

Treasurers Report – AGM 2024

I would like to begin by stressing that every member will be instrumental in securing the continued prosperity of the company in the coming months, and I thank you all for your continued support of the organisation.

As Treasurer for Everyman, I hereby confirm the news I suspect many of you are expecting – that this has not been a great year for the company.

While I am happy to say that there is now a full finance team in place (or at least will be once a new Treasurer has been recruited), and the beginnings of a procurement process have been put in place, the financial performance has been less positive.

At this point last year, I was able to confirm that we would close the year with funds of around £75,000, this year however, following our VAT reclaim, and barring unknown unknowns, we are due to close the year with around £30,000 – and an obligation to pay GL Events £1590,00 for cancelling our 3 year Stand contract early.

With the Playhouse season making a combined loss of £268, this result is almost entirely due to the performance of the Festival, more specifically the fact that ticket sales were 25% short of the budgeted position this year, and the receipt of around £5k in late bills relating to the 2023 Festival (£4k Council Charges and £1k Waste Disposal from SLS).

Private Fears = £950 - Profit
RENT = £602 – Loss
Glass Menagerie - £854 – Loss
2 Plays After - £238 – Profit

So how did we get here?

Against the backdrop of two loss making years, a full review of the Festival was required.

Costs had risen 12% just between 2022 and 2023, and the expectation was of an even greater increase in 2024.

To give you some sense of the impact, costs grew around £40k between 2016 and 2022, they then grew over £20k the following year, and in 2024 alone rose by £60,000.

The question was: Is the Festival a viable product in the current environment.

From reviewing the data, we could see that on average, audiences grew between 5% and 10% year on year, and believed it would be achievable to continue this growth from 2023 into 2024, setting our target of around 15,500 tickets.

With our number of tickets, we then had to set prices, and initially targeted a break-even position of net Gate Receipts (Ticket Income less rites and royalties), covering all production costs, meaning any Bar returns would be 100% profit.

However, this resulted in an average ticket price of close to £19, against the £14 achieved in 2023, which we felt was prohibitive, so elected to allocate 50% of the Bar revenue to cover the shortfall against maintaining ticket prices as low as possible.

A plan that held the ticket prices to the same level as 2023 was considered, but even accounting for Bar takings, this resulted in a surplus barely in single digits, and it was felt that, given the aim of the Festival is to fund activities elsewhere, and taking into account the effort required from our members and volunteers, the risk of delivering another loss against the possibility of returning minimal benefit was not worth taking – so we either had to have a workable plan that returned a significant surplus, or we had to cancel the Festival.

To that end, we landed on a budget that involved selling 15,500 tickets, at an average price of just below £18 and returning a surplus just short of £30,000.

That is Net Gate Receipts of £235k + Bar Takings of £58k – Total Costs of £264k (up from £180k in just 2022) = £29k

With opening proceeds of £75,000, we stood to close the year on £104,000 and almost complete creative freedom for the 2025 Festival.

In order to achieve this, we had to renegotiate the stand contract with GL Events, and agreed to a 3 year contract, obtaining significant savings against their initial quote (over £5,000 pounds in 2024 alone).

However, against this budget, we were only able to achieve ticket sales of around 11,243, and, as a result, net gate receipts were £177,000 (£58,000 adverse), while Costs came in just under budget at £260,000 (£4,000 favourable), and, due to the shortfall in numbers, the bar came in around £43,000 (£15,000 adverse) (although it should be noted that we took over £50,000 for the first time ever through the Zettles).

As a result, the Festival was loss making to the tune of £40,000, or £70,000 adverse to budget.

So from our opening position of £75,000 cash in hand, less the £5,000 carry over from Festival '23, less the £40k from this year's festival, and we are at the closing position of £30,000.

This, coming off the back of a £10,000 loss in 2023 (the above £5k was included in the 2023 Festival Result, but the actual cash left during this financial year) and a £2,000 loss in 2022, has led to the conclusion that the Festival in its current format is, unfortunately, no longer financially viable, and the incoming Board has a number of options to review.

