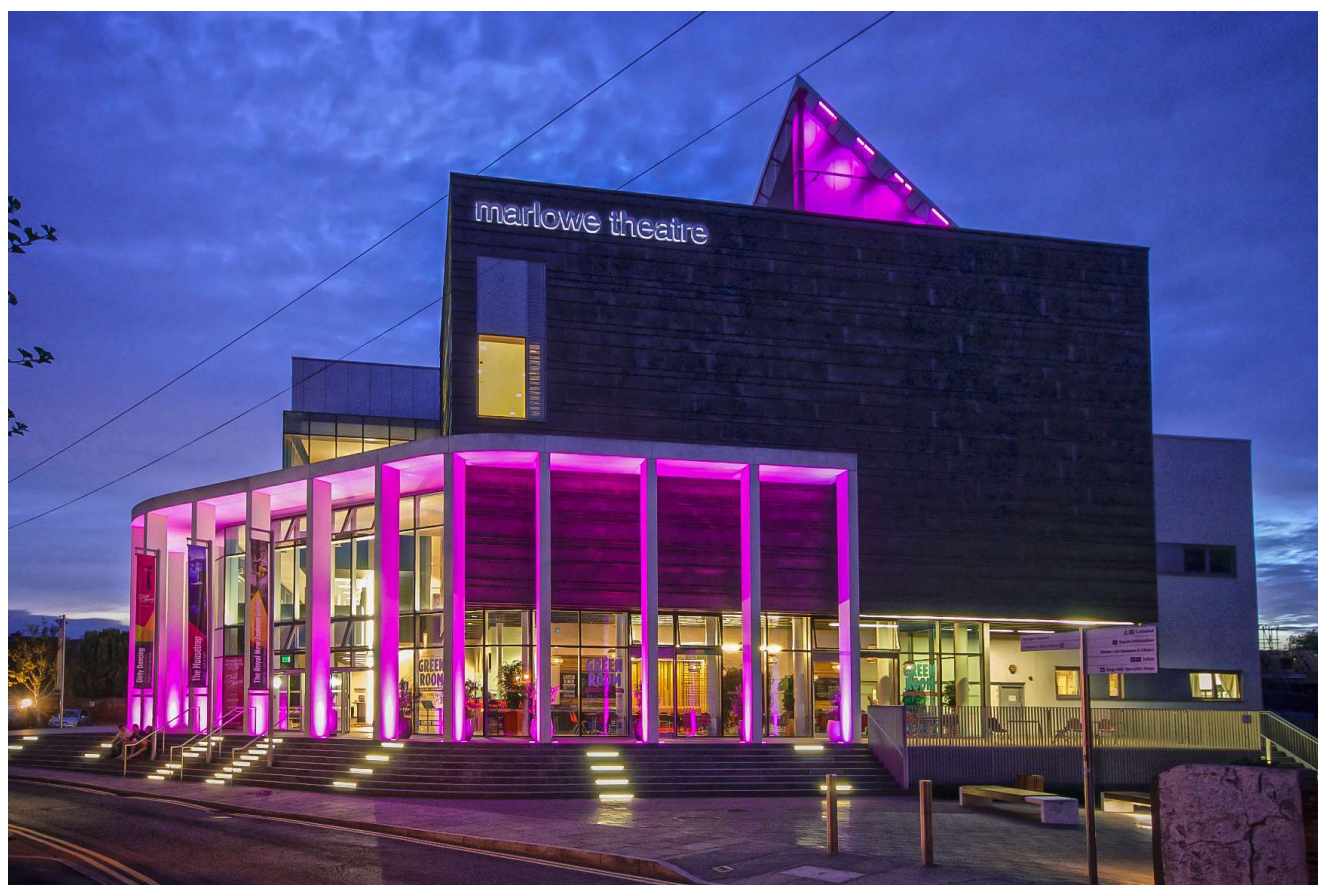


Registered number: 11188407
Charity number: 1179882

THE MARLOWE TRUST

(A Company Limited by Guarantee)



TRUSTEES' REPORT AND FINANCIAL STATEMENTS

For the Period Ended 31 March 2019

THE MARLOWE TRUST
(A Company Limited by Guarantee)

