

Company number 02720007
Charity number 1034961

The Anvil Trust Limited

(Limited by Guarantee)

Report and Financial Statements

for the year ended 31 March 2021

Breckman & Company Ltd
Chartered Certified Accountants
49 South Molton Street
London W1K 5LH

The Anvil Trust Limited
(Limited by Guarantee)

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The Anvil Trust Limited

(Limited by Guarantee)

Reference and Administrative Details

Constitution

The company is incorporated under the Companies Act, company number 02720007 and its governing document is its Memorandum and Articles of Association. The company is a registered charity, number 1034961.

Directors and trustees

The directors of the charitable company ("The Anvil Trust Limited") are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees.

Policies and procedures adopted for the induction and training of trustees are ongoing and incorporated indirectly into the regular trustees meetings.

The trustees during the year and since the year end, were :

L B Bell	
A H Bowden	
S M Catley	
D Chatten-Smith	
A J Finney	resigned 12 July 2021
S Hayward	
G Hurry	appointed 12 July 2021
J Izett	appointed 12 July 2021
C Kinnear	resigned 7 May 2021
C Smith (Chair)	appointed 12 July 2021
D W C Whelton	
J Whitfield	appointed 12 July 2021

Secretary

M Cleaver

Chief executive/day to day management

M Cleaver

Auditors

Breckman & Company Limited, 49 South Molton Street, London W1K 5LH.

Bankers

Barclays Bank plc, Apex Plaza, PO Box 2881, Reading, Berkshire RG3 2BB.

Registered office and operation address

Churchill Way, Basingstoke, Hampshire RG21 7QR.

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Trustees' Report

The trustees present their annual report together with the financial statements of the charity for the year ended 31 March 2021 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The reference and administrative details set out on page 1 forms part of this report. The financial statements comply with 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 (FRS 102).

Objectives and activities

Our Vision

- To be a catalyst for Great Performance - Live, and enhance the lives of those living in, working in, or visiting the Borough of Basingstoke and Deane.
- To be a regional and national example of good practice in support for performing and participatory arts.

Our Aims

- To present and support work of the highest quality in a range of genres.
- To create educational and participatory opportunities that include all members of our community.
- To present and create work that celebrates cultural diversity.
- To provide the people of Basingstoke and Deane and beyond with a centre of excellence that enhances the image and reputation of the borough.
- To provide a service that is noted for accessibility, courtesy and efficiency.
- To be an excellent employer.

For the benefit of:

Those who live in, work in or visit the Borough of Basingstoke and Deane, the County of Hampshire and beyond.

Artists and audiences from all sections of society.

Achieved by:

An annual programme of performances and events that is wide ranging on all levels.

Measured by:

Clearly defined performance indicators that include quantitative and qualitative targets. These include the numbers of ticket sales and users, postcode analysis of users, local authority and commissioned satisfaction surveys.

Public benefit

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)'.

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Trustees' Report

Achievements and performance

"One of the most vital arts organisations in southern England."

The Times, 2021

The Anvil Trust is a registered educational charity limited by guarantee, whose purpose is to provide audiences, artists and communities in Basingstoke and Deane, Hampshire and across the catchment area with positive experiences of a world-class arts, entertainment and community engagement programme.

Contained within our Service Level Agreements with Basingstoke and Deane Borough Council, Arts Council England as part of the National Portfolio, and Hampshire County Council are a range of KPIs that indicate how we fulfil this purpose. They include quantitative indicators, for instance audience and performance figures, and qualitative indicators that are evidenced through customer and artist satisfaction, and professional peer and critical reviews.

This year was the most unusual and challenging for the Trust since The Anvil opened in 1994. With the enforced closure of venues from March 2020 because of the coronavirus pandemic, all performance activity at The Anvil and The Haymarket ceased. As it turned out, both venues were forced to stay closed for the remainder of the 2020-21 financial year and beyond.

From October 2020 to April 2021, The Anvil served the community of Basingstoke and Deane by operating as a COVID test centre. Tens of thousands of people were tested during this time by staff working for Department of Health and Social Care contractors. While the operating process was not without its own challenges, as the biggest public building in the town centre, becoming a test centre was an entirely appropriate use of the space.

