

THE ROBIN HOOD THEATRE COMPANY LTD

Finance Director's Report to the Annual General Meeting

10 December 2015



Introduction

This report covers our financial year 1 July 2014 to 30 June 2015.

Profitability

The accounts for the period reflect our first full years trading since we reopened the theatre. I am pleased we have been able to declare a profit of £17,960 this year compared to a loss of £10,387 in the previous year. We also increased turnover to £47,269 from £32,517. Retained profit at the end of the year amounted to £26,357. These results are very satisfying and are not only testimony to everyone's hard work over the last twelve months, but also proof that current usage and activity levels in the building are about right. Indications are that the current year will only build on last year's success.

Corporation Tax

Our success in attracting outside lettings, to the value of £3,171 does mean that this year we became liable for Corporation Tax. After offsetting amounts for heating, electricity and insurance costs against this income we were liable for £211 in tax.

Creditors

Amounts falling due, including amounts paid but not yet presented at the bank £2,920.

Closing Stock

The value of bar stock, ice cream stock and heating oil held at the end of the year amounted to £1,064.

Electricity

Our 2 year fixed electricity contract with e-on expired on 10 April. Having trawled the market, with the help of 'Switch My Business'. The best deal available was with Extra Energy, one of the newer suppliers in the energy market. I accepted a 3 year fixed deal of 11.84p per KWh day rate, 6.98p per KWh night rate and 80.53p per day standing charge. This was considerably below even the 2 year fix e-on were offering and we're getting a further year. e-on were not offering any 3 year fixed deals. Based on our past usage we will save over £500pa on this contract.

Oil

We have now completed 3 years with the Nottinghamshire Rural Community Action Oil buying scheme. Over the last year we ordered 6,000 litres and this delivered savings of £351.15 on the average prices for the buying days.

Productions

Date	Play	Seats Sold	Production Profit*
September 2014	Educating Rita	97%	£6,810
November 2014	Neighbourhood Watch	100%	£7,210
January 2015	The Ladykillers	99%	£6,966
April 2015	Sense & Sensibility	74%	£4,752
June 2015	Hi-De-Hi	84%	£5,656

* Including all appropriate ancillary income and expenditure.

Production revenue has continued to be strong this year with good profits being made on all shows. Of late percentage ticket sales have settled at around the high 80s, rather than the sell outs we were getting when we first reopened. But nonetheless this is better than we were getting historically. Production costs have reduced significantly since being back in the theatre, with no hire and transport fees. We continue to set budgets and manage costs for each production.

Programmes

We have been able to sell advertising space in the programme this year and this has increased revenue from £774 to £1,584.

Fundraising

Although we had less personal donations this year we did receive Gift Aid repayments for previous donations amounting to £2,138.21. We have also benefited from a number of Vodafone CAF match funding claims thanks to Mark Lebeter. The company has also undertaken a number of Murder Mystery events for which we received a fee. Total fundraising and donation amounted to £7,075.

Ice Cream

Our first year selling ice cream has proved very popular and a good income stream. With a mark-up of over 100% it has generated £1,109 profit this year.

Building Development

After opening the theatre, development spending on the building reduced significantly this year, from £31,710 to £7,885. However, significant work has taken place, installing electricity into the dressing rooms and stage door areas, as well as adding new radiators on stage and in the dressing rooms.

Gift Aid on Membership Fees

We have on occasions been asked if our membership fees qualify for Gift Aid. The gift aid rules are quite complicated but after investigation I have discovered that unfortunately, under our current membership structure they do not qualify. Essentially the reasons we do not qualify are as follows:

- To qualify membership fees must be for membership only and the fee must not give access to the Charities facilities or services. Acting in, or working on a production counts as having access our facilities, we fall into a similar category to cricket and football and other sports clubs.
- Also any benefits received as a result of membership cannot exceed 25% of the donation. That is in our case, £8.75 for joint membership and £5 for individual membership. The benefit we provide, by way of discounted tickets currently provides a maximum benefit of £20 (57%) for joint and £10 (50%) for individual membership.
- Payments received in return for goods or services, for example admission to a concert or production, or a fee to enter a sponsored challenge, are not eligible for gift aid.

As a matter of interest the National Trust and English Heritage operate under slightly different rules. They have the following exemption:

Viewing charity property

Entry fees to visit and view a charity property do not qualify for gift aid because they are not a gift. But a voluntary donation that allows visitors to view a property may qualify. Donations qualify when they are over 10% or more than the normal admission fee, or allow admission for 12 months.

Of course we could look to change our classes of membership for non participating members, who do not wish to claim discounted tickets, but it is perhaps just easier just to make a separate one off donation.

Conclusion

In conclusion I believe we have had an excellent first year back in the theatre. Our productions are very profitable and we have developed good ancillary income streams. We have also forged a number of relationships with other organisations who enjoy using our facilities and in turn subsidise our running costs. We still have significant challenges ahead but I believe we are in good shape to press ahead with our development plans.

Clive Harmston
Finance Director
The Robin Hood Theatre Company Limited