

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2006
FOR
THEATRE RESOURCE LIMITED
(Limited by guarantee)

Company Number : 2866315
Registered Charity Number : 1035444

Meyer Williams
Queen Alexandra House
2 Bluecoats Avenue
Hertford
Herts
SG14 1PB

TUESDAY



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THEATRE RESOURCE LIMITED
(Limited by guarantee)

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FOR THE YEAR ENDED 5 APRIL 2006

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THEATRE RESOURCE LIMITED
(Limited by guarantee)
COMPANY INFORMATION
FOR THE YEAR ENDED 5 APRIL 2006

DIRECTORS/TRUSTEES: J Merrifield
R Macaulay
K Tait
K Wright
G Clark
S Scambler
S Gildroy (Chair)
A Lomax (from 18th July 2006 to 25th September 2006)
R Snooks (from 18th July 2006)

SECRETARY: J Merrifield

REGISTERED OFFICE: Great Stony
Ongar Arts & Education Centre
High Street
Ongar
Essex
CM5 0AD

REGISTERED NUMBER: 2866315 (England and Wales)

CHARITY NUMBER: 1035444

AUDITORS: Meyer Williams
Queen Alexandra House
2 Bluecoats Avenue
Hertford
Herts.
SG14 1PB
REGISTERED AUDITORS

BANKERS: National Westminster Bank plc
279 High Street
Epping
Essex
CM16 4BT

SOLICITORS: Raggett, Tiffen and Harries
157 High Street
Chipping Ongar
Essex
CM5 9JD

THEATRE RESOURCE LIMITED
(Limited by guarantee)

TRUSTEES' REPORT

(For the purposes of section 45 of the Charities Act 1993 and Directors' Report for the purposes of section 234 of the Companies Act 1985)

The Trustees have pleasure in submitting their Annual Report and Financial Statements for the year ended 5th April 2006 which is detailed as follows.

TRUSTEES

The Trustees, who are also directors of the company, and acted throughout the period, except where indicated, are:

J Merrifield
R Macaulay
K Tait
K Wright
G Clark
S Scambler
S Gildroy (Chair)
A Lomax (from 18th July 2006 to 25th September 2006)
R Snooks (from 18th July 2006)

CONSTITUTION

Theatre Resource, company number 2866315, is a company limited by the guarantees of the members to a maximum of £1 each. The company is a registered charity, number 1035444. The company gained charitable status on 22nd March 1994.

SPECIFIC INSTRUCTIONS

There are no specific instructions relating to the operation of the charity, nor are there any specific investment powers.

COMPANY OBJECTIVES

The objective of Theatre Resource as stated in the Memorandum and Articles of Association is to 'advance education for the public benefit through the promotion of the arts, particularly but not exclusively for disabled and disadvantaged people'.

RECRUITMENT, APPOINTMENT AND ELECTION OF TRUSTEES

The Board identifies and regularly reviews the skills of existing Board Members and any needs of the Board which are not being met by the current membership

Recruitment is through:

- Targeting individuals known to Theatre Resource
- Advertising for applicants through the media and other sources
- 'The Bank of Professionals'

Recruitment is not limited to within the arts field, but reflects the varied needs of the organisation, its creative and capital development. Whilst specific skills may be sought in the recruitment of new members, enthusiasm and vision may also be considered equally valuable.

The Board has established procedures for recruiting and appointing Board members, including initial identification of potential candidates, informal visits or discussions, formal application and interview, consideration by the full Board and, finally, election by a majority of votes.

POLICY AND PROCEDURES FOR THE INDUCTION AND TRAINING OF TRUSTEES

Theatre Resource is committed to full induction and ongoing training of Trustees. A comprehensive induction pack and standing orders are in place and are regularly updated to ensure compliance with company and charity law.

THEATRE RESOURCE LIMITED

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TRUSTEES' REPORT - Continued

ACHIEVEMENT OF OBJECTIVES

Theatre Resource focuses on promoting the creativity, culture and heritage of disabled people and socially-excluded groups, for the benefit of all.

In our work we:

- Generate pathways within the arts
- Stimulate high-quality, diverse and experimental project work
- Provide lifelong learning, training and employment opportunities
- Create platforms for the exploration and representation of the cultures and neglected histories of excluded groups
- Initiate informed debate and influence policy-making
- Foster enabling environments
- Advance inclusiveness, accessibility and equality in the wider arts environment, and in the communities in which we live.

Theatre Resource manages a strategic programme of 'First Stage' outreach and Centre-based projects, which bring together individuals, schools, community groups, social care providers and arts funding bodies. Longer-term 'Developmental Programmes' offer further opportunities to experience high quality cutting-edge arts practice and a comprehensive range of training and CPD (Continuing Professional Development) opportunities support individuals in gaining employment in the arts, both with Theatre Resource and elsewhere. *Employment opportunities include workshop leading/teaching, touring professional arts product (e.g theatre performances), and supported employment schemes.*

The company's work takes place in a variety of venues in Essex and Hertfordshire and at its own fully-accessible premises in Chipping Ongar, Essex where the company works to develop the highest standards in accessible venue management. Theatre Resource also undertakes selected regional and national projects, or projects of national significance, and manages 'Fuse' (the Eastern region network of arts organisations working with disabled people and other socially-excluded groups).