All scheduled live activity for the financial year - over 400 performances - was either rescheduled or cancelled, with consequent loss of box office revenue and associated bar and merchandise sales. The majority of ticket sales for rescheduled performances were retained. To minimise expenditure, 93% of staff were put either on full or flexible furlough, plant and equipment was powered down and breaks for service contracts were negotiated.

With no live performances permitted in either venue, we joined with many of our partner organisations in presenting live or recorded work streamed on the internet, either ticketed or free of charge. Highlights included the Philharmonia Orchestra with cellist Sheku Kanneh-Mason, the Bootleg Beatles, the gospel group The Blind Boys of Alabama, a filmed version of Sebastian Faulks' Birdsong, and Pantomonium!, a specially written Christmas production. Audience numbers varied from project to project but the removal of any geographical barriers to access work was a positive development.

Community engagement and education projects were also put on enforced hold for the year as schools, colleges and our partner and client organisations were operating under their own restrictions and staff furlough arrangements.

We were successful in two bids to the Culture Recovery Fund, which raised a total of £369,000 to support specific items for the recovery and re-opening of the organisation. We also arranged a CBILs loan of £190,000 to be activated from December 2021.

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Trustees' Report

Investment in the arts remains uncertain and the Board supports initiatives by the executive to broaden the income base of the Trust. The Board approves the risk strategy and receives regular updates against the risk register.

Financial review

The statement of financial activities on page 11 shows another year of stable financial performance with final unrestricted funds of £1,784,070. The balance on the restricted funds stands at £534,375. The composition of the restricted funds is shown in note 20 to the accounts.

The main sources of income are from the public sale of tickets for performances, bar sales, and investment from Basingstoke and Deane Borough Council, Arts Council England and Hampshire County Council. Basingstoke and Deane Borough Council provides a revenue grant based on an agreed programme of work to be provided by The Anvil Trust which is defined in its annual Service Level Agreement. Legislation requires that The Anvil Trust be charged a fair market rent of £149,250 for The Anvil and £65,000 for The Haymarket during the year. Basingstoke and Deane Borough Council provided a full rent subsidy to cover the amounts due.

A number of reserves are in place to fulfil the objectives and Business Plan of The Anvil Trust, in particular to provide a vehicle for innovation and to both educate and entertain in the provision of great performance. The Anvil Trust's reserves policy is reviewed annually to confirm appropriateness of approved levels and that the policy is being operated satisfactorily. All reserves have appropriate limits and objectives, and release of reserves is subject to budgeting and prior authorisation.

The following main reserves are in place:

Unrestricted funds

To seek to maintain a minimum fund level to cover contingency operating issues for the operational fabric of the buildings (to a maximum of 6 months).

Restricted funds

Hampshire County Council awarded grants to The Anvil Trust and Turner Sims to deliver the New Dimensions in Music Performance and Participation, these projects are still ongoing. The Musication Station reserve is the result of public donations from audiences to the pantomime. Both grants were restricted funds. In addition, the Great Music of the World Fund was established to fulfil our strategic aims and ensure that programming of international concerts can continue for the foreseeable future. The Great Music of the World fund has an upper limit of £400,000 to ensure that reserves are actively used and a minimum level of £100,000 established to provide sustainable investment.

Designated funds

Designated Funds have been set up to pay for necessary repairs and maintenance; a future replacement of the Steinway piano to meet orchestras' and soloists' expectations; local community programmes across Basingstoke; programme projects; a commissioning fund for new work; environmental sustainability; and consultancy. Transfers are made when we anticipate future requirements. They will be released over the next five years when the expenditure is incurred. The board reviews the requirements annually.

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Trustees' Report

Risk management

The trustees have overall responsibility for the system of risk management and internal control. The Anvil Trust has a risk management framework in place, which includes the following:

- The trustees monitor progress against the objectives set out in the business plan and a comprehensive review of the plan is carried out annually;
- Procedures are in place to identify risks that the charity may face and the key risks are reported and reviewed by the trustees. The full risk assessment register is reviewed by a trustee and CEO every six months; and
- Reporting includes the operation of the controls that mitigate risks, including the systems and procedures in place. Key financial controls include; established authorisation levels for expenditure, cheque signing and investment, monthly reviews of key financial and operational information. Through the procedures and reporting in place, the trustees are able to evaluate the effectiveness of internal controls and confirm that key risk areas are being identified and management controls implemented.

