



THE THEATRE SHED LIMITED

Company Registration No. 5657857
Charity Registration No. 1114231

DIRECTORS' REPORT

For the Financial Period
ending
31ST AUGUST 2015

DIRECTORS' REPORT

The Directors present their report together with the unaudited financial statements for the twelve-month financial period ended 31st August 2015. The Company is a registered charity and the Directors have adopted the provisions of the Statement of Recommended Practice: Accounting and Reporting by Charities issued in March 2005. The Company formally changed its name to The Theatre Shed Limited on 5th February 2015.

Reference and Administration Information

Charity Name:	The Theatre Shed
Charity Registration No:	1114231
Company Registration No:	5657865
Registered Office and Principal Address:	Chesham Youth Centre Bellingdon Road Chesham Bucks. HP5 2HA

Directors:

The directors in office at the date of this report are:

Mr G A Jeffrey (Chairman)
Mr M D Stott (resigned 8th January 2015)
Mrs T Connor (resigned 7th September 2014)
Mrs S Blackman
Mrs C Jones
Mrs V Kaye (nee Berry) (resigned 14th April 2015)
Mrs S Alford (appointed 17th November 2014 and resigned 28th April 2015)
Ms C Woolveridge (appointed 19th January 2015)
Mrs M Holt (appointed 19th January 2015)

During the Accounting Period, Mr M Stott, Mrs T Connor, Mrs S Alford and Mrs V Kaye resigned as Directors of the Company and the current Directors would like to thank them for all their contributions to the Company over the years. The Board also welcomed Ms C Woolveridge (as Finance Trustee) and Mrs M Holt (as Fundraising Trustee) to the Board.

In accordance with the Articles of Association not more than one third of the Directors in office are required to retire by rotation at each AGM, other than those Directors appointed by the Board during the Accounting Period but such appointments must be confirmed at the next AGM.

In accordance with the Articles of Association, the Directors retiring by rotation are Mrs Sarah Blackman and Mr George Jeffrey, who being eligible will offer themselves for re-election at the forthcoming AGM.

The present Board comprises directors drawn from a broad section of the community with experience in the performing arts, education and commerce. All directors other than Mrs

Kaye are non-executive and receive no fees or emoluments other than the reimbursements of expenses. Mrs Kaye was (until her resignation on 14th April 2015) the Artistic Director of the Company and, as such, was remunerated for the work (on a free-lance basis) undertaken by her on behalf of the Company, as permitted by Article 41 of the Company's Articles of Association and Clause 5 of its Memorandum.

The Directors are also Trustees for the purposes of charity law.

Secretary:

Natalie Boorer, LLB.

Bankers:

NatWest Bank Plc
13 High Street
Chesham.
Bucks. HP5 1BQ

Structure and Governance

The Company is limited by Guarantee and was incorporated under the Companies Acts on 19th December 2005 as a 'not-for-profit' charity to provide inclusive performing arts facility for children and young people. The Company was registered as a charity on 16th May 2006.

The Company is constituted under a Memorandum of Association that established the Company's objects and powers and is regulated by its Articles of Association. In the event of the Company being wound up the Members are required to contribute an amount not exceeding £10. The current Members are Mr Jeffrey and Ms Woolveridge.

Risk Management

The Directors have a duty to identify and review the risks to which the Company is exposed and to ensure that appropriate controls are in place to provide reasonable assurance against fraud and error. All relevant policies are in place and a full risk review has been undertaken for this year and will be conducted annually. Insurance cover for Employer's Liability and Public Liability was renewed and is in place. Specifically, the Company's CRB, Dignity at Work, Equality & Inclusion, Recruitment of Ex-Offenders, Voluntary Reporting, Child Protection & Welfare and Health & Safety policies were all reviewed during the course of the last year.

Background and Year In Review

We encourage all children and young people, regardless of any disability or disadvantage, to prepare for and participate in live stage performances through a series of weekly workshops in music, drama and dance. An "Elevator" statement encapsulating the Company's activities reads as follows.

"The Theatre Shed is a unique and inclusive theatre company where young people from every walk of life, background, and ability come together. We use the power of the Performing Arts to provide young people with the confidence and independence to feel part of society, contribute to their communities and live fulfilling and dignified lives."

The Company's activities began in September 2005 as an outreach project of The

Chickenshed Theatre Trust Company based in Southgate, London N1, and were initially undertaken by Chesham Park Community College (the predecessor to CHA) and financed through its performing arts subsidy. Because of the uncertainty that this source of finance would be maintained on a long-term basis, the College decided to establish a separate legal entity that could become independent of the College and its financial support. The Company was therefore incorporated with the intention that it would become self-financing on a sustainable basis by seeking financial support and sponsorship as a registered charity.