ORGANISATIONAL STRUCTURE

Personnel

In 2005-2006 the organisation initially comprised a membership of 24 individuals committed to supporting the aspirations of the organisation - the subscribers to the Memorandum and Articles of Association. The Members elected a Board of Directors to run the affairs of the organisation. In 2005-2006 the Directors were as detailed on Page 2.

At an EGM on 22nd February 2006, Members agreed some changes to the Memorandum and Articles of Association, i.e. a new charitable object reflecting the focus of the organisation's work with disabled and disadvantaged people, a general modernisation of all clauses, and a change in the system of membership, so that membership of the organisation was restricted to those people serving as Board members only. Following approval by the Charity Commission, these changes were ratified at the Board meeting on 18th July 2006.

During the year, the Board of Directors employed the following staff team of professional artists, administrators and support workers: -

Director	- Jeff Banks
Creative Director	- Anna Wallbank
General Manager	- Edwina Simpson
Senior Project Worker	- Miriam Lynn
Project Worker	- Lis Blake
Project Worker	- Sonia Cakebread
Project Worker	- Rob Lee (from 21 st December 2005)

THEATRE RESOURCE LIMITED
(Limited by guarantee)
TRUSTEES' REPORT – Continued

Personnel -continued

Assistant Project Worker	- Jessica Foster
Project Worker	- Chris Matthews (from 19 th January 2006)
Administrator	- Jenny Brooks
Administrator	- Mandy Welchman
Receptionist/Clerical Assistant	- Caroline Weeden
ICT Co-Ordinator	- Cathy Trevaldwyn (to 31 st March 2006)
Marketing Co-Ordinator	- Joanna Steele
Caretaker/Handyman/Cleaner	- Anthony Barrett (from 16 th January 2006)
Caretaker/Handyman/Cleaner	- Dawn Lawton (to 10 th November 2005)
Caretaker/Cleaner	- Helen Biscoe
Handyman	- Jack Welchman

STRATEGIC PLANNING

A two-day facilitated Board retreat was held in October 2005 as the final phase of the organisation's Board training and development programme. During the two days, the board reviewed issues around governance and membership and other constitutional matters, and revised operational protocols and standing orders.

The Board continued the process of identifying new Board members to support the organisation in achieving its strategic objectives from a range of arts, education and business backgrounds, resulting in two new Trustees being appointed in July 2006. The Board is assisted in this ongoing process by the skills audit undertaken with funding from Futurebuilders England (see below).

The constitutional review came to a conclusion with the successful adoption of an updated Memorandum and Articles of Association - see details under 'Organisational Structure' above.

Board and staff members worked together in 'Task & Finish' groups reviewing the strategic plan and administration procedures. A similar group reviewing the organisation's marketing strategy has recently begun work. A small team of Board and staff members undertook the process of implementing the PQASSO quality assurance scheme, with the result that Level One was achieved by the end of September 2006.

CAPITAL PROJECT

Further progress was made on the development of Theatre Resource's capital plans to expand its arts centre base and the services it provides by establishing additional and improved teaching spaces, a permanent exhibition space, cafe and performance / lecture theatre or conference facility, some fully-accessible overnight-stay accommodation and facilities for training and supported employment. In particular, the development of partnerships with Registered Social Landlords was explored. This added a new dimension to the thinking about how the project would be delivered and began to open up new possibilities and approaches.

Following submission of an application to the Futurebuilders England scheme, a Development Grant was awarded in March 2006 to enable further work on developing the plans, including a skills audit of the Board and senior management team, an assessment of public sector funding opportunities, and training in full cost recovery. A further submission to Futurebuilders is currently being finalized and the outcome of an application to the Big Lottery Fund is awaited.

SIGNIFICANT CHANGES IN ACTIVITIES

There have been no significant changes in the company's activities during the year.

FINANCIAL ACTIVITIES

All income received by the organisation was committed to achieving its charitable objectives.

Following a year in which turnover was smaller than normal, 2005/2006 saw the company's level of operation increase significantly, due to a considerable increase in programming activity.

In 2005/2006 a total of £74,991 was granted by revenue funders (Arts Council England, East, Essex County Council Arts Development, and Epping Forest District Council) towards the core work of the organisation in Essex, Hertfordshire and the eastern region.

THEATRE RESOURCE LIMITED

(Limited by guarantee)

TRUSTEES' REPORT - Continued

FINANCIAL ACTIVITIES - continued

Theatre Resource's own fundraising and income generation activities in respect of its artistic programme in arts in health, arts in social care and disability-related arts raised an additional £433,574 during the year. Major project funding partners were Connexions, European Social Fund (with EEDA, Hertfordshire LSC, Essex and Hertfordshire Community Foundations), Jack Petchey Foundation, Essex County Council and Arts Council England, East (Creative Partnerships programme, Grants for the Arts programme, and Regional Arts Lottery Programme).