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THE MARLOWE TRUST

(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

For the Period Ended 31 March 2019

Trustees

Jonathan Church (appointed 5 February 2018) - Chair
Lady Alison De Haan (appointed 5 February 2018)
David Harrel (appointed 5 February 2018)
Janice McGuinness (appointed 27 April 2018)
Clive Relf (appointed 20 February 2018)

Company Registered Number

11188407

Charity Registered Number

1179882

Registered Office

The Marlowe Theatre, The Friars, Canterbury, Kent, CT1 2AS

Company Secretary

Paul Turner

Chief Executive

Deborah Shaw

Senior Management Team

Deborah Shaw, Chief Executive
Paula Gillespie Dickson, Chief Operating Officer
Paul Turner, Director of Finance

Independent Auditors

Wilkins Kennedy Audit Services, Delandale House, 37 Old Dover Road, Canterbury, Kent, CT1 3JF

Bankers

Lloyds Bank plc, 49 High Street, Canterbury, Kent, CT1 2SE

THE MARLOWE TRUST

(A Company Limited by Guarantee)

CHAIRMAN'S REPORT

For the Period Ended 31 March 2019

This has been an important year for The Marlowe. Following the incorporation of The Marlowe Trust in February 2018, the trustees and the senior staff at the theatre worked alongside Canterbury City Council to negotiate and deliver the transfer of the organisation from the Council to the Trust. This was completed on 1st December 2018, and since then we have been running as an independent charitable trust.

This Annual Report presents the audited accounts of the first four months of business of the Marlowe Trust. However, where relevant, the narrative covers the last 12 months of the theatre's operation, in order to provide a full overview of the theatre's activities.

In the months before transfer, trustees focused on ensuring the smooth transfer of staff from Council employ and the recruitment of a new Chief Executive, Deborah Shaw. The aim throughout has been to give a sense of continuity to staff, audiences and stakeholders. Since the transfer, the focus has been on overseeing a rich and varied programme of touring theatre, music and comedy, opera and dance, plus a strong community, artist development and education programme. Financially, the Trust has prioritised the building up of its reserves and it has worked with the Executive to create a business and reporting model designed to ensure the theatre's ongoing resilience in this period of change in its governance and leadership and amidst the current economic uncertainties.

I am grateful to the City Council, the Marlowe Theatre Development Trust, staff, funders and supporters, and of course to my fellow trustees, who have worked tirelessly to enable the handing over of the theatre in such a strong financial position. I am delighted to report that during the first four months of operation under the new trust, the Marlowe has continued to flourish, laying the foundations for future growth and the realisation of its full potential as an independent charity.

Jonathan Church
Chairman



THE MARLOWE TRUST

(A Company Limited by Guarantee)

CHIEF EXECUTIVE'S REPORT For the Period Ended 31 March 2019

The 2018/19 year has been a period of change and consolidation at the Marlowe, with new governance and leadership taking over while the Marlowe continued to present a high-quality programme, ranging from blockbuster musicals (including *Kinky Boots* and *Jersey Boys*) and shows (*War Horse*) to contemporary dance, comedy to opera. In a strong year, our audiences bought 407,894 tickets across 619 performances in our theatre and studio spaces. Our hugely popular Pantomime, *Cinderella*, played to audiences of 94,740. Annual ticket income from our performances, workshops and classes was £13.146 million (£5.97 million achieved under Trust governance). Average attendance in the main house over the year was 80.5%, significantly above the 62% national average for theatres of our size (*UK Theatres sales data 2018*). The Marlowe's local economic impact for the year was £40.7 million (*ACE Shellard Formula*).



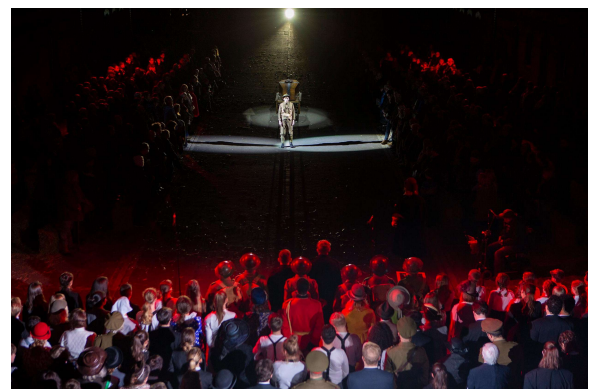
It is testament to the Senior Management Team that this transition period went smoothly and The Marlowe continued to perform to the highest standard.