Future plans

There is no doubt that the continuing strategic support of Basingstoke and Deane Borough Council is essential to the future of The Anvil Trust. We will be working closely with the Council to ensure we not only preserve but develop the role that The Anvil Trust plays in making Basingstoke and Deane vibrant, successful and welcoming to those who live in, work in and visit the Borough.

Investment in the arts remains uncertain and the Board supports initiatives by the executive to broaden the income base of the Trust, with the aim of using increased income to deliver more opportunities for all members of the community to take part in, participate in and create great art and culture.

Structure, governance and management

The charity is a company limited by guarantee, and the guarantee of each member is limited to £25. The governing instrument is the Memorandum and Articles of Association.

The Anvil Trust benefits from a skilled and committed Board of Directors, who are also known as the Trustees throughout these accounts.

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

Mrs L B Bell
Miss A H Bowden
Ms S M Catley
Mr D Chatten-Smith
Mr A J Finney
Mr S Hayward
Cllr C Kinnear
Mr D W C Whelton

All of the above are members of the company and are required to contribute up to £25 to the company in the event of it being wound up.

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Trustees' Report

The Board regularly reviews membership and uses "skills set" analysis as the major criterion for recruitment. There is a recruitment committee of the Board which interviews potential new members. There is a job description for Board members and the Chairman. Induction training for new members includes a briefing and detailed information from the Chief Executive and Chairman about the organisation and the aims of the Trust. Induction on the role and responsibilities of Directors is dependent upon the experience of new members.

Members receive on-going training through away days and professional training on specific issues such as equal opportunities. The company has made qualifying third party indemnity provisions for the benefit of its trustees during the year. These provisions remain in force at the reporting date.

Equality and diversity in recruitment

There was no recruitment during the year.

Going concern

The accounts have been drawn up on the basis of the charitable company continuing as a going concern in the foreseeable future. The company has received assurances from Basingstoke and Deane Borough Council that a revenue grant of £395,462 will be made available for the year up to March 2022 and Basingstoke and Deane Borough Council have also indicated their commitment to continue to offer on-going revenue support.

Statement of trustees' responsibilities

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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Trustees' Report

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In so far as the trustees are aware at the time of approving our trustees' annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the charitable company's auditor is unaware; and
- the trustees, having made enquiries of fellow directors and the charitable company's auditor that they ought to have individually taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Small company exemptions

This report is prepared in accordance with the provisions of the Companies Act 2006 relating to small companies.

This report was approved by the Board of Trustees on *14 December 2021* and signed on its behalf by



C Smith
Trustee

Independent Auditors' Report to the Members of The Anvil Trust Limited

Opinion

We have audited the financial statements of The Anvil Trust Limited (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

Independent Auditors' Report to the Members of The Anvil Trust Limited

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 7, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent Auditors' Report to the Members of The Anvil Trust Limited

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. 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. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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, for our audit work, for this report, or for the opinions we have formed.

Mr Graham Berry FCCA (Senior Statutory Auditor)
For and on behalf of Breckman & Company Ltd
Statutory Auditors
Chartered Certified Accountants

49 South Molton Street
London W1K 5LH

The Anvil Trust Limited

(Limited by Guarantee)

Statement of Financial Activities (including Income and Expenditure Account)
for the year ended 31 March 2021

	Notes	Unrestricted funds £	Restricted funds £	2021 Total £	Unrestricted funds £	Restricted funds £	2020 Total £
Income and endowments from:	3						
Donations and legacies - page 12		976,618	836,406	1,813,024	998,727	11,565	1,010,292
Charitable activities							
Theatrical production - page 12		121,578	-	121,578	4,295,510	-	4,295,510
Investments	4	65,470	-	65,470	15,624	1,137	16,761
Total		<u>1,163,666</u>	<u>836,406</u>	<u>2,000,072</u>	<u>5,309,861</u>	<u>12,702</u>	<u>5,322,563</u>
Expenditure on:							
Charitable activities:							
Theatrical production - page 13		1,099,752	541,382	1,641,134	5,119,108	5,856	5,124,964
Investments	4	-	-	-	8,434	-	8,434
Total		<u>1,099,752</u>	<u>541,382</u>	<u>1,641,134</u>	<u>5,127,542</u>	<u>5,856</u>	<u>5,133,398</u>
Net income	5	63,914	295,024	358,938	182,319	6,846	189,165
Reconciliation of funds:							
Total funds brought forward		<u>1,720,156</u>	<u>239,351</u>	<u>1,959,507</u>	<u>1,537,837</u>	<u>232,505</u>	<u>1,770,342</u>
Total funds carried forward	19, 20	<u>1,784,070</u>	<u>534,375</u>	<u>2,318,445</u>	<u>1,720,156</u>	<u>239,351</u>	<u>1,959,507</u>