The total raised from hiring rooms and facilities at Theatre Resource's arts and education centre in Chipping Ongar was £29,885. The income and expenditure accounts also shows an amount of £21,550 which is the notional 'in kind' rent contribution from the *Great Stony School Trust*. The company also benefited from a substantial capital grant of £40,000 from Essex Mental Health Joint Commissioning Team towards the refurbishment of the balcony area.

Salary and wage expenses, including social security costs, accounted for £239,709 of all expenditure, of which 55% was salaries for project staff. The direct external costs of undertaking the company's project work, including external artists' fees, venue hire, transport and access/facilitation, amounted to £193,084.

Building operation, excluding salaries and refurbishment, cost £18,624. Included within the accounts is provision for a full commercial rent of £22,000 (which is offset by an 'in kind' contribution from the landlords, the *Great Stony School Trust*, counted as building income).

DESIGNATED FUNDS

Capital Repairs and Renewals Fund

Theatre Resource holds a COIF (Charities Official Investment Fund) Charities Fixed Interest Fund with CCLA Investment Management Ltd., the purpose of which is to cover ongoing capital repairs and renewals of Theatre Resource's premises. It is anticipated that up to 40% of this fund be drawn upon every five years for periodic cyclical repairs / maintenance as necessary (above and beyond annual maintenance) with a higher proportion of up to 70% being drawn upon at 15 yearly intervals for major works during the term of the lease. After five years the fund balance is £27,226.

RESTRICTED FUNDS

During the year £40,000 was received from Essex CC Social care as a contribution towards the costs of refurbishing the Balcony to create an Arts Drop-in for mental health system users. As at 5 April 2006 £15,237 of the fund was still held relating mainly to the cost of equipment acquired in fitting out the area. The capital element of the grant received is being released to the unrestricted general funds over a four year period in line with the depreciation policy of the assets which were capitalize. In addition during the year £2,200 was received from Herts LSC towards certain consultancy costs and £696 remained in the fund as at the year end.

UNRESTRICTED RESERVES

Unrestricted funds are needed for the following purposes:

- (a) to provide funds, which can be designated to specific projects to enable these projects to be undertaken at short notice
- (b) to cover administration, fund-raising, staff and support costs without which the charity could not function
- (c) to enable the charity to benefit from fundraising opportunities where a proportion of 'partnership funding' is required which cannot be raised from elsewhere

The directors/trustees consider it prudent that unrestricted reserves should be sufficient:

- (d) to avoid the necessity of releasing fixed assets held for the charity's use
- (e) to cover four months' administration, fundraising, staff and support costs

Unrestricted reserves currently stand at £138,114 and are therefore above that range by £39,580.

The reserves policy and the level of reserves is monitored and reviewed by the directors / trustees regularly and may be called upon as and when necessary for the uses identified above (a, b or c) or to meet other unforeseen circumstances.

THEATRE RESOURCE LIMITED
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TRUSTEES' REPORT - Continued

PROJECT WORK

2005/06 was an extremely busy year for Theatre Resource's project team. The following are examples of some of the work undertaken in the year:

Following the successful national tour of 'At Home with the Cripps', a programme of taster workshops on drama and performance skills took place in a number of regional locations including Haverhill, Cambridge, Papworth Everard, Ipswich and Norwich. This was followed by a 10-day performance project for people with sensory and physical disabilities and mental health system users culminating in the presentation of an adaptation of 'Road' by Jim Cartwright.

Five performers with disabilities worked with designer Kimie Nakano and integral sign language interpretation to develop a workshop production of Manfred Karge's 'Conquest of the South Pole', which will embark upon a national tour in autumn 2007.

Performance, original music and live video projection combined in the production of 'Lavender's Blue', performed by young people and adults with experience of the care system and toured to Colchester Arts Centre and The Garage, Norwich. Getting StARTed undertook the first of a two-year programme of taster workshops and weekend projects for people with physical and/or sensory disabilities, mental health service users, young parents, young homeless people and looked after young people living in Hertfordshire. Events took place at a range of community venues and included drama and performance and graffiti work.

The Creative Industries Business Improvement Partnership (CIBIP), funded through EEDA and the European Social Fund, embarked upon its programme of support for creative businesses in the eastern region through training needs analysis, small training bursaries, mentoring and a networking events.

In Here and Now, Theatre Resource worked with unaccompanied minors from Afghanistan, Albania, Kosovo, Iran and Iraq living in Hertfordshire to produce visual art work and a DVD of music, storytelling and animation.

Another successful year for The Business, the company's arts training programme for adults with learning disabilities, saw fifteen participants progress during the year to supported employment with Theatre Resource, and two participants go on to access further learning at Level 3.

Two Art Jam projects were run in Basildon during the year; the first involved 8-13 year olds who are known to social care services. The second project targeted 14-18 year olds working with young offenders and those known to social care services.

Theatre Resource began a long-term relationship with Pioneer School, Basildon through the first two stages of a four-part project with Creative Partnerships Thames Gateway. Artists worked with pupils aged 3-19 with disabilities to develop a school story and this part of the project culminated in an outdoor multimedia celebration and exhibition.