- Continue as is and plan the 2025 Festival, liaising with suppliers to defer payments until later in the run, while opening the box office early to generate cash flows earlier in the process.
- Shorten the run and cut/combine shows to fit into a 4-4.5 week schedule
- Return to a Tredegar House/Insole Court model as we did in 2021

However, there are issues with each of these options:

- Continuing as is and deferring payments assumes that a sufficient number of tickets can ultimately be sold to cover the total costs as they fall due, given we only sold 11,000 this year, against a target of 15,500, that is far from certain
 - And give the Trustees would have to vote to take this option forward, they would then become personally liable for any resulting debts the company endured
- On review, all cost savings identified by shortening the run are likely to be wiped out by inflation, and in any case, in shortening the run, loss of revenue from ticket sales and bar takings far outweighs potential savings – although it would be much less of a burden on those delivering the production
- Insole Court is out, as its residential location brings a raft of noise control regulations that would preclude a musical, and either way, would require the set to be broken and stored every night, then re-built the following day.

The final option, and the recommendation of the Treasurer, is that the incoming Board do not commission the 2025 Festival, and instead dedicate their creative focus to new ventures.

While this is clearly very sad news, it should be seen in the context of the UK as a whole – since 2019, 172 festivals have folded in the UK - 96 events were lost to Covid, 36 were lost in 2023 and a further 40 have been lost to date in 2024 – it has, to coin a phrase, been a horrible arse of a year right across the country, and in many cases, resulted in bankruptcy and foreclosure, we can at least be glad of the fact that we were able to deliver our 2024 festival, and have exited the market without inflicting terminal damage.

The previous financial year (2022/23) ended in a £15k deficit, versus the previous year's £22k, which was driven by a couple of significant factors:

- Festival 23 was loss making by £10,000
- The previous year's expenditure included WCVA grants that had been received the year before

Which brings me on to the challenge at hand for the year ahead:

Fundraising, Fundraising, Fundraising, a critical cost review and a material change to governance at Board level.

Firstly, Fundraising: Going forwards, a new, specific and defined committee is required to deliver events specifically designed to raise money for the Company – I would suggest aiming for 1 event a quarter, and looking to clear £1,000 per event.

We should create and issue Just Giving QR codes on all correspondence so people can donate freely and easily at each interaction with us, and take advantage of the Gift Aid functionality.

A second team is required to investigate direct funding and sponsorship opportunities, both with existing partners, such as Cardiff and Vale College, Lovells, and new applications, such as Community funding from the National Lottery and more specific funding from the Arts Council.

Further, ideally an individual, or group of individuals will elect themselves to push all the possibilities of Matched Funding – I have mentioned it at every possible opportunity, and at every Festival meeting, still not a single person has come forward to request a letter from me – each letter could be worth up to £1,000, and it is just passing us by.

These revenue streams were simply desirable previously, for the time being though, they will be essential for the continued survival of the organisation.

Secondly, all future expenditure must be critically reviewed – from the Playhouse through to the Youth Group, every penny counts now, which will result in a new operating model for many.

There can be no more discretionary spend without prior Board approval, and a specific liquidity monitoring role will be required, ideally fulfilled by my successor, but with an interim identified if not immediately possible.

And the final point: to governance at Board, and here I am going to upset people I'm sorry, but given all I have experienced in my time here, and having previously suggested we could avoid this, I now recommend in the strongest possible terms that the Board be split into Executive, and Non-Executive roles, and those holding Executive Roles should not be permitted to be involved with any production while they hold that role.

More than once I have seen Board members have to choose between creative and organisational commitments – it's not fair on the individual, it's not fair on the production and it's not fair on the company.

I would recommend the following roles be classified as Executive:

- Chair
- Vice Chair/Festival Director (or equivalent)
- Treasurer
- Marketing Officer

I fully appreciate everyone here wants to participate fully in all aspects of the company freely, but the reality is that this is just not feasible any more – Everyman has moved on from a 'best endeavours' organisation to a truly 21st century entity, we have multiple teams in place delivering multiple projects simultaneously, and it is not a sustainable position for a Board member responsible for one of the core administrative roles of the business to be in a position where they have to choose between delivering against their duties, and attending rehearsals or learning lines.