In 2018/19 we also opened the Marlowe Kit as a home for our youth company and creative classes alongside an innovative programme of activity fusing arts and heritage, funded through the ACE/HLF Pioneering Places Scheme. This included an immersive exhibition about Kent's Remarkable Writers, an escape room and a carousel of schools workshops about our eponymous playwright, Christopher Marlowe. In its first seven months of operation, the Kit has had over 25,000 visits; up 16,000 on the building's previous incarnation as a traditional Heritage Museum.



The Marlowe is already renowned for its formal and informal learning and participation programmes, working with the Royal Shakespeare Company and our Associate Schools network of 22 primary and secondary schools, the National Theatre on National Connections and our community dance network and creative companies, which give thousands of young people from our region the opportunity to develop skills and confidence through weekly classes, workshops with visiting companies and regular performance projects.

At the end of 2018 our community programme reached new heights with *Return of the Unknown*, a home-produced site-specific professional/community production at Dover Marine Station, commemorating the centenary of the end of the First World War, with 944 community participants. This has seeded a commitment by us to produce a biennial large-scale production bringing together professional and community theatre-makers out in the landscape of Kent, providing opportunities to create and perform alongside some of the UK's leading artists.



THE MARLOWE TRUST

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Our work supporting regional writers continued with our ROAR programme of workshops and new play readings, whilst our Literary Associate, James Baldwin, writer of *Return of the Unknown*, also had two new shows, *The Naughty Fox* and *If We've Never Been to the Moon* produced in the Studio at Christmas. The latter part of the financial year saw a shift in the theatre management's focus from the details of the transfer towards longer-term planning horizons.

The new Trust confirmed an Executive team comprising the Chief Executive, Chief Operating Officer (Paula Gillespie) and Director of Finance (Paul Turner). We then began a wide-ranging re-structure. A new Artistic Planning team was created at the core of the organisation to increase our presenting, producing and artist development capacity, alongside recruitment of a new production manager. Learning and Participation is now embedded into the planning process as part of the Strategic Management Team. Marketing and Comms are equipped to analyse sales data and focus more on digital communications and our Development team have increased capacity for sustained fundraising and a new membership scheme. The first phase of our work with arts consultancy TRG on revenue management and audience loyalty has informed both a restructure and a staff training programme in the Box Office.

The Marlowe team is now ready to develop the theatre's full potential across presenting, curating and producing performing arts at all scales, redefining its role as a major cultural institution in Kent and re-stating its mission, with an emphasis on relevance, excellence and serving all of its communities. I'd like to thank our staff, trustees, funders and stakeholders - and most of all, our audiences - for a tremendous year.

Deborah Shaw
Chief Executive



THE MARLOWE TRUST

(A Company Limited by Guarantee)

TRUSTEES' REPORT

For the Period Ended 31 March 2019

The Trustees present their annual report together with the audited financial statements of the group and the company for the period 5 February 2018 to 31 March 2019. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), 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 2015) as amended by Update Bulletin 1 (effective 1 January 2015).

Objectives and Activities

a. Policies and objectives

The Marlowe's vision is to be the best regional theatre in the country, playing a role on the national stage, creating experiences that inspire, enrich and entertain.

Our objectives are to:

- Inspire audiences with a broad range of high-quality theatrical experiences
- Become a learning organisation for artists and theatre professionals
- Encourage community interaction, participation and engagement
- Provide education and creative learning opportunities for young people and their educators
- Drive creativity and innovation
- Remove obstacles that stop people experiencing theatre
- Be industry leaders
- Increase our economic impact year on year and ensure financial stability
- Provide the best possible customer experience

Since the transfer to Trust status, The Marlowe has begun engaging its staff, stakeholders and audiences in a process of renewing its Vision, Mission and culture. This work will be completed in 2019/20.

b. Strategies and activities for achieving objectives

The Marlowe is Kent's regional theatre. It has three spaces: the 1,160-seater theatre, 160-seater studio and a listed medieval building that houses an exhibition, an escape room, a dedicated schools programme and our regular creative classes and youth company.