The notes on pages 17 to 29 form an integral part of these financial statements.

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derives from continuing activities.

The Anvil Trust Limited

(Limited by Guarantee)

Year ended 31 March 2021

	2021		2020	
	£	£	£	£
Income from donations and legacies				
Grants				
Arts Council England - NPO funding	141,504		138,949	
Arts Council England - CR funding	221,400		-	
Basingstoke & Deane Borough Council	790,924		790,924	
Central Government Business funding	48,173		-	
Hampshire County Council	30,000		55,000	
HMRC JRS funding	541,189		-	
	<u> </u>	1,773,190	<u> </u>	984,873
Donations				
Donations	39,834		25,419	
	<u> </u>	39,834	<u> </u>	25,419
		<u>1,813,024</u>		<u>1,010,292</u>

Of total income from donations and legacies received in the year, £836,406 (2020 - £11,565) is restricted fund income.

Income from charitable activities

Theatrical production income

Ticket income	31,211	2,989,446
Hire fees	1,353	286,600
Ancillary income	10,037	1,019,464
Other income	78,977	-
	<u>121,578</u>	<u>4,295,510</u>

The Anvil Trust Limited
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Year ended 31 March 2021

	2021	2020
	£	£
Expenditure on charitable activities		
Theatrical production costs		
Staff costs	419,218	582,104
Fees and direct performance costs	5,944	2,557,974
Education and outreach	1,255	54,724
Marketing and box office	48,962	168,293
Premises costs	244,132	348,159
Depreciation costs	25,960	33,221
	<u>745,471</u>	<u>3,744,475</u>
Support costs - page 14	883,663	1,358,464
Governance costs - page 14	12,000	22,025
	<u>1,641,134</u>	<u>5,124,964</u>

All support and governance costs have been allocated to expenditure on charitable activities.

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Year ended 31 March 2021

	2021		2020	
	£	£	£	£
Support and governance costs				
Support costs				
General costs	208,083		446,604	
Staff costs	672,755		907,545	
Bank charges	2,825		4,315	
	<u> </u>	883,663	<u> </u>	1,358,464
Governance costs				
Accountancy/other	4,000		14,025	
Audit	8,000		8,000	
	<u> </u>	12,000	<u> </u>	22,025
		<u> </u>		<u> </u>
		<u>895,663</u>		<u>1,380,489</u>

The Anvil Trust Limited

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**Balance Sheet
31 March 2021**

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Tangible assets	11		56,616		53,401
Investments	12		556,823		494,866
			<u>613,439</u>		<u>548,267</u>
Current assets					
Stocks	13	12,412		21,933	
Debtors	14	142,772		128,554	
Investments	15	526,454		1,081,523	
Cash at bank and in hand		2,401,690		1,643,673	
		<u>3,083,328</u>		<u>2,875,683</u>	
Liabilities					
Creditors: amounts falling due within one year	16	(1,188,322)		(1,464,443)	
Net current assets			<u>1,895,006</u>		<u>1,411,240</u>
Total assets less current liabilities			<u>2,508,445</u>		<u>1,959,507</u>
Creditors: amounts falling due after more than one year	17		(190,000)		-
Net assets			<u>2,318,445</u>		<u>1,959,507</u>
The funds of the charity					
Unrestricted funds	19				
- General fund			848,703		786,429
- Designated funds			935,367		933,727
Total unrestricted funds			<u>1,784,070</u>		<u>1,720,156</u>
Restricted funds	20		534,375		239,351
Total charity funds			<u>2,318,445</u>		<u>1,959,507</u>

The trustees have prepared these accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011. These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The accounts were approved by the Board of Trustees on *14 December 2021* and signed on its behalf by

C Smith
Trustee



S Hayward
Trustee



The notes on pages 17 to 29 form an integral part of these financial statements.