This opens the opportunity to outsource these roles to ex officio Board members, who don't necessarily need to be members of the company, and who's sole purpose is to ensure the smooth running of the organisation, leaving the creative direction to be focused on by the membership, which is really why we're all here in the first place.

At this point I'd like to review the objectives I put in place for the business last year, to ensure we are continuing along the path we worked so hard to carve out through the WCVA business planning process.

- That a core group of people, representing less than 10% of the membership base, are responsible for over 90% of the output
 - A planning session has been proposed at which we can finally commit to the value proposition of what it means to be a member – the aim of this is to clarify and discern the difference between being a member, mentioned on the comms list, a 'Friend' of Everyman, and everything in between

- While pretty stark, the current situation offers multiple opportunities for individuals to get involved, in fairly limited ways, in the knowledge that they are actively contributing to the continued wellbeing of the organisation, and I encourage anyone with any ideas to make themselves known to the Board, so they can offer whatever assistance may be required to get things moving
- The lack of reporting around key performance indicators
 - This is an ongoing process and will be a key focus for my successor
- The current lack of oversight, both in terms of policies and procedures and ensuring impartial reporting at Board level
 - Policies were drafted for the Business Planning activity, we now need to embed an annual review to ensure completeness
 - I recommend this is preformed by each incoming Board – Policies should be presented at the October session and approved at the November session
 - We also need to establish training sessions for new Board members to a.) make them aware of their responsibilities, but also b.) to educate them on the tools on hand to support them in their role
 - This all contributes to our goal of engaging with our members, and achieving our Investing in Volunteers accreditation
 - It further supports the recommendation above, in the creation of Executive roles that will allow focus on these new responsibilities.
- That budgets be provided to each responsible Board member, to then be tracked against through the year
 - This is an on-going piece
 - With a team now in place, more time can be allocated by the incoming Treasurer to prepare and track specific Budgets
- The allocation of funds that have been made available to the company, in order to improve our overall offering to the public
 - It had been proposed that on receipt of the outstanding VAT payment on account that we would repay the outstanding WCVA loan, however the performance of the Festival has prevented that from happening.
- The Provision of an overall, cohesive plan, that will provide as a minimum:
 - Our Business Plan is now its second year, and great strides have been taken towards delivery of the provisions laid out within it.
 - Following strong performance in 2022 and 23, Membership seems to have plateaued slightly in 2024, and there is a risk of shrinkage with news that the Festival has been cancelled.
 - The goal for the next couple of years must be to move to a position where Members are retained wherever possible, ensuring fees cover the full fixed costs of the business, while the teams mentioned above compliment this with Fundraising, sponsorship and direct funding opportunities.

Finally, I would like to take this opportunity to thank you all once again, Arnold for introducing me, my partners on the Board for supporting me, and especially to you the members, in allowing me to remain part of this amazing team as long as I have.

I can't tell you how much I have enjoyed working with you all across all the various activities I have had the good fortune to become involved with in the last few years, and while I move on to help a couple of children through their upcoming GCSE's, I will look out for all your future endeavours with enthusiasm and envy, and very much look forward to becoming involved again when the time is right for me and my family.

Thank you all very, very much.