As a presenting theatre, we attract some of the biggest musicals and drama productions, both pre and post West End. We have a series of resident companies who visit regularly, including Glyndebourne, Philharmonia Orchestra, Matthew Bourne's New Adventures, the National Theatre and the Royal Shakespeare Company. We co-produce a much-loved annual pantomime (with Evolution Productions) attended by audiences of over 90,000 each year.

We are part of the RSC's Associate Schools Programme (working with 22 local schools to deepen their understanding of Shakespeare through workshops and performance) and we host Connections, the NT's annual festival of youth theatre. Our new Everyone's Theatre initiative provides participation opportunities throughout the year, particularly for young people in areas of low cultural engagement. Every two years we bring our communities together with world-class artists to create a large-scale, site-specific production, using the landscape of Kent as our stage. We are a home for regional artists.

We occasionally commission and produce small-scale work and we provide rehearsal space and mentoring for emerging local companies. Our annual programme for writers and theatre-makers, provides workshops, showcases and dramaturgical support.

c. Public benefit statement

In setting the objectives and strategies above the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit.

THE MARLOWE TRUST

(A Company Limited by Guarantee)

TRUSTEES' REPORT (Continued)

For the Period Ended 31 March 2019

Achievements and performance

a. Review of activities

See the Chief Executive's report on page 3.

b. Fundraising activities/Income generation

Income generation is predominately achieved through the charitable activities of ticket sales, memberships, participation, trading subsidiary and donations along with project specific funding. 2018/19 Financial Year included project funding from Arts Council England and the National Lottery Heritage Fund for Pioneering Places and Arts Council England for Catalyst Evolve.

c. Investment policy and performance

Investments are treated as current assets due to the short-term nature of the deposits placed on a monthly, quarterly or annual basis. The process to invest is delegated to the Director of Finance with a mixed investment strategy to allow efficient access to the funds when required and maximising return.

Financial review

a. Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

b. Reserves policy

With this early stage of the Theatre transferring its governance to The Marlowe Trust, trustees have set a target of building an unrestricted reserve in excess of £1 million which will cover operation running costs for a period of approximately six months.

Unrestricted reserves stood at £409,388 at 31 December 2018.

Structure, governance and management

a. Constitution

The company is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 5 February 2018.

The company is constituted under a Memorandum of Association dated 5 February 2018 and is a registered charity number 1179882.

The company was incorporated on 5 February 2018 and began operations on 1 December 2018. The principal object of the company and the group is to bring world-class theatre to Canterbury.

b. Method of appointment or election of Trustees

The management of the company and the group is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

c. Policies adopted for the induction and training of Trustees

The trustees appointed on the set up of the Trust all were trustees of other existing charities and brought a wide range of experience and skills to their roles.

Induction and training of new trustees is in development and will commence upon appointment.

d. Pay policy for senior staff

Trustees approve the remuneration of key management personal, benchmarking against similar roles within the industry.

THE MARLOWE TRUST

(A Company Limited by Guarantee)

TRUSTEES' REPORT (Continued)

For the Period Ended 31 March 2019

e. Organisational structure and decision making

The Marlowe Trust Limited (Company Number 11188407) is limited by guarantee and does not have any share capital. It operates under the name of The Marlowe. It is governed by its Articles of Association dated 5th February 2018. The company is also a registered charity (Charity Registration Number 1179882).

The financial statements are prepared in accordance with the Charities Act 2011, the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS) (effective 1st January 2015)

The trustees are required by the Articles of Association to serve for a period of 3 years. At the annual retirement meeting one third of the members of the board retire. A retiring member of the board is eligible for reappointment, provided they haven't reached the end of their fixed term of 9 years. The trustees meet approximately five times a year and annual budget and all major strategic decisions.

The Chief Executive is appointed by the trustees to manage the day to day operations of the group. To facilitate effective operations the Chief Executive and Executive Team have delegated authority within the terms of delegation approved by the Board, for all operational matters.