'What Matters Is...' was a performance devised and performed by learning disabled actors looking at current issues affecting those with learning disabilities, commissioned by the Essex Parent Partnership Service and the Essex Forum for Support Groups.

Training projects included Boost sessions on disability equality and child/vulnerable adult protection, a new Fusions arts training programme based in Norfolk, and a continuation of workshop leader training programmes for looked after young people.

The year saw the start of the second MAP project, an 18-month programme working with six established arts organisations across the eastern region to develop their work with disabled and other excluded communities, through training and 'launch pad' projects.

In Get Going, a series of creative arts workshops for mental health service users and survivors living in Southend, Basildon and Thurrock, participants created their own portfolio demonstrating the skills they had learned and gained in-house accreditation

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TRUSTEES' REPORT – Continued

PROJECT PARTNERS 2005/2006

Action in Mental Health, Loughton
Aldwyck Housing Charity
Anglia Ruskin University
Arts Council England, East
Basildon Renaissance Partnership
Basildon Social Care
Brentwood Foyer
Chigwell Disabled People's Club
Colchester Arts Centre
Connect 3, Ware
Connexions EST
Connexions Hertfordshire
Creative Arts East
Creative Partnerships Thames Gateway
DRUM, Watford
East 15 Acting School (*University of Essex*) / Corbett Theatre
East Herts Mental Health Services
EMA Base, Watford
Epping Forest College
Epping Forest District Council - Epping Forest Arts
Escape Artists
Essex Community Foundation
Essex County Council – Arts Development
Essex County Council Social Care Services - Children and Family Services; Community Care Services; Learning Disability Service; Leaving and Aftercare Teams.
Essexdance
Essex Forum for Support Groups
Essex Mental Health Joint Commissioning Team
Essex Parent Partnership Service
Essex Youth Service
The Garage, Norwich
Harlow Leisure
Haverhill MIND
Headway, Cambridge
Hertfordshire County Council - Children Schools and Families service; Adult Care Services and Libraries and Information Services
Hertfordshire Learning & Skills Council
Inspire
Ipswich MIND
Jack Petchey Foundation
Kettle's Yard, Cambridge
Kings Lynn Arts Centre
Luton Hat Factory
Momentum Arts
Mumford Theatre Cambridge
Muni Arts Centre, Pontypridd
New Wolsey Theatre, Ipswich
Norwich Arts Centre
Ongar Town Council
Paradigm Housing
Rainer Foundation
Rise at Rethink Southend
Riverhead Theatre, Louth
SAVS Southend
Screen East
SNAP Theatre
Southend on Sea Borough Council

THEATRE RESOURCE LIMITED
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TRUSTEES' REPORT – Continued

PROJECT PARTNERS 2005/2006 -continued

Southend District Mental Health Association
SensAble Media
South Street, Reading
Suffolk Artlink
Tendring District Council
Tendring PAYP
Theatre Elwy, St Asaph
Thurrock MIND
Tobacco Factory, Bristol
Vauxhall Centre, Norwich
Watford Palace Theatre
Welwyn & Hatfield PCT
Wrafton Health
Youth Plus, Ongar

OTHER ACTIVITIES AT THEATRE RESOURCE'S ARTS CENTRE BASE

Ongar Music School, Ongar WEA, and pottery and art classes run by Essex County Council Adult Community Learning again proved to be the major local users of the arts and education facilities provided at Theatre Resource's base in 2005/06. New hirers during the year included Premiere Dance and there are a number of private individuals offering art, craft, meditation, silk painting and pottery sessions for the local community. The building also proved popular for training seminars run by external providers including Essex County Council Social Care, Chelmsford Borough Council and Voluntary Sector Training.

Theatre Resource continued its partnership with Ongar Town Council in promoting events through the Essex on Tour scheme, supported by Essex County Council. Pursued by a Bear Theatre Company brought their comedy 'For One Night Only' to Ongar in October 2005, while later in the year poet and broadcaster Ian McMillan performed his 'Big Family Show' followed by a workshop, 'Fat Man Loud Shirt', the following morning for classes from two local schools.

The ICT Workshop, a UK Online Centre, continued to provide open drop-in sessions for those wishing to gain basic computer skills, access the Internet, or be introduced to digital arts techniques. The year ended with the first steps towards establishing a new arts-based drop-in for mental health system users in the balcony area, with the assistance of capital funding from the Essex Mental Health Joint Commissioning Team.

Three editions of 'What's On', an arts and education events listing for venues in Ongar, were again produced on behalf of the Great Stony School Trust with the assistance of funding from Ongar Town Council.

FUTURE PLANS

The company will continue to work to develop pathways for participants and emerging artists primarily through increased opportunities for training and employment in touring theatre projects. In particular, 2006/7 will see the development of partnerships to develop Higher Education courses offering accredited progression routes for learners into degree-level qualifications.

The engagement of a Registered Social Landlord as a partner in the capital project, and the appointment of new Board members, will bring a renewed energy and vigour to the capital project as people with a range of new skills and experiences are engaged in helping drive the venture forward. The Board will reconsider how it will deliver the project and explore new opportunities and options. In particular, the Board will consider adding longer-term accommodation within the scheme which will provide lodging for trainees taking part in educational courses on site.