COAT'24 Result	Result	Budget	Variance
Income			
Membership Fees	-	-	-
Ticket Sales	204,695.37	274,008.50	(69,313.13)
Concessions & Bar	43,369.32	57,582.34	(14,213.02)
Fundraising & Sponsorship	-	-	-
Grants & Other Funding	-	-	-
Direct Costs			
Rights	(27,769.73)	(39,072.96)	11,303.23
Production Costs	(17,070.83)	(10,950.00)	(6,120.83)
Set / Theatre Hire	(8,836.43)	(17,100.00)	8,263.57
Costume	(12,096.65)	(11,500.00)	(596.65)
Director's Fee	(14,860.00)	(13,750.00)	(1,110.00)
Artists fees	(6,546.34)	(3,650.00)	(2,896.34)
Concessions & Bar - Stock	(24,028.59)	(30,370.00)	6,341.41
Marketing	(27,218.20)	(20,000.00)	(7,218.20)
Overheads			
Rent	-	-	-
Utilities	-	-	-
Construction Costs	(89,417.33)	(80,535.78)	(8,881.55)
Hires	(32,912.50)	(37,521.00)	4,608.50
Infrastructure	(4,326.52)	(4,250.00)	(76.52)
Security	(16,776.27)	(25,000.00)	8,223.73
Consumables	-	(910.00)	910.00
Misc - Admin	(6,381.94)	(8,995.00)	2,613.06
	(40,176.65)	27,986.10	(68,162.74)

Sum of No. Tickets		Year		2017		2018		2019		2021		2022		2023 Grand Total	
Production	Show														
Cabaret	2017 Hello Cabaret in the Park	333													333
	2018 Hello Cabaret in the Park	374													374
	2019 Hello Cabaret in the Park	271													271
Cabaret Total		333		374		271									978
Choirs	2022 Choirs in the Park	140													140
	2023 Choirs in the Park	219													219
	2021 Twelfth Night - Everyman Youth Theatre	211													211
Choirs Total		211		348		406		317	302	302		770	770	2,354	
EFT Total	2018 Sing a long The Rocky Horror Picture Show Film Screening	409													409
	2019 Sing a long Grease - Cinema in the Park	237													237
	2019 Sing a long Rocky Horror Picture Show - Cinema in the Park	316													316
EFT Total		211	348	406	317	302	302	770	770	2,354		2,354	2,354	2,354	
Film Night	2018 Sing a long The Rocky Horror Picture Show Film Screening	409													409
	2019 Sing a long Grease - Cinema in the Park	237													237
	2019 Sing a long Rocky Horror Picture Show - Cinema in the Park	316													316
Film Night Total		409	316	237	189	203	203	1,354	1,354	1,354		1,354	1,354	1,354	
Go Theatre	2017 Disney's Aladdin Junior	4,459													4,459
	2018 Seasonal Jr	3,102													3,102
	2019 Disney's Little Mermaid	3,257													3,257
Go Theatre Total		4,459	3,102	3,257	3,392	3,392	5,595	19,805	19,805	19,805		19,805	19,805	19,805	
Light Ent	2017 The Year of Dobby	2,970													2,970
	2018 Dad's Army	2,985													2,985
	2019 Hi de Hi	1,533													1,533
Light Ent Total		2,970	2,985	1,533	1,575	2,146	2,277	13,486	13,486	13,486		13,486	13,486	13,486	
Marquee	2022 Under Milk Wood	798													798
	2023 Jack and The Beans Talk and other Super Sheep Tales	231													231
	2021 Fiddler on the Roof	2,102													2,102
Marquee Total		2,102	798	231	1,029	1,029	1,029	1,029	1,029	1,029		1,029	1,029	1,029	
Musical	2017 Fiddler on the Roof	3,877													3,877
	2019 Jesus Christ Superstar	3,624													3,624
	2022 Little Shop of Horrors	3,474													3,474
Musical Total		3,877	3,624	3,474	2,466	2,466	2,466	16,201	16,201	16,201		16,201	16,201	16,201	
Shakespeare	2017 Macbeth	2,283													2,283
	2018 The Merchant of Venice	2,102													2,102
	2019 Much Ado About Nothing	1,845													1,845
Shakespeare Total		2,283	2,102	1,845	1,289	1,289	1,723	2,224	2,224	2,224		2,224	2,224	2,224	
Stand Up	2017 Stand Up in the Park	269													269
	2018 Stand Up in the Park	365													365
	2019 Stand Up in the Park	248													248
Stand Up Total		269	365	248	250	324	324	1,456	1,456	1,456		1,456	1,456	1,456	
Grand Total		13,285	13,562	11,737	3,181	12,414	14,309	68,488	68,488	68,488		68,488	68,488	68,488	

Year on Year Growth =>

209% (13,69%)