As noted in last year's Annual Report, after a long period of residence at the Chiltern Hills Academy, the Board decided that for logistical and strategic reasons, it made sense to move the Company's premises to the Chesham Youth Centre ("CYC"), located in the heart of Chesham. This move took place in September 2014 and proved, on the whole, to be successful (although a number of practical problems remain outstanding). As the Company was therefore no longer physically located "@ThePark", it also made sense to change its name to The Theatre Shed (as chosen by the Company's members). Since September 2014, the weekly workshops and theatre performances (with the exception of the main Gala Performance event of the year) have been undertaken in the main hall at CYC and are supervised by an Artistic Team consisting (since April 2015) of two Co-Artistic Directors, a Lead Practitioner and an Administrator, and supported by approximately 10 volunteer "mentor" practitioners.

The Company currently broadly caters for some 43 children and young people between the ages of 8 and 16+ years.

Artistic Review

As will be highlighted below, the Company experienced a severe cash-flow tightening of its financial resources during the Lent Term of the Accounting Period. This predominantly arose from a failure to secure a number of key grants applications in the Autumn 2014 term. As a result, the Company's Artistic Director (Vivian Kaye) tendered her resignation, taking effect in April 2015, which was accepted with reluctance by the Board. The Artistic team was re-configured so that the Assistant Artistic Director (Miss Sally Barnard) and the Musical Director (Mr Nick Jones) were asked to take on joint responsibility for the Artistic direction of the Company (to include the running of the workshops and the production of an end of summer term performance) and to do so on 50% reduced hours in order to cut costs further. The Board would like to formally record its appreciation to Miss Barnard and Mr Jones for having agreed to do so, as well as to Mrs Kaye for her years of dedicated service.

As a primary result of these cost reductions, the Company's financial position slowly solidified and improved during the course of the Summer Term and the Board decided that Miss Barnard and Mr Jones should continue, with effect from the start of the new Financial Year, to co-direct the Company from an artistic perspective (at their reinstated 14 hours each a week), with administrative back-up being provided by Miss Tina Hearnden.

Workshops

The Company has continued to run its weekly workshop programme (Children's Theatre 1, Children's Theatre 2, Youth Theatre and Community Theatre). After some deliberation, the Board decided to increase its Annual Membership Fees with effect from 1st September 2015. The new charges are £396 per year for Youth Theatre membership and £312 per year for Children's Theatre membership (either paid by standing order over 12 months or paid annually in advance).

Shows

As usual, the Company's Artistic team provided a full itinerary of shows throughout the

Financial Year. The highlight was the annual Gala performance (this year called Lifted, which commemorated the Company's 10th Year Anniversary) held over the Easter weekend in early April at the Elgiva Theatre in central Chesham. A huge amount of work went into producing 3 shows (2 on Easter Saturday and one on Easter Sunday), against the backdrop of the financial uncertainty referred to above, and all involved (particularly Mrs Kaye, Miss Barnard and Mr Jones) are to be commended. All 3 performances were nearly sold-out and were critically acclaimed by audience members and the local community alike. In addition, the overall venture produced a profit to the Company. Other highlights included a Christmas Cabaret in December and a Summer Cabaret in July, both at CYC.

Outreach

As set out in last year's Annual Report, the Board has placed great emphasis on the need for the Company to continue and increase its local community outreach programme and the Artistic Team has responded well to this by undertaking initiatives to (amongst others) the Waterside Theatre Aylesbury, Heritage House, the Mencap Amersham Society, Hyde Heath School, Stoke Mandeville as part of a Conference and activity day for School pupils with a disability, as well as participating in Christmas in Chesham, the Chesham Rotary Sleigh collection and holding "open to the public" workshops and a Halloween disco at CYC. As can be seen below, the Board is of the view that the main objective for the Company in the new financial year is membership recruitment and Outreach will play a key role in this. In addition, the Company was the recipient of a Grant from the Chesham Youth Action Group amounting to £1,300 in return for which the Company provided youth leadership and local project worker training services to young local adults. The scheme proved a great success and was a useful platform for the Artistic Team to recruit new members.

Summer School

The Company held its usual Summer School scheme at CYC during the 19th, 20th & 21st August, attended by 10 Shed members and 7 non-Shed members and made a modest profit.

Challenges & Opportunities

- As has been noted above, the Company experienced a notably unsuccessful Autumn 2014 Term in respect of its Grant Applications, which resulted in the need to take some drastic cost-cutting actions in order to maintain its fiscal solvency. These are set out in the Artistic Review above. In the end, partly as a result of these actions and partly due to some fortuitously timed fundraising activities, the Company ended the Financial Year with a modest surplus (see below). The Board is particularly indebted to the Pipers Corner School for an award of £5,000, to the Gateway Foundation for a grant of £2,000 and to the attendees of, and donors to, its successful Gala Event held in November 2014, which yielded a profit of £8,500.
- As a result, the Board believes that the Company may have over-relied in the past on the assumption of generating successful grant applications, and that this cannot be relied upon in the future for a variety of reasons. It needs to diversify its income sources and, as such, it believes that materially increasing membership must be of paramount importance – both financially and strategically. During the bulk of the Company's existence to date over the past 10 years, subscription revenues generated through membership have been less than 20% of overall income, and this must change. Increased membership not only would result in increased subscription income but would have a positive incidental impact on all other areas

of the Company's activities. Both the Board and the Artistic team will be particularly focused on driving membership during the new financial year.