The Anvil Trust Limited
(Limited by Guarantee)
Cash Flow Statement
for the year ended 31 March 2021

	Notes	2021 £	2020 £
Cash flows from operating activities	22	228,610	(107,616)
Cash flows from investing activities:			
Dividends, interest and rents from investments		3,513	16,761
Purchase of tangible fixed assets		(29,175)	(10,624)
Net cash provided by investment activities		<u>(25,662)</u>	<u>6,137</u>
Change in cash and cash equivalents in the reporting period		<u>202,948</u>	<u>(101,479)</u>
Cash and cash equivalents at the beginning of the reporting period		2,725,196	2,826,675
Cash and cash equivalents at the end of the reporting period		<u><u>2,928,144</u></u>	<u><u>2,725,196</u></u>
Represented by:			
Cash - deposits and investments		526,454	1,081,523
Cash at bank and in hand		2,401,690	1,643,673
		<u><u>2,928,144</u></u>	<u><u>2,725,196</u></u>

The Anvil Trust Limited

(Limited by Guarantee)

Notes to the Financial Statements for the year ended 31 March 2021

1. Accounting policies

1.1. Basis of preparing the financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), and the Companies Act 2006.

The charitable company meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

1.2. Group financial statements

The charitable company has taken advantage of the exemption under section 398 of the Companies Act 2006 not to prepare consolidated financial statements. The financial statements present information about the charitable company as an individual entity and not about its group.

1.3. Preparation of the accounts on a going concern basis.

The charitable company is dependent on the continued support of grant aiding bodies. The trustees believe that the company will continue to receive this support and accordingly consider that it is appropriate to prepare the financial statements on the going concern basis.

1.4. Fund accounting

Funds held by the charity are either:

- Unrestricted general funds - these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.
- Designated funds - these are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose.
- Restricted funds - these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

The Anvil Trust Limited

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**Notes to the Financial Statements
for the year ended 31 March 2021**

1.5. Incoming resources

All incoming resources are included in the Statement of Financial Activities when:

- the charity is legally entitled to the funds
- any performance conditions attached to the income have been met or are fully within the control of the charity
- there is sufficient certainty that receipt of the income is considered probable
- the amount can be reliably measured

- Donations and legacies

Grants/donations are recognised in incoming resources in the year in which they are receivable, except as follows:

- when donors specify that grants/donations given to the charity must be used in future accounting periods, the income is deferred until those periods
- when donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the preconditions for use are met.

- Charitable activities

Theatrical production income - income from performance admission fees and hire income is included in incoming resources in the period in which the relevant activity takes place.

Project specific funding - when donors specify that donations and grants are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable.

- Donated services and facilities

Donated services or facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. On receipt, donated services and facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

- Investment income

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

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Notes to the Financial Statements for the year ended 31 March 2021

1.6. Expenditure

All expenditure is included on an accruals basis inclusive of any VAT which cannot be recovered and is recognised when:

- there is a legal or constructive obligation to make a payment
- it is probable that settlement will be required
- the amount of the obligation can be measured reliably

- Charitable activities

Theatrical production - costs incurred in performances, exhibitions and other educational activities undertaken to further the purposes of the charity and their associated support costs.

- Support costs

The administrative and overhead costs associated with running the office from which the company operates as well as governance costs. Support costs are wholly attributable to theatre production costs. The basis on which support costs have been allocated are set out on page 14.

- Governance costs

Costs associated with the constitutional and statutory requirements of the charity.

1.7. Leasing

Rentals payable under operating leases are charged to the income and expenditure account on a straight line basis over the lease term.

1.8. Pensions

The charitable company operates a defined contribution scheme for the benefit of its employees. contributions payable are recognised as expenditure when due.

1.9. Tangible fixed assets and depreciation

Individual fixed assets costing £1,000 or more are capitalised at cost.

Depreciation is provided at annual rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Plant/technical equipment	-	10 - 33% straight line basis
Fixtures/fittings/equipment		20 - 33% straight line basis
Motor vehicles	-	33% straight line basis
Bar/catering equipment	-	20 - 33% straight line basis

1.10. Investments

Fixed asset investments are stated at cost less provision for diminution in value.