The key management personnel within the executive team include;

- Chief Executive
- Chief Operating Officer
- Director of Finance

A further level of senior management form the Strategic Management Team along with the executive. This team comprises of;

- Director of Marketing and Communications
- Director of Technical and Building Services
- Head of Marketing
- Executive Producer
- Head of Development

f. Risk management

The Trustees have assessed the major risks to which the company and the group is exposed, in particular those related to the operations and finances of the company and the group, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks. The full risk register is currently in development.

Plans for future periods

a. Future developments

See the Chief Executive's report on Page 3.

Members' liability

The Members of the company and the group guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up.

THE MARLOWE TRUST

(A Company Limited by Guarantee)

TRUSTEES' REPORT (Continued)

For the Period Ended 31 March 2019

Employee involvement and employment of the disabled

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The company and the group carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Trustees.

The company and the group has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal Opportunities Policy
- Health & Safety Policy

In accordance with the company and the group's Equal Opportunities Policy, the company and the group has long established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the company and the group's offices.

Trustees' responsibilities statement

The Trustees (who are also directors of The Marlowe Trust for the purposes of company law) are responsible for preparing the Trustees' 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. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. 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;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

Auditors

The auditors, Wilkins Kennedy Audit Services, have indicated their willingness to continue in office. The designated Trustees will propose a motion re-appointing the auditors at a meeting of the Trustees.

This report was approved by the Trustees, on 1 November 2019 and signed on their behalf by:

Jonathan Church
Chair

THE MARLOWE TRUST

(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE MARLOWE TRUST

Opinion

We have audited the financial statements of The Marlowe Trust (the 'parent charity') and its subsidiaries (the 'group') for the period ended 31 March 2019. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2019 and of the group's incoming resources and application of resources, including its income and expenditure for the period 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 group's or the parent 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 Annual Report, other than the financial statements and our Auditors' 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.

Opinion 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 including the Group Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Group Strategic Report have been prepared in accordance with applicable legal requirements.

THE MARLOWE TRUST

(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE MARLOWE TRUST

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 Trustees' Report including the Group Strategic 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:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, 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 group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 Auditors' 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 Auditors' 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 Auditors' 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

John Howard FCA (Senior Statutory Auditor)
for and on behalf of Wilkins Kennedy Audit Services
Statutory Auditor
Delandale House
37 Old Dover Road
Canterbury
Kent
CT1 3JF

Date: 1 November 2019

THE MARLOWE TRUST
(A Company Limited by Guarantee)

Consolidated Statement of Financial Activities (Incorporating Income and Expenditure Account)
For the Period Ended 31 March 2019

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Income from:				
Donations and legacies	2	620,001	78,890	698,891
Charitable activities	3	5,971,120	9,344	5,980,464
Other trading activities:				
Fundraising	4	12,133	-	12,133
Trading activities		539,254	-	539,254
Other income		56,542		56,542
Total income		7,199,050	88,234	7,287,284
Expenditure on:				
Raising funds:				
Fundraising trading		229,659	-	229,659
Charitable activities	5,6,7	5,726,272	61,241	5,787,513
Total expenditure	8	5,955,931	61,241	6,017,172
Net movement in funds		1,243,119	26,993	1,270,112
Reconciliation of funds:	17			
Total funds brought forward		-	-	-
Acquisition of transfer from Canterbury City Council	17.1	(833,731)	-	(833,731)
Total funds carried forward		409,388	26,993	436,381

The notes on pages 15 to 26 form part of these financial statements.

THE MARLOWE TRUST
(A Company Limited by Guarantee)

CONSOLIDATED BALANCE SHEET
As at 31 March 2019

	Note	£	2019 £
Fixed assets			
Tangible assets	12		16,746
Current assets			
Stocks	14	16,149	
Debtors	15	1,836,962	
Cash at bank and in hand		5,086,742	
		6,939,853	
Creditors: amounts falling due within one year	16	(6,520,218)	
Net current assets			419,635
Net assets			436,381
Charity Funds			
Restricted funds	17		26,993
Unrestricted funds	17		409,388
Total funds			436,381

The financial statements were approved and authorised for issue by the Trustees on 1 November 2019 and signed on their behalf, by:

Jonathan Church
Chair

The notes on pages 15 to 26 form part of these financial statements.

