

THE LOWRY CENTRE TRUST
A company limited by guarantee

Annual Report and Financial Statements

Year ended 31 March 2022

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OFFICERS AND PROFESSIONAL ADVISORS

TRUSTEES

Sir RM Aldridge OBE
R Barker
M Blackburn OBE
Baroness Bonham-Carter of Yarnbury
IW Currie
PA Dennett
AJ Frost CBE
F Gibson
RJ Glover MBE
Councillor CWV Hinds
Baroness Hughes of Stretford
Daniel Kasmir
TJ Stannard

PRINCIPAL OFFICERS – Key Management Personnel

Chief Executive - J Fawcett OBE
Group Finance Director & Company Secretary – MA Pendergast
Director of Audience, Sales & Marketing – RE Miller
Director of Development – GL Oakden
Director of Learning & Engagement – J Riding
Director of Visual Arts – MJ Simpson
Commercial Director – AC Smith

BANKERS

Barclays Bank plc
Northwest Larger Business Team
1st Floor, 3 Hardman Street
Spinningfields
Manchester M3 3HF

SOLICITORS

CMS Cameron McKenna Nabarro Olswang LLP
1 South Quay
Victoria Quays
Wharf Street
Sheffield S2 5SY

AUDITOR

Deloitte LLP
The Hanover Building
Corporation Street
Manchester
M4 4AH
United Kingdom

REGISTERED OFFICE

The Lowry
Pier 8
Salford Quays
Salford M50 3AZ

CHIEF EXECUTIVE'S INTRODUCTION

Once again, this has been a year like no other. The journey to recovery has been at times joyous, at times emotional and always challenging. After a difficult start, we were thrilled to finally welcome back audiences, visitors and communities to our building. We have celebrated being in each other's company again, and seeing our building bursting back into action has been life-affirming. We have reunited with partner companies and artists who have also shared our experiences; together we have supported each other to get back to what we do best – creating and sharing art and culture with the world.

It has been a year of highs and lows – and our journey has not been a straightforward one. As we headed into the winter months, it was evident that rising cases of Covid-19 would once again present us with challenges. Performances were cancelled, staff were asked to work from home where possible and our building was forced to close for several days over Christmas. Indeed, as we come to the end of this period a further rise in cases is resulting in changes to our programme and activities. In spite of all this however, the adaptability and resilience of our teams has been remarkable. We have been able to – and continue to – flex and respond to an ever-changing landscape and continue to drive forward towards what we hope will be a return to 'normality' once and for all.

And yet, there is no doubt that things will ever be quite the same again. The last two years have brought about so many changes for us all, as individuals, as an organisation and as society as a whole. The Lowry is, we hope, a different organisation, for the better. We are stronger, more resilient, more determined. Perhaps even more appreciative and more passionate about who we are and what we do. There are many positive changes and new ways of working that we will take forward with us, not least Lowry Digital – a new permanent purpose-built platform for audiences to experience The Lowry wherever they are in the world.

It does of course go without saying that the bedrock underpinning this extraordinary journey is the unfailing support and dedication of our staff, volunteers, audiences, supporters and stakeholders. Their belief in us, commitment to our work and of course patience has been phenomenal, and we would like to thank every single one of you. To anyone who has worked or volunteered for The Lowry, to anyone that bought a coffee, made a donation however big or small, bought a theatre ticket, visited our galleries or simply came into our beautiful building over the last 12 months – thank you. We hope you enjoy looking back over what you have helped us achieve this year despite everything, and we can't wait to experience the year ahead with you by our side.



Julia Fawcett OBE
Chief Executive

TRUSTEES' REPORT

The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their annual report (including strategic report) and the audited financial statements for the year ended 31 March 2022.

The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice 2019 – Accounting and Reporting by Charities.

NAME OF CHARITY

The full name of the charity is The Lowry Centre Trust, approval having been granted to an application under the Companies Act 1985 to delete the word “Limited” from its title.

CONSTITUTION

The charity was incorporated as a private company limited by guarantee on 4 March 1996.

The company registration number is 3168108 and it is registered with the Charity Commission – registration number 1053962.

The Memorandum and Articles of Association are the governing documents of the charity.

TRUSTEES (DIRECTORS)

The following trustees served during the year and up to the date of this report:

Sir RM Aldridge OBE	RJ Glover MBE
R Barker (Appointed 22 September 2022)	Councillor CWV Hinds*
M Blackburn OBE	Baroness Hughes of Stretford
Baroness Bonham-Carter of Yarnbury	N Kander (Resigned 30 September 2022)
IW Currie	D Kasmir (Appointed 23 June 2022)
PA Dennett*	TB Russell (Resigned 24 February 2022)
AJ Frost CBE	TJ Stannard*
F Gibson (Appointed 22 September 2022)	AC Vinken OBE (Resigned 30 September 2022)

No Trustee had any interest in the charity or any of the group companies.

Management liability and indemnity insurance was in place for the full year and to the date of signing these financial statements (2021: same).