Current asset investments are stated at the lower of cost and net realisable value.

1.11. Stock

Stock is included at the lower of cost or net realisable value. Donated items of stock are recognised on receipt at fair value which is the amount the charity would have been willing to pay for the items on the open market

The Anvil Trust Limited

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Notes to the Financial Statements for the year ended 31 March 2021

1.12. Debtors

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

1.13. Cash at bank and in hand

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

1.14. 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 after allowing for any trade discounts due.

1.15. Financial Instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value, and subsequently measured at their settlement value.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in net income (expenditure), except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

1.16. Significant accounting estimates and judgements

In determining the carrying amounts of certain assets and liabilities, the charity makes assumptions of the effects of uncertain future events on those assets and liabilities at the balance sheet date. The charity's estimates and assumptions are based on historical experience and expectation of future events and are reviewed annually.

2. Limited by guarantee

The charitable company is limited by guarantee and does not have a share capital. Each member gives a guarantee to contribute a sum, not exceeding £25, to the company should it be wound up. At 31 March 2021 there were 8 members.

3. Incoming resources

The total incoming resources for the year have been derived from the principal activity undertaken wholly in the UK.

The Anvil Trust Limited

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**Notes to the Financial Statements
for the year ended 31 March 2021**

4. Income from investments	2021	2020
	£	£
Fixed asset investments		
Gains/(losses) on listed investments (note 12)	61,957	(8,434)
	<u> </u>	<u> </u>
Other Investment Income		
Bank interest received	3,513	16,761
	<u> </u>	<u> </u>
5. Net income for the year is stated after charging:	2021	2020
	£	£
Depreciation of tangible fixed assets	25,960	33,221
Operating lease rentals	10,104	10,104
Auditors' remuneration:		
- external audit	8,000	8,000
- other services	4,000	14,025
	<u> </u>	<u> </u>

6. Trustees' emoluments and reimbursed expenses

The trustees received no remuneration during the year (2020 - £nil).

The aggregated amount reimbursed to trustees during the year was £nil (2020 - £nil).

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(Limited by Guarantee)

**Notes to the Financial Statements
for the year ended 31 March 2021**

7. Staff costs and numbers	2021	2020
	£	£
Staff costs		
Salaries and wages	999,821	1,356,389
Social security costs	68,113	89,937
Pension costs	24,039	43,323
	<u>1,091,973</u>	<u>1,489,649</u>

Of total staff costs of £1,091,973 recorded in the year £419,218 relates to direct theatrical production costs (page 13). These were covered in full by JRS funding received from HMRC.

Key management personnel

The key management personnel of the charitable company comprises the Trustees and the Senior Management Team. The total employee benefits of the key management personnel of the charity was as follows:

	2021	2020
	£	£
Total remuneration and benefits	<u>70,568</u>	<u>193,496</u>

Staff numbers

The average numbers of employees (including casual and part time staff) during the year was made up as follows:

	2021	2020
	Number	Number
Management	1	2
Administration and sales	26	31
Buildings, production and technical	26	28
Operations and front of house	63	61
	<u>116</u>	<u>122</u>

The number of employees who earned £60,000 or more during the year was as follows:

	2021	2020
	Number	Number
£60,000 - £69,999	-	1
£70,000 - £79,999	1	-
£80,000 - £89,000	-	1
	<u>1</u>	<u>2</u>

The Anvil Trust Limited

(Limited by Guarantee)

**Notes to the Financial Statements
for the year ended 31 March 2021**

8. Pension costs

The charitable company operates a defined contribution pension scheme in respect of its employees. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £24,039 (2020 - £43,323).

9. Grants - Basingstoke and Deane Borough Council / Hampshire County Council

In accordance with sub-section 37(4) of the Local Government and Housing Act 1989, grants have been fully utilised in accordance with the terms under which they were originally granted and have been fully expended on revenue items in the normal course of the company's business.

Income from government grants comprises performance related grants for the funding of the artistic and theatrical programmes of The Anvil Trust Limited.