Theatre Resource will continue to lobby at all levels for increased recognition of its work and to secure increased and / or ongoing funding for its activities from sources such as the Learning and Skills Councils, Arts Council England, etc.

SOCIAL AUDIT

Theatre Resource is actively exploring the inclusion of an element of 'social audit' in future annual reports. Social auditing is "the process whereby an organisation can account for its social performance, report on and improve that performance. It assesses the social impact and ethical behaviour of an organization in relation to its aims and those of its stakeholders" (New Economics Foundation). The key to this is that the 'audit' is undertaken by an independent assessor who signs off an annual report which is included in the main annual accounts. Information on our performance in respect of all the key outcomes will be recorded in our annual accounts through this 'social audit' process.

THEATRE RESOURCE LIMITED

(Limited by guarantee)

TRUSTEES' REPORT – Continued

TRUSTEES' RESPONSIBILITIES

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 company and of its financial activities for that year. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue to operate

The Trustees are responsible for ensuring proper accounting records are kept which disclose with reasonable accuracy at any time, the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

RISK MANAGEMENT

The Trustees have considered and continue to consider the major risks to which the charity is exposed and are satisfied that systems are in place to mitigate those risks.

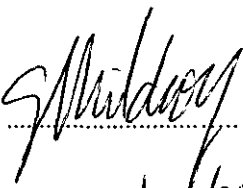
STATEMENT AS TO DISCLOSURE OF INFORMATION

So far as the Trustees are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a Trustee and Director in order to make himself aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Meyer Williams be reappointed as auditors to the company will be put to the Annual General Meeting.

SIGNED ON BEHALF OF THE TRUSTEES



Dated: 7/11/06

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
THEATRE RESOURCE LIMITED
(Limited by guarantee)

We have audited the financial statements of Theatre Resource for the year ended 5 April 2006 on pages 11 to 19. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charity's trustees, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees' and auditors

As described in the Statement of Trustees' Responsibilities the charity's trustees (who are also the directors of Theatre Resource for the purpose of company law) are responsible for the preparation of the financial statements in accordance with applicable law, United Kingdom Accounting Standards and the Charities Statement of Recommended Practice (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees' Annual Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charity is not disclosed.

We read other information contained in the Trustees' Annual Report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

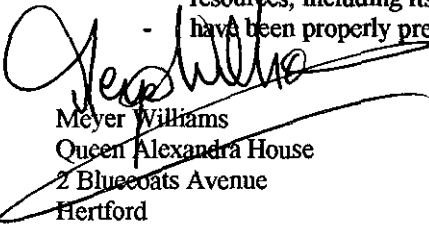
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees' in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charity's affairs as at 5th April 2006 and of its incoming resources and application of resources, including its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.


Meyer Williams
Queen Alexandra House
2 Bluecoats Avenue
Hertford
Herts.
SG14 1PB
REGISTERED AUDITORS

Dated: 10th November 2006

THEATRE RESOURCE LIMITED
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STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 5 APRIL 2006

	Note	Unrestricted General Funds £	Designated Funds £	Restricted Funds £	Total Funds 2006 £	Total Funds 2005 £
INCOMING RESOURCES						
Incoming resources from charitable activities:						
Project income	2	-	-	433,574	433,574	175,175
Revenue funding	3	74,991	-	-	74,991	81,597
Income from grants	4	-	-	42,200	42,200	21,957
Building income		48,901	-	2,534	51,435	51,792
Incoming resources from generated funds:						
Investment income		2,084	-	-	2,084	1,433
Other incoming resources		1,892	-	-	1,892	5,542
Total Incoming Resources		<u>127,868</u>	<u>-</u>	<u>478,308</u>	<u>606,176</u>	<u>337,496</u>
RESOURCES EXPENDED						
Charitable Expenditure						
Costs of activities in furtherance of the charity's activities	5	13,896	-	219,350	233,246	101,975
Other resources expended:						
Costs of management & Administration of the charity	6	57,166	-	243,025	300,191	289,068
Total Resources Expended		<u>71,062</u>	<u>-</u>	<u>462,375</u>	<u>533,437</u>	<u>391,043</u>
Net incoming/(outgoing) resources for the year before transfers		56,806	-	15,933	72,739	(53,547)
Transfers between funds		11,921	4,011	(15,932)	-	
Net incoming/(outgoing) resources Before recognised gains and losses		<u>68,727</u>	<u>4,011</u>	<u>1</u>	<u>72,739</u>	<u>(53,147)</u>
Other recognised gains and losses						
Unrealised gain on investment		-	1,503	-	1,503	948
Net Movement in Funds		<u>68,727</u>	<u>5,514</u>	<u>1</u>	<u>74,242</u>	<u>(52,599)</u>
Total funds brought forward as at 6 April 2005		42,161	21,712	33,555	97,428	150,027
Total funds carried Forward as at 5 April 2006		<u>110,888</u>	<u>27,226</u>	<u>33,556</u>	<u>£171,670</u>	<u>£97,428</u>

None of the charities activities were acquired or discontinued during the current or preceding year.