- The need for a local corporate financial sponsor remains of importance to the Company. The Board is immensely grateful for the support and collaboration of the Flying Start Tuition Company, which has provided executive, marketing, press and other support (its founder, Mrs. Sian Goodspeed, acts as an informal Board advisor to the Company) and is confident that the relationship between the two companies will continue to thrive to their mutual benefit. That said, the Board still believes that it can source a SME based in the South Bucks area to partner with the Company in return for some secured funding over a period of years.
- As noted above, the Board is relatively happy with its first year of tenancy at the CYC and has renewed its lease for a second year on the same terms and conditions. There remain some practical obstacles to overcome, the main one being a lack of appropriate space to date for the CT2 Workshop on a Monday evening.
- The Board is pleased to note that one its new recruits, Mrs M Holt, has taken over the role for generating Grant Applications, thus negating the need for the Company to hire professional fundraisers (as has been the case for the previous two years).

Financial Review

Funding

During the Accounting Period, the Board has managed to raise £58,453 (compared to £54,509 for the period starting 1st September 2013). Of this, £34,740 came from Grants and Donations. Membership subscriptions during this Period amount to £11,112 (up from £10,030 for the previous Accounting Period). Net receipts for Performances and the above-mentioned Gala event amounted to £9,420 during this Period. The Board's general thanks go to all donors and institutions that have supported us over the past year.

Expenditure during the Accounting Period amounted to £55,280 (compared to £65,103 for the previous Accounting Period), which clearly shows that the Company has materially improved its financial performance since the last Accounting Period. The result for the Accounting Period therefore shows the Company posting a modest surplus of £3,173, compared to the previous 12 month Accounting Period which showed a deficit of £10,593.

Reserves

As of the end of the Accounting Period in question, there was a cash balance of £25,599 held on deposit (compared to £22,426 at the end of previous Accounting Period), which reflects the Company's improved financial position. The Board remains conscious that it aims to hold a minimum of £20k in reserve in order to properly wind up the Company, should that prove necessary. All efforts continue to be focused on generating as much revenue (and curtailing costs, where it makes sense).

Future Strategy

As always, the Board's short and medium term objectives are driven by the continued challenging financial situation the Company finds itself in (see above). In the longer term, the Board remains committed to establishing the Company as a unique performing arts destination within the Bucks/Berks/Herts area and to materially increase membership by doing so.

- **Short Term Strategy** - the Board is single-mindedly focused on generating enough income to enable it to continue operating for (at least) the 2015-16 Academic year. The Company will continue to apply for as many Trust and Local Authority grants as is tenable and the Board continues to hope that its relationship with CYC will result in an increase in membership subscription (and other income opportunities), membership fees have been increased (see above), renewed efforts will be made by the Board to source a suitable local corporate sponsor (see above) and the priority for the next year will, as noted above, be materially increased membership. As always, the Board will continue to monitor all expenditure and operating costs very closely during the forthcoming year. The Board also acknowledges that it needs to recruit additional Board members as soon as possible and is focused on this as a short-term objective.
- **Medium Term Strategy** – the Board is focused on 4 main objectives;
 - a) Diversifying the Company's income from as many different sources as possible so it is not over-reliant on Trust Grant awards. Key to this is the establishment of long term partnership, sponsorship and affiliate relationships with third parties (see above);
 - b) Continuing to integrate the Company into the local community, which should reap a number of benefits, including increased membership, increased media profile and increased interest from local companies;
 - c) Continuing to accelerate the Company's outreach program into local schools, companies and other institutions (see above);
 - d) Increasing Membership back to 2010 levels (100 +).
- **Long Term Strategy** – as has been noted in previous Directors' Reports, the Company and its Board remain committed to achieving the Strategic aims set in 2008; namely to
 - a) maintain the very best Children's and Youth Theatre, while increasing its cohort and multi-ethnic-mix;
 - b) establish the Company as a centre of excellence for inclusive theatre training within the Bucks/Berks/Herts area and have a successful touring program in place throughout this area;
 - c) establish a second Shed hub in a nearby town (Amersham, Wycombe or Aylesbury) and take advantage of subsequent economies of scale;
 - d) secure long term funding to provide security for the Company, its employees and members;
 - e) achieve local, national and international recognition as an arts organisation.

Statement of Directors' Responsibilities

The directors are responsible for preparing their report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the Company as at the Balance Sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;

- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue on that basis

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities issued in March 2005, and in accordance with the provisions of the Companies Act 2006, insofar as they are applicable to the Company.

Annual General Meeting

The 2015 Annual General Meeting of the Members of the Company will be held on 19th October 2015 at the offices of the Company Secretary in Chesham.

Approved by the Board of Trustees on 19th October 2015 and signed on its behalf by


G. A. Jeffrey
Chairman