10. Corporation taxation

The charitable company is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

11. Fixed assets - tangible assets	Plant/ technical equipment	Fixtures/ fittings/ equipment	Motor vehicles	Bar/ catering equipment	Total
	£	£	£	£	£
Cost					
1 April 2020	531,065	141,136	14,700	137,545	824,446
Additions	-	29,175	-	-	29,175
31 March 2021	531,065	170,311	14,700	137,545	853,621
Depreciation					
1 April 2020	516,860	111,905	14,699	127,581	771,045
Charge for year	7,053	15,089	-	3,818	25,960
31 March 2021	523,913	126,994	14,699	131,399	797,005
Net book values					
31 March 2021	7,152	43,317	1	6,146	56,616
31 March 2020	14,205	29,231	1	9,964	53,401

The Anvil Trust Limited

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**Notes to the Financial Statements
for the year ended 31 March 2021**

12. Fixed Asset Investments

	Subsidiary Undertakings Shares £	Listed Investments £	Total £
Cost			
1st April 2020	2	494,864	494,866
Revaluations	-	61,957	61,957
31st March 2021	<u>2</u>	<u>556,821</u>	<u>556,823</u>
Net book values			
31st March 2021	<u>2</u>	<u>556,821</u>	<u>556,823</u>
31st March 2020	<u>2</u>	<u>494,864</u>	<u>494,866</u>

Subsidiary undertakings

Ordinary shares in group undertaking at cost - £2.

The parent charity owns 100% of the share capital of Forge Enterprises Limited, which is registered in EW - England and Wales, registered number 02876228. The total capital and reserves at the balance sheet date were £2.

Forge Enterprises Limited is currently dormant.

13. Stocks

	2021 £	2020 £
Finished goods and goods for resale	12,412	21,933
	<u>12,412</u>	<u>21,933</u>

14. Debtors

	2021 £	2020 £
Trade debtors	27,101	52,290
Other debtors	38,272	27,336
Prepayments	77,399	48,928
	<u>142,772</u>	<u>128,554</u>

The Anvil Trust Limited

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**Notes to the Financial Statements
for the year ended 31 March 2021**

15. Current asset investments	2021	2020
	£	£
Cash - deposits and investments	526,454	1,081,523
	<u> </u>	<u> </u>
16. Creditors: amounts falling due within one year	2021	2020
	£	£
Trade creditors	51,902	106,907
Amounts owed to group undertaking	2	2
Other taxation/social security	18,013	58,026
Other creditors	75,948	302,884
Accruals	122,323	134,761
Deferred income (note 18)	920,134	861,863
	<u>1,188,322</u>	<u>1,464,443</u>
	<u> </u>	<u> </u>
17. Creditors: amounts falling due after more than one year	2021	2020
	£	£
Other creditors	190,000	-
	<u> </u>	<u> </u>
18. Deferred income	2021	2020
	£	£
Balance brought forward	861,863	745,136
Amount released to incoming resources	-	(745,136)
Amount deferred in the year	58,271	861,863
Balance carried forward	<u>920,134</u>	<u>861,863</u>
	<u> </u>	<u> </u>

Deferred income relates to income received in advance from charitable activities taking place after the year-end. Deferred income value is represented by ticket sales plus any associated costs. The Trust receives a contractually agreed percentage of income from total tickets sold. The year to 31 March 2021 includes additional amounts receivable from shows rescheduled as a result of venue closure during the COVID-19 pandemic.

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**Notes to the Financial Statements
for the year ended 31 March 2021**

19. Unrestricted funds	Brought forward £	Incoming resources £	Outgoing resources £	Transfers £	Carried forward £
General funds	786,429	1,163,666	(1,099,752)	(1,640)	848,703
Designated funds:					
Repairs and maintenance	343,195	-	-	-	343,195
Box office	104,104	-	-	-	104,104
Basingstoke partnerships	48,799	-	-	1,000	49,799
Development fund	12,565	-	-	-	12,565
Steinway Piano fund	70,000	-	-	-	70,000
Programme	120,000	-	-	-	120,000
Sustainable environment	80,262	-	-	6,362	86,624
Business development	5,000	-	-	-	5,000
Strategic review	41,700	-	-	37,200	4,500
Customer experience	33,000	-	-	-	33,000
Closure impact	75,102	-	-	31,478	106,580
	<u>933,727</u>	<u>-</u>	<u>-</u>	<u>1,640</u>	<u>935,367</u>
	<u><u>1,720,156</u></u>	<u><u>1,163,666</u></u>	<u><u>(1,099,752)</u></u>	<u><u>-</u></u>	<u><u>1,784,070</u></u>

General funds

General funds are the free reserves of the charity after allowing for designated funds.

