</u>
TOTAL FUNDS	<u>113,852</u>	<u>(18,023)</u>	<u>-</u>	<u>95,829</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

12. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	212,484	(225,094)	(12,610)
Restricted funds			
Arts Council England, South West	-	(4,713)	(4,713)
Theatre Royal Bath	-	(700)	(700)
	-	(5,413)	(5,413)
TOTAL FUNDS	<u>212,484</u>	<u>(230,507)</u>	<u>(18,023)</u>

Comparatives for movement in funds

	At 1.4.21 £	Net movement in funds £	At 31.3.22 £
Unrestricted funds			
General fund	77,607	(13,605)	64,002
Restricted funds			
Arts Council England, South West	38,528	-	38,528
Theatre Royal Bath	3,500	-	3,500
Government Job Retention Scheme	-	7,822	7,822
	42,028	7,822	49,850
TOTAL FUNDS	<u>119,635</u>	<u>(5,783)</u>	<u>113,852</u>

12. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	153,849	(167,454)	(13,605)
Restricted funds			
Government Job Retention Scheme	7,822	-	7,822
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>161,671</u>	<u>(167,454)</u>	<u>(5,783)</u>

The Redevelopment Appeal represents donations to the charity to fund the redevelopment of the theatre or the purchase of specific assets.

Arts Council - Bridging Bid Funding, Education & Other Projects, Arts Council Programme Development, G4A Business Development and Frome Community Trust Funds represent funding received by the charity to undertake specific projects or fund certain costs.

The Theatre Royal Bath grant was given to the Charity to fund the purchase of lighting and sound equipment to replace old items with modern equivalents.

13. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2023.

This page does not form part of the statutory financial statements