The notes on pages 14 to 19 form part of these financial statements

THEATRE RESOURCE LIMITED
(Limited by guarantee)
SUMMARY INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 5 APRIL 2006

		<u>5.4.06</u>		<u>5.4.05</u>
	Notes	£		£
TURNOVER		604,092		336,063
Project Expenses		<u>193,084</u>		<u>80,851</u>
		411,008		255,212
Administrative expenses		<u>340,353</u>		<u>310,192</u>
OPERATING SURPLUS/(DEFICIT)	9	70,655		(54,980)
Interest receivable and similar income	10	<u>2,084</u>		<u>1,433</u>
SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAXATION		72,739		(53,547)
Tax on surplus on ordinary activities	11	-		-
SURPLUS/(DEFICIT) FOR THE FINANCIAL YEAR		<u><u>£72,739</u></u>		<u><u>£(53,547)</u></u>

INCOME AND EXPENDITURE

Total income (including investment income) comprises £127,868 for unrestricted funds and £478,308 for restricted funds. A detailed analysis of income by source is provided in the Statement of Financial Activities and Notes 2, 3 and 4.

A detailed analysis of the expenditure is provided in the Statement of Financial Activities and Notes 5 and 6.

The Summary Income and Expenditure Account is derived from the Statement of Financial Activities on page 10, which together with the notes to the accounts on pages 13 to 18, provides full information on the movements during the year on all funds.

None of the company's activities were acquired or discontinued during the current and previous year.

THEATRE RESOURCE LIMITED
(Limited by guarantee)
BALANCE SHEET AS AT
5 APRIL 2006

		5.4.06		5.4.05	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	12		36,594		37,171
CURRENT ASSETS:					
Debtors	13	121,254		21,116	
Investments	14	27,226		21,712	
Cash at bank		<u>147,456</u>		<u>93,914</u>	
		295,936		136,742	
CREDITORS: Amounts falling due within one year	15	<u>160,860</u>		<u>76,485</u>	
NET CURRENT ASSETS:			<u>135,076</u>		<u>60,257</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			<u>£171,670</u>		<u>£97,428</u>
RESERVES:					
Restricted funds	20		33,556		33,555
Designated funds - Capital repairs and renewals fund	19		27,226		21,712
General fund - unrestricted			<u>110,888</u>		<u>42,161</u>
TOTAL CHARITY FUNDS:	18		<u>£171,670</u>		<u>£97,428</u>

ON BEHALF OF THE TRUSTEES:



Approved by the Trustees on 7/11/06.

THEATRE RESOURCE LIMITED
(Limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2006

1. ACCOUNTING POLICIES

Accounting convention

The financial statements are prepared under the historical cost convention. The accounts are in accordance with the Companies Act 1985, with applicable accounting standards, and the Charities SORP 2005 (Accounting and Reporting by Charities).

Financial Reporting Standard Number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

Tangible fixed assets

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

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings - 25% on cost

Limited by Guarantee

The company is limited without share capital. In the event of the company being wound up, each member is liable to contribute to the payment of debts and liabilities of the company as may be required, not exceeding £1.

Investments

Investments are stated at market value. Unrecognised gains and losses on the investment asset are recognised in the Statement of Financial Activities.

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 funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects.

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 a particular restricted purpose.

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

Resources expended

Resources expended are included in the statement of financial activities on an accruals basis, inclusive of any VAT which cannot be recovered.

Resources expended have been allocated to Charitable expenditure according to the function and purpose of the expenditure incurred.

Incoming resources

Donations and funds received for specific projects and uses and subject to specific wishes of the Donors are credited to the relevant restricted fund. When donors specify that donations and grants given to the charity must be used in future accounting periods, the income is deferred until those periods. The capital element of grants received towards the cost of acquiring fixed assets are released to the unrestricted reserves over a four year period in line with the depreciation policy of the fixed assets capitalised. Other income received for the general purpose of the company is credited to the general fund.

THEATRE RESOURCE LIMITED
(Limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2006

2. **SOURCES OF MATERIAL PROJECT INCOME**

	Unrestricted Funds £	Restricted Funds £	Total 2006 £	Total 2005 £
Project grants	-	374,314	374,314	144,462
Fees from organisations	-	54,587	54,587	24,728
Fees from participants	-	4,673	4,673	5,985
	<u>-</u>	<u>433,574</u>	<u>433,574</u>	<u>175,175</u>

3. **SOURCES OF MATERIAL REVENUE FUNDING**

	Unrestricted Funds £	Restricted Funds £	Total 2006 £	Total 2005 £
ECC Social Care	-	-	-	8,000
ECC Arts Development	17,812	-	17,812	17,812
Arts Council England, East	53,079	-	53,079	51,785
Epping Forest D C	4,100	-	4,100	4,000
	<u>74,991</u>	<u>-</u>	<u>74,991</u>	<u>81,597</u>

4. **SOURCES OF MATERIAL GRANTS**

	Unrestricted Funds £	Restricted Funds £	Total 2006 £	Total 2005 £
Essex CC – Capital funding	-	40,000	40,000	-
Regional Arts Lottery Program	-	-	-	18,200
ACE Capital Development Grant	-	-	-	3,757
Herts LSC - Grant	-	2,200	2,200	-
	<u>-</u>	<u>42,200</u>	<u>42,200</u>	<u>21,957</u>