Designated funds

Designated funds represent monies set aside for specific purposes or projects in the short to medium term. The trustees regularly review the required future expenditure relating to premises and service delivery in order to ensure that adequate funds are designated for these purposes from general reserves.

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**Notes to the Financial Statements
for the year ended 31 March 2021**

20. Restricted funds	Brought forward	Incoming resources	Outgoing resources	Carried forward
	£	£	£	£
HMRC JRS funding	-	541,189	(541,189)	-
Great Music of the World	230,796	25,551	-	256,347
New Dimensions	713	-	(73)	640
Musication	7,842	93	(120)	7,815
Emergency and Reopening	-	269,573	-	269,573
	<u>239,351</u>	<u>836,406</u>	<u>(541,382)</u>	<u>534,375</u>

HMRC JRS funding

Government funding received to cover salary and payroll costs. Of total staff costs of £1,091,973 recorded in the year £419,218 relates to direct theatrical production costs. These were covered in full by JRS funding received from HMRC. The majority of funding relating to production costs was claimed to cover the costs of hourly paid staff during the period venues were closed due to COVID-19. The remainder of funding claimed covered salary obligations for production staff on both full and flexible furlough schemes.

Great Music of the World

Great Music of the World enables The Anvil to bring the best international music to Basingstoke and to increase the number and range of concerts.

New Dimensions

New Dimensions was the grant receivable from Hampshire County Council awarded to Anvil Arts and Turner Simms to deliver the New Dimensions in Music Performance and Participation.

Musication

Musication relates to donations received to purchase musical instruments.

Emergency and Reopening

This relates to Culture Recovery funding and grants received from central government for closure. These amounts are for reopening of venues and associated expenditure due to closure.

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**Notes to the Financial Statements
for the year ended 31 March 2021**

21. Analysis of net assets between funds

	General funds £	Designated funds £	Restricted funds £	Total £
Fund balances at 31 March 2021 are represented by:				
Tangible fixed assets	56,616	-	-	56,616
Investments	556,823	-	-	556,823
Net current assets	425,264	935,367	534,375	1,895,006
Long term (liabilities)	(190,000)	-	-	(190,000)
	<u>848,703</u>	<u>935,367</u>	<u>534,375</u>	<u>2,318,445</u>

22. Reconciliation of net income to net cashflow from operating activities:

	2021 £	2020 £
Net income for the reporting period per the Statement of Financial Activities (page 12)	358,938	189,165
Adjustments for:		
Depreciation and amortisation	25,960	33,221
(Gains)/losses on investments	(61,957)	8,434
Dividends, interest and rents from investments	(3,513)	(16,761)
Movement in working capital:		
Decrease in stock	9,521	6,568
Increase/(decrease) in debtors	(14,218)	133,367
(Decrease) in creditors	(86,121)	(461,610)
Net cashflow from operating activities	<u>228,610</u>	<u>(107,616)</u>

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**Notes to the Financial Statements
for the year ended 31 March 2021**

23. Financial commitments

At 31 March 2021 the charitable company had total future commitments under non-cancellable operating leases falling due as follows:

	2021	2020
	£	£
Due:		
Within one year	8,640	9,190
Between one and five years	5,652	13,877
	<u>14,292</u>	<u>23,067</u>

The freehold of The Anvil is owned by Basingstoke and Deane Borough Council. Rent is payable at an annual rent of £149,250 in accordance with the lease dated 31 March 2014, the lease term is 20 years from 1 April 2014. The rent is fully subsidised by Basingstoke and Deane Borough Council.

The freehold of The Haymarket is owned by Basingstoke and Deane Borough Council and rent is payable at an annual rent of £65,000, the lease term is 15 years from 25 September 2007. The rent is fully subsidised by Basingstoke and Deane Borough Council.

24. Related party transactions

The charitable company had no related party transactions that require disclosure.

25. Ultimate parent undertaking

The directors of The Anvil Trust Limited (who are also the trustees) are considered to be the ultimate controlling party of the group.