* denotes nominated Trustees

Trustees' attendance at meetings during the year ending 31 March 2022

Sir RM Aldridge	4/4	M Blackburn	3/4	Baroness Bonham-Carter	4/4
IW Currie	2/4	PA Dennett	3/4	AJ Frost	4/4
RJ Glover	3/4	Councillor CWV Hinds	3/4	Baroness Hughes	2/4
N Kander	1/4	TB Russell	2/3	TJ Stannard	2/4
AC Vinken	4/4				

TRUSTEES' REPORT (*continued*)

STRATEGIC REPORT

VISION AND STRATEGY

The Lowry, for many years, has been the most visited cultural venue in Greater Manchester, and one of the UK's leading combined arts organisations. The enforced closure of the building as a result of the global Covid-19 pandemic from March 2020 to May 2021 effectively put The Lowry's vision and strategy on hold. Since May 2022 the focus shifted to carrying out the developed plans to re-engage with participants and audiences and re-build the business.

May 2021, The Lowry was finally able to open its doors once again to the public, and was one of the first venues to reopen in the North West.

Our Vision

On returning to normal operations, our vision remains to be a world-class arts centre based at the core of the region's creative and cultural quarter. This world-class ambition sits comfortably with our commitment to celebrating the unique heritage of this location and to putting communities and people at the heart of all that we do.

The vision demands that the organisation focuses on the following strategic priorities.

- Developing the ambition of our artistic programme to allow our work in the performing and visual arts to thrive and develop and our audiences to grow and diversify;
- Strengthening our business model, increasing our financial sustainability by leveraging additional funds to support our artistic mission through on-going cost savings and increased income generation opportunities;
- Opening up our building and its programme in order to maximise the strategic and income generating opportunities presented by our position at the centre of MediaCityUK, an exciting hub for the creative and digital industries.
- Leading on the development of a long-term strategy and investment plan for embedding arts, culture and heritage into the urban fabric and everyday life of the City of Salford.

The outline strategy addresses the three core artistic and educational aspects of the charity's objectives. Our artistic strategy focuses on performing arts, visual arts, cross arts, digital, and learning and engagement.

Performing Arts

The Trust's broad strategy in this area is to present a diverse, wide-ranging programme, balancing art forms and audiences. The particular focus is to increase the status of our theatres nationally and internationally and create a high quality programme that will also generate sufficient income to enable us to sustain our own creative future. We will continue to build relationships, working together with strategic partnerships and focusing on delivering diverse and creative work.

TRUSTEES' REPORT (*continued*)

VISION AND STRATEGY (CONTINUED)

Performing Arts (*continued*)

The Studio is an exceptional space for the development and support of early and mid-career artists. We aim to build on our strong track record for developing the next generation of theatre talent through offering bespoke professional development and production support to participants in our *Developed with the Lowry* scheme, and build deeper and more meaningful long term relationships with the most promising theatre makers through our *Associate Artist* scheme.

We continue to work closely with partners staging a programme of new, challenging and more familiar work. A priority is increasing our profile as commissioner of new work of all scales and genres. The programme aims to present a balanced, challenging range of high quality, artistically credible performances. Each season includes leading domestic and international productions seeking to embrace innovation and experimentation. It will be balanced to appeal to diverse audiences and make use of the entire building and outdoor spaces. Our artistic priorities are dance, contemporary theatre and strategic partnerships.

Visual Arts

Artistically, visual arts at The Lowry has enjoyed much critical acclaim and remains popular with visitors who are drawn to our combination of landmark special exhibitions featuring contemporary, digital and performance-related elements, alongside displays and exhibitions featuring the LS Lowry Collection.

We continue to make the work of LS Lowry accessible to diverse audiences; combining a focus on children and young people and local Salford communities, with audiences drawn from across the country. Our focus is to reinforce LS Lowry's position as a significant twentieth century British artist and developing still further our in-house interpretation of his life and work.

The aim of the visual arts programme is to present exhibitions that are ambitious, impactful, challenging and unpredictable. The programme looks to increase and actively engage with greater audiences, locally and nationally, in contemporary art. It promotes critical debate and appreciation by regularly commissioning or exhibiting new work, with a particular focus on work in new media. It actively connects to wider programming across the organisation at every opportunity.

Both strands of programming are equally valued, and both reinforce our position as a venue that is looking to engage new audiences across art forms; providing fresh insights and unafraid to develop new ideas and approaches. Our Visual Arts programme reflects The Lowry's location in MediaCityUK with distinctive work by artists whose work is digital or digitally influenced. They respond imaginatively to spaces, themes and collaborations to engage new audiences.

Contributing to dialogue around the convergence of performance and visual arts we have opportunities to explore how different art forms and audiences come together. We will engage with performers in our galleries to re-contextualise familiar environments in unexpected ways, challenging artists to provide fresh insight in their work. We will commission new work responding to the challenges and opportunities of these spaces with at least two major exhibitions each year. During 2021/2022 the programme was limited to one major exhibition due to the building closure.

TRUSTEES' REPORT (*continued*)

VISION AND STRATEGY (CONTINUED)

Cross Arts

Through cross arts we recognise the appetite to create and experience work that crosses conventional spaces and art form boundaries. Our work supports collaborations across art forms and by world-class artists creating an environment for risk-taking and delivering new audience experiences. Given our scale and breadth of activity we are uniquely placed to develop this exciting new initiative.