THE MARLOWE TRUST
(A Company Limited by Guarantee)

COMPANY BALANCE SHEET
As at 31 March 2019

	Note	£	2019 £
Fixed assets			
Tangible assets	12		16,321
Investments	13		1
			16,322
Current assets			
Debtors	15	1,936,725	
Cash at bank and in hand		4,839,795	
		6,776,520	
Creditors: amounts falling due within one year	16	(6,486,371)	
Net current assets			290,149
Net assets			306,471
Charity Funds			
Restricted funds			26,993
Unrestricted funds			279,478
Total funds			306,471

The financial statements were approved and authorised for issue by the Trustees on 1 November 2019 and signed on their behalf, by:

Jonathan Church
Chair

The notes on pages 15 to 26 form part of these financial statements.

THE MARLOWE TRUST
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
For the Period Ended 31 March 2019

	Note	2019 £
Cash flows from operating activities		
Net cash provided by operating activities	19	<u>5,104,739</u>
Cash flows from investing activities:		
Purchase of tangible fixed assets		<u>(17,997)</u>
Net cash used in investing activities		<u>(17,997)</u>
Change in cash and cash equivalents in the period		5,086,742
Cash and cash equivalents brought forward		<u>-</u>
Cash and cash equivalents carried forward	20	<u><u>5,086,742</u></u>

The notes on pages 15 to 26 form part of these financial statements.

THE MARLOWE TRUST

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the Period Ended 31 March 2019

1. Accounting Policies

1.1 Basis of preparation of 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 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Marlowe Trust 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.

The Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the company alone as permitted by section 408 of the Companies Act 2006.

1.2 Company status

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

1.3 Income

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the company is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the company has been notified of the executor's intention to make a distribution. Where legacies have been notified to the company, or the company is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Donated services or facilities are recognised when the company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the company of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised and refer to the Trustees' Report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the company which is the amount the company 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.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

THE MARLOWE TRUST

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the Period Ended 31 March 2019

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the company's operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

1.5 Basis of consolidation

The financial statements consolidate the accounts of The Marlowe Trust and all of its subsidiary undertakings ('subsidiaries').

The results of subsidiaries acquired during the period are included from the effective date of acquisition.

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Income and Expenditure Account.

The income and expenditure account for the period dealt with in the accounts of the company was £306,471.

1.6 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the period, exclusive of Value Added Tax and trade discounts.

1.7 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Computer equipment	-	25% straight line
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THE MARLOWE TRUST

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the Period Ended 31 March 2019

1.8 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of Financial Activities.

Investments in subsidiaries are valued at cost less provision for impairment.

1.9 Interest receivable

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

1.10 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.11 Debtors

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

1.12 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.

1.13 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.14 Financial instruments

The company 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.15 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the period.

1.16 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

THE MARLOWE TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
For the Period Ended 31 March 2019

2. Income from donations and legacies

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Donations	620,001	26,993	646,994
Grants	-	51,897	51,897
Total donations and legacies	620,001	78,890	698,891

3. Income from charitable activities

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Income from Theatre Productions	5,971,120	9,344	5,980,464

4. Fundraising income

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Sponsorship, Advertising and Business Membership	12,133	-	12,133

5. Direct costs

	2019 £
Producers share	3,455,341
Production costs	292,312
Marketing of performances	242,070
Bank charges and box office system	48,661
Membership packs	1,443
Performing rights	12,564
Postage	8,375
Access performance expenses	8,266
Technical costs recharged	12,950
Wages and salaries	922,011
National insurance	67,019
Pension cost	127,351
	5,198,363

THE MARLOWE TRUST
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NOTES TO THE FINANCIAL STATEMENTS
For the Period Ended 31 March 2019