5.7%

15.27%

Average Growth post 2019 =>

10.5%

2024 Target Tickets =>

15,814

2024 Cost Assumption =>

(263,032)

2024 Guideline Price Target =>

18.55

Sum of Amount (p/s)		Year		2017		2018		2019		2021		2022		2023 Grand Total	
Production	Show														
Cabaret	2017 Hello Cabaret in the Park	4,319													4,319
	2018 Hello Cabaret in the Park	6,089													6,089
	2019 Hello Cabaret in the Park	4,420													4,420
Cabaret Total		4,319	6,089	4,420	4,420	4,420	4,420	14,829	14,829	14,829		14,829	14,829	14,829	
Choirs	2022 Choirs in the Park	1,741													1,741
	2023 Choirs in the Park	2,592													2,592
	2017 Twelfth Night - Everyman Youth Theatre	2,372													2,372
Choirs Total		2,372	2,728	3,561	4,420	4,420	4,420	14,829	14,829	14,829		14,829	14,829	14,829	
EFT Total	2018 Sing a long The Rocky Horror Picture Show Film Screening	5,588													5,588
	2019 Sing a long Grease - Cinema in the Park	3,639													3,639
	2019 Sing a long Rocky Horror Picture Show - Cinema in the Park	4,920													4,920
EFT Total		2,372	2,728	3,561	4,920	4,920	4,920	1,609	1,609	1,609		1,609	1,609	1,609	
Film Night	2018 Sing a long The Rocky Horror Picture Show Film Screening	5,588													5,588
	2019 Sing a long Grease - Cinema in the Park	3,639													3,639
	2019 Sing a long Rocky Horror Picture Show - Cinema in the Park	4,920													4,920
Film Night Total		5,588	3,639	4,920	4,920	4,920	4,920	1,609	1,609	1,609		1,609	1,609	1,609	
Go Theatre	2017 Disney's Aladdin Junior	36,232													36,232
	2018 Seasonal Jr	24,864													24,864
	2019 Disney's Little Mermaid	27,824													27,824
Go Theatre Total		36,232	24,864	27,824	28,079	28,079	28,079	60,600	60,600	60,600		60,600	60,600	60,600	
Light Ent	2017 The Year of Dobby	39,826													39,826
	2018 Dad's Army	42,321													42,321
	2019 Hi de Hi	22,164													22,164
Light Ent Total		39,826	42,321	22,164	17,338	17,338	33,680	39,148	39,148	39,148		39,148	39,148	39,148	
Marquee	2022 Under Milk Wood	2,576													2,576
	2023 Jack and The Beans Talk and other Super Sheep Tales	10,777													10,777
	2021 Fiddler on the Roof	10,777													10,777
Marquee Total		37,702	56,628	54,510	56,230	56,230	10,777	2,576	2,576	2,576		2,576	2,576	2,576	
Musical	2017 Fiddler on the Roof	56,628													56,628
	2019 Jesus Christ Superstar	54,510													54,510
	2022 Little Shop of Horrors	56,230													56,230
Musical Total		56,628	54,510	56,230	56,230	56,230	10,777	2,576	2,576	2,576		2,576	2,576	2,576	
Shakespeare	2017 Macbeth	31,205													31,205
	2018 The Merchant of Venice	30,904													30,904
	2019 Much Ado About Nothing	27,714													27,714
Shakespeare Total		31,205	30,904	27,714	17,331	17,331	27,811	40,406	40,406	40,406		40,406	40,406	40,406	
Stand Up	2017 Stand Up in the Park	2,403													2,403
	2018 Stand Up in the Park	5,024													5,024
	2019 Stand Up in the Park	4,110													4,110
Stand Up Total		2,403	5,024	4,110	3,344	3,344	3,344	4,670	4,670	4,670		4,670	4,670	4,670	
Grand Total		154,059	174,145	152,862	37,575	165,971	203,330	887,941	887,941	887,941		887,941	887,941	887,941	

Average Ticket Price

11.60

12.84

13.02

11.81

13.37

Production Costs