5. **COSTS OF ACTIVITIES IN FURTHERANCE OF THE CHARITY'S OBJECTS**

	Unrestricted Funds £	Restricted Funds £	Total 2006 £	Total 2005 £
Project expenses	-	193,084	193,084	80,851
Depreciation	13,896	-	13,896	21,124
Central refurbishment costs	-	24,762	24,762	-
Consultancy costs	-	1,504	1,504	-
	<u>13,896</u>	<u>219,350</u>	<u>233,246</u>	<u>101,975</u>

THEATRE RESOURCE LIMITED
(Limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2006

6. **COSTS OF MANAGEMENT AND ADMINISTRATION OF THE CHARITY**

	Unrestricted Funds £	Restricted Funds £	Total 2006 £	Total 2005 £
Salaries and office costs	47,877	243,025	290,902	280,814
Legal and professional	441	-	441	550
Audit fees	4,259	-	4,259	2,644
Building refurbishment	309	-	309	571
Depreciation	4,118	-	4,118	4,489
Bank charges	162	-	162	-
	<u>57,166</u>	<u>243,025</u>	<u>300,191</u>	<u>289,068</u>

Office costs incorporate a notional charge of £21,550 in respect of rent. This has been brought in to reflect the difference between the true commercial rent due for the premises, as advised by Mass & Co. - Chartered Surveyors, the sum of £22,000, and the amount physically paid - £450pa. to The Great Stony School Trust as stated in a 99 year lease dated 11 August 1999. The additional charge has been reflected as a donation within *Building income*.

7. **TURNOVER**

The turnover and surplus before taxation are attributable to the one principal activity of the company.

8. **STAFF COSTS**

The cost of employing staff was:	5.4.06	5.4.05
	£	£
Wages and salaries	221,292	195,881
Social security costs	18,417	16,060
	<u>239,709</u>	<u>211,941</u>

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

	5.4.06	5.4.05
Administration and project workers	20	18

No employee's emoluments exceeded £60,000 during the year.

9. **OPERATING SURPLUS/(DEFICIT)**

The operating surplus/(deficit) is stated after charging:

	5.4.06	5.4.05
	£	£
Depreciation - owned assets	18,014	25,613
Auditors' remuneration - audit services	4,259	2,644
- non audit services	<u>411</u>	<u>535</u>
and after crediting:		
Surplus/(Deficit) on disposal of asset	<u>-</u>	<u>(62)</u>
Directors' emoluments	<u>-</u>	<u>-</u>

THEATRE RESOURCE LIMITED
(Limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2006

10. **INTEREST RECEIVABLE AND SIMILAR INCOME**

	5.4.06	5.4.05
	£	£
Deposit account interest	<u>2,084</u>	<u>1,433</u>

11. **TAXATION**

The company's activities fall under the exemption given by the Inland Revenue to charities, consequently no liability to UK Corporation tax has arisen on the ordinary activities of the company, for the year ended 5 April 2006 nor for the year ended 5 April 2005.

12. **TANGIBLE FIXED ASSETS**

	Fixtures, fittings and equipment	
	£	
COST:		
At 6 April 2005		125,632
Additions		<u>17,437</u>
At 5 April 2006		<u>143,069</u>
DEPRECIATION:		
At 6 April 2005		88,461
Charge for year		<u>18,014</u>
At 5 April 2006		<u>106,475</u>
NET BOOK VALUE:		
At 5 April 2006		<u>£36,594</u>
At 5 April 2005		<u>£37,171</u>

All the above assets are used for charitable purposes.

13. **DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	5.4.06	5.4.05
	£	£
Trade debtors	106,019	17,129
Prepayments and accrued income	<u>15,235</u>	<u>3,987</u>
	<u>£121,254</u>	<u>£21,116</u>

THEATRE RESOURCE LIMITED
(Limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2006

14. **CURRENT ASSET INVESTMENTS**

	5.4.06	5.4.05
	£	£
COIF fixed interest fund:		
At 6 th April 2005	21,712	13,306
Additions	4,011	7,458
Net unrealised gain	<u>1,503</u>	<u>948</u>
At 5 th April 2006	<u>27,226</u>	<u>£21,712</u>

Current asset investments are stated at market value

15. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	5.4.06	5.4.05
	£	£
Trade creditors	82,304	1,879
Social security and other taxes	4,814	4,571
Deferred income	69,234	66,218
Accruals	<u>4,508</u>	<u>3,817</u>
	<u>£160,860</u>	<u>£76,485</u>

16. **DEFERRED INCOME**

	5.4.06	5.4.05
	£	£
At 6 th April 2005	66,218	16,623
Amount released to incoming resources	(66,218)	(16,623)
Amount deferred in the year	<u>69,234</u>	<u>66,218</u>
At 5 th April 2006	<u>£69,234</u>	<u>£66,218</u>

Deferred income comprises of grants received in advance which the donor has specified must be used in future accounting periods.