6. Support costs

	2019 £
Staff training	8,033
Insurance	15,157
Consultancy	70,990
Repairs and building maintenance	16,555
Computer and telephone costs	10,455
Light, heat and other building costs	75,149
Travel and subsistence	10,843
Bank charges	2,208
Equipment and materials	29,778
Legal and professional fees	5,148
Publications and hospitality	4,854
Licenses and subscriptions	8,314
Irrecoverable VAT	46,693
Accountancy fees	2,750
Wages and salaries	223,588
National insurance	16,252
Pension cost	30,883
	<hr/>
	577,650
	<hr/>

7. Governance costs

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Auditors' remuneration	11,500	-	11,500

8. Analysis of Expenditure by expenditure type

	Staff costs 2019 £	Depreciation 2019 £	Other costs 2019 £	Total 2019 £
Expenditure on fundraising trading	501	9	229,149	229,659
Costs of raising funds	<hr/> 501	<hr/> 9	<hr/> 229,149	<hr/> 229,659
Direct costs - Theatre Productions	1,387,104	1,242	4,378,667	5,776,013
Expenditure on governance	-	-	11,500	11,500
	<hr/>	<hr/>	<hr/>	<hr/>
	1,387,605	1,251	4,628,316	6,017,172
	<hr/>	<hr/>	<hr/>	<hr/>

9. Turnover

The whole of the turnover is attributable to Theatre productions.

All turnover arose within the United Kingdom.

THE MARLOWE TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
For the Period Ended 31 March 2019

10. Net income/(expenditure)

2019
£

This is stated after charging:

Depreciation of tangible fixed assets:
 - owned by the charitable group
 Auditors' remuneration - audit

1,251
11,500

During the period, no Trustees received any remuneration.
 During the period, no Trustees received any reimbursement of expenses.

11. Staff costs

Staff costs were as follows:

2019
£

Wages and salaries
 Social security costs
 Other pension costs

1,146,100
83,271
158,233

1,387,604

The average number of persons employed by the company during the period was as follows:

2019
No.

Total staff

177

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

THE MARLOWE TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
For the Period Ended 31 March 2019

12. Tangible fixed assets

	Computer equipment £
Group	
Cost	
Additions	<u>17,997</u>
At 31 March 2019	<u>17,997</u>
Depreciation	
At 5 February 2018	-
Charge for the period	<u>1,251</u>
At 31 March 2019	<u>1,251</u>
Net book value	
At 31 March 2019	<u>16,746</u>
Company	
Cost	
Additions	<u>17,563</u>
At 31 March 2019	<u>17,563</u>
Depreciation	
Charge for the period	<u>1,242</u>
At 31 March 2019	<u>1,242</u>
Net book value	
At 31 March 2019	<u>16,321</u>

THE MARLOWE TRUST
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NOTES TO THE FINANCIAL STATEMENTS
For the Period Ended 31 March 2019

13. Fixed asset investments

Company	Shares in group undertaking s £
Market value	
At 5 February 2018	-
Additions	<u>1</u>
At 31 March 2019	<u>1</u>
Company investments at market value comprise:	
	2019 £
Group	<u>1</u>
All the fixed asset investments are held in the UK.	

14. Stocks

	Group	Company
	2019 £	2019 £
Finished goods and goods for resale	<u>16,149</u>	<u>-</u>

15. Debtors

	Group	Company
	2019 £	2019 £
Trade debtors	920,828	920,828
Amounts owed by group undertakings	-	101,496
Other debtors	712,700	712,620
Prepayments and accrued income	203,434	201,781
	<u>1,836,962</u>	<u>1,936,725</u>

THE MARLOWE TRUST
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NOTES TO THE FINANCIAL STATEMENTS
For the Period Ended 31 March 2019

16. Creditors: Amounts falling due within one year

	<u>Group</u>	<u>Company</u>
	2019	2019
	£	£
Trade creditors	1,164,604	1,127,187
Amounts owed to group undertakings	-	38,663
Other taxation and social security	145,363	145,363
Other creditors	463,071	434,955
Accruals and deferred income	4,747,180	4,740,203
	<u>6,520,218</u>	<u>6,486,371</u>

