



A financial magical mystery tour

Summary of presentation given by the Interim Theatre Manager to Friends of Strode Theatre on 9th May 2022

Historical financial background

Since Strode Theatre was donated to community in 1963, it has struggled to break-even year-on-year. The theatre has usually net a deficit at the end of each year which has been covered either by local authorities or Strode College.



Strode Theatre shortly after it was built in 1963

Loss of funding in the last decade

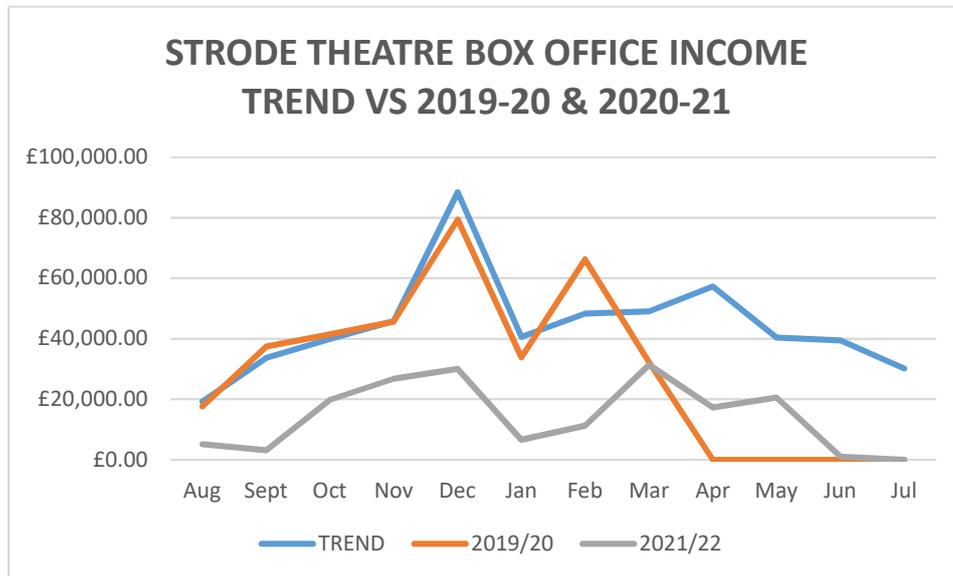
In 2011, County and District council funding to the venue (approximately £85,000 per year) ceased. The switch from analogue to digital film and the introduction of live broadcasts in 2011 helped to increase revenue and keep the theatre open. However, finances have ever-since been especially difficult, with the theatre running-up a deficit of between £40,000 and £70,000 per year in real terms. This has been plugged mainly by Strode College (although it does not receive funding for arts/culture) and Street Parish Council.

Impact of Pandemic

Since the pandemic, several factors are now threatening the future of Strode Theatre more than ever.

The graph below shows the theatre's box office revenue trend from three years before the pandemic (blue line), the year when the pandemic hit in 2020 (orange

line) and this year (2021-22) so far (grey line). As you can see, box office income is nowhere near where we need it to be. The first Omicron variant cases in the UK at the end November 2021, led to significantly diminished sales in December / January, and delays to getting a Spring programme on-sale.



The 60+ age-group of our audience, which have made-up 55% of our total audience in recent years, have dropped by 20% to around 33%. Based on estimated national forecasts, 50% of that audience (10% of our total audience) will never return. This is equivalent to a drop of £50,000 of our annual revenue.

Since the pandemic, film distributors had to adapt to survive. As a consequence, the 'new normal' is that there has been a 15% drop in films which are released to cinemas before going online (such as Amazon, Netflix, Disney Channel, Mubi, etc.) and an overall 20% decrease in the amount of time that films stay exclusively in the cinema (known as the "theatrical window") before becoming available online or on DVD. The estimated financial impact of this to Strode Theatre is around £25,000 loss of margin used to cover our overhead costs, as compared with 2018-19.

Reduced income from Live Broadcasts

Revenue from Live Broadcasts, which made-up nearly 35% of the income which paid for our overheads in 2013 have been decreasing yearly ever-since, for reasons beyond our control, to 20% in 2018-19 (projected 17% in 2022-23).

Increased costs

- 6% rise in minimum wage since 2018-19
- 1.2% increase in national insurance contributions
- 7.5% inflation

All these increased costs mean that we will have to increase our prices across the board, risking the loss of yet more of our audiences who will be feeling pressure from the increased cost of living, unless we can find a way to subsidise the ticket prices.

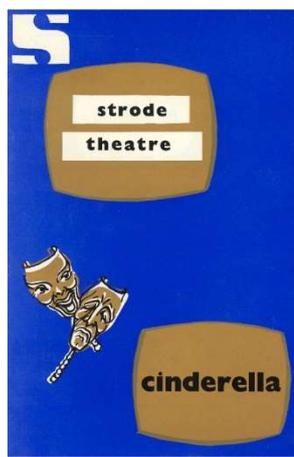
The bottom line

All of this means that, if we continue to operate as we used to before the pandemic, we are looking an overall deficit of between £100,000 and £150,00 in our 2022-23 financial year. Strode Theatre finds itself in greater financial difficulty than it ever has before and is going to have to adapt and change more than ever before.

Looking forward

Part of the work of the Theatre Manager now, having stabilised the operation after major staff shortages and considerable challenges to getting systems up and running again since re-opening, is to identify new ways that we can raise funds and ways that we can generate higher margins from our Box Office revenue. This is a work in progress. However, as part of those activities, we are able to share with you now three areas where we hope to make some progress:

- 1) Commercial sponsorship partnerships
- 2) Increased activities and fundraising for Friends of Strode Theatre with more contributions to programming activities
- 3) Re-introduction of the in-house community show productions, including the Christmas pantomime. In 1969 Strode Theatre produced its first in-house Cinderella pantomime. This year, Strode Theatre brings Cinderella to the stage again with a new contemporary version of the traditional pantomime.



LEFT: the programme cover of the 1969 Strode Theatre production of Cinderella

RIGHT: brochure advert of this year's Strode Theatre production of Cinderella

How you can help

- If your membership has lapsed, and you can afford to do so, please re-join
- Tell your friends and encourage them to join
- We will be reaching out to you with invitations to events and opportunities to give –please take part and donate if and when you can
- Let us know about businesses or individuals who you think might be interested in donating or sponsoring the theatre
- Let us know if you have any ideas for fundraising