17. **RELATED PARTY DISCLOSURES**

No trustee received any remuneration from the company in the current or previous year. In the year five trustees received reimbursement of expenditure incurred in respect of the charities activities amounting to £1,435.

The Great Stony School Trust as mentioned in Note 6 is a registered charity and two of its trustees are also on the board of trustees in this company.

18. **RECONCILIATION OF MOVEMENTS IN FUNDS**

	5.4.06	5.4.05
	£	£
Surplus/(Deficit) for the financial year	73,972	(53,547)
Unrealised gains on investments	<u>1,503</u>	<u>948</u>
NET ADDITION/(DEDUCTION) TO FUNDS	75,475	(52,599)
Opening funds	<u>97,428</u>	<u>150,027</u>
CLOSING FUNDS	<u>£172,903</u>	<u>£97,428</u>

THEATRE RESOURCE LIMITED
(Limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2006

19. UNRESTRICTED DESIGNATED FUNDS

	Balance at 6.4.05 £	New designations £	Utilised/ Released £	Balance at 5.4.06 £
Capital repairs and renewal fund	21,712	5,514	-	27,226

The Capital repairs and renewal fund was created to provide for future anticipated major building costs.

20. RESTRICTED FUNDS

	Balance at 6.4.05 £	Movement in funds		Balance at 5.4.06 £
		Incoming Resources £	Utilised/ Released £	
Capital Refurbishment fund	-	40,000	(24,763)	15,237
Regional Arts lottery Programme	33,555	-	(15,932)	17,623
Herts LSC – Consultation fees	-	2,200	(1,504)	696
	<u>33,555</u>	<u>42,200</u>	<u>(42,199)</u>	<u>33,556</u>

During the year £40,000 was received from Essex CC Social Care as contributions towards the costs of refurbishing the balcony to create a Mental Health drop in area. In addition during the year £2,200 was received from Herts LSC towards certain consultancy expenses.

The Capital element of grants received is being released to the unrestricted general funds over a four year period in line with the depreciation policy of the assets which were capitalised.

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible Fixed Assets £	Current Asset Investments £	Net Current Assets £	Cash at Bank £	Total £
Restricted funds	31,749	-	-	1,807	33,556
Designated funds	-	27,226	-	-	27,226
General funds	4,845	-	(39,606)	145,649	110,888
	<u>36,594</u>	<u>27,226</u>	<u>(39,606)</u>	<u>147,456</u>	<u>171,670</u>

22. ULTIMATE CONTROLLING PARTY

The company had no ultimate controlling party during the current or previous year.

THEATRE RESOURCE LIMITED
(Limited by guarantee)
DETAILED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 5 APRIL 2006

	<u>5.4.06</u>		<u>5.4.05</u>	
	£	£	£	£
Income:				
Revenue funding ECC Arts Development	17,812		17,812	
Revenue Funding ECC Social Care	-		8,000	
Revenue Funding Arts Council England, East	53,079		51,785	
Revenue Funding EFDC	4,100		4,000	
Sundry income	1,892		5,542	
Project income	433,574		175,175	
Regional Arts Lottery Program grants	-		18,200	
ACE Capital Development programme	-		3,757	
Building - other income	29,885		30,192	
Building - notional donation	21,550		21,600	
Essex CC - Capital funding	40,000		-	
Herts LSC - Grant	<u>2,200</u>		<u>-</u>	
		604,092		336,063
Direct costs:				
Project expenditure	193,084		80,851	
Capital refurbishment costs	24,762		-	
Consultancy costs	<u>1,504</u>		<u>-</u>	
		<u>219,350</u>		<u>80,851</u>
GROSS SURPLUS		384,742		255,212
Other income:				
Deposit account interest		<u>2,084</u>		<u>1,433</u>
Carried forward		386,826		256,645

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THEATRE RESOURCE LIMITED
(Limited by guarantee)
DETAILED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 5 APRIL 2006

	5.4.06		5.4.05	
	£	£	£	£
Brought forward		386,826		256,645
Expenditure:				
Core salary costs	223,820		207,357	
Staff training	1,664		1,861	
Office services and supplies	6,234		11,251	
Core marketing	7,543		10,018	
Staff core expenses	3,459		2,871	
Centre Refurbishment	309		571	
Insurance	5,310		5,238	
Rent	22,000		22,000	
Sundry expenses	2,082		1,120	
Auditors remuneration	4,259		2,644	
Legal and professional	441		550	
Staff recruitment	475		101	
Building services and maintenance	<u>18,315</u>		<u>18,852</u>	
		<u>295,911</u>		<u>284,434</u>
		90,915		(27,789)
Finance costs:				
Bank charges		<u>162</u>		<u>83</u>
		90,753		(27,872)
Depreciation:				
Fixtures, fittings and equipment		<u>18,014</u>		<u>25,613</u>
		72,739		(53,485)
Deficit on disposal of fixed assets:				
Fixtures, fittings and equipment		<u>-</u>		<u>62</u>
NET SURPLUS/(DEFICIT) FOR THE YEAR		<u><u>72,739</u></u>		<u><u>£(53,547)</u></u>

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