17. Statement of funds

	Balance at 5 February 2018 £	Income £	Expenditure £	Acquired from Canterbury City Council £	Balance at 31 March 2019 £
Designated funds					
Marlowe Theatre Development Trust Fund	-	61,614	-	-	61,614
General funds					
General Fund	-	7,137,436	(5,955,931)	(833,731)	347,774
Total Unrestricted funds	-	7,199,050	(5,955,931)	(833,731)	409,388
Restricted funds					
ACE Catalyst fund	-	23,993	-	-	23,993
Youth Theatre Project	-	3,000	-	-	3,000
Pioneering Canterbury Fund	-	61,241	(61,241)	-	-
Total restricted funds	-	88,234	(61,241)	-	26,993
TOTAL OF FUNDS	-	7,287,284	(6,017,172)	(833,731)	436,381

THE MARLOWE TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
For the Period Ended 31 March 2019

17.1 Acquisition cost from Canterbury City Council (CCC)

On 1 December 2018 the activity and certain assets and liabilities relating to the Marlowe Theatre were formally transferred from Canterbury City Council (CCC) to The Marlowe Trust. These amounts are summarised below:

	£
Sales received by CCC for performances put on by the Trust	6,676,993
Donation from CCC	220,000
Assets and liabilities taken over by the Trust	
Stock purchased	(51,628)
Prepaid marketing expenses	(669,249)
Debtor balance from CCC	(466,088)
Liabilities	23,703
Cash paid to Trust by CCC	(4,900,000)
	<hr/>
Acquisition of transfer from CCC	<u>833,731</u>

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	16,746	-	16,746
Current assets	6,912,861	26,993	6,939,854
Creditors due within one year	(6,520,219)	-	(6,520,219)
	<hr/> <u>409,388</u>	<hr/> <u>26,993</u>	<hr/> <u>436,381</u>

19. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2019 £
Net income for the year (as per Statement of Financial Activities)	436,381
Adjustment for:	
Depreciation charges	1,250
Increase in stocks	(16,149)
Increase in debtors	(1,836,962)
Increase in creditors	<u>6,520,219</u>
Net cash provided by operating activities	<u>5,104,739</u>

THE MARLOWE TRUST
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NOTES TO THE FINANCIAL STATEMENTS
For the Period Ended 31 March 2019

20. Analysis of cash and cash equivalents

	<u>Group</u>
	2019
	£
Cash in hand	<u>5,086,742</u>
Total	<u><u>5,086,742</u></u>

21. Pension commitments

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £158,233. Contributions totalling £nil were payable to the fund at the balance sheet date

At the point of transfer the Charity was granted entry in to the Local Government Pension Scheme as an Admitted Body, adopting the process of being closed to new entrants after transfer date.

On termination of the Admission Agreement or on the Charity no longer having any Eligible Employees actively contributing to the Fund, the Council shall:

- procure that the Administering Authority transfers all of the Fund's assets and liabilities relating to the Eligible Employees (including for the avoidance of doubt any deferred or pensioner members of the Fund) from the Charity back to the Council and the Charity shall not be liable to settle any costs, expenses or liabilities arising at the date of termination of the Admission Agreement or the date the Charity no longer has any Eligible Employees actively contributing to the Fund;
- and the Council shall procure that the Charity shall be discharged from all and any future liabilities to the Fund.

22. Operating lease commitments

At 31 March 2019 the total of the future minimum lease payments under non-cancellable operating leases was:

	2019
	£
Group and Company	
Amounts payable:	
Within 1 year	2,880
Between 1 and 5 years	<u>11,280</u>
Total	<u><u>14,160</u></u>

23. Related party transactions

There were no related party transactions during the year.

THE MARLOWE TRUST
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NOTES TO THE FINANCIAL STATEMENTS
For the Period Ended 31 March 2019

24. Principal subsidiaries

The Marlowe Trust Trading Limited

Subsidiary name	The Marlowe Trust Trading Limited
Company registration number	11337139
Equity shareholding %	100%
Total assets as at 31 March 2019	£ 302,375
Total liabilities as at 31 March 2019	£ (172,464)
Total equity as at 31 March 2019	£ 129,911
Turnover for the period ended 31 March 2019	£ 539,253
Expenditure for the period ended 31 March 2019	£ (395,039)
Profit for the period ended 31 March 2019	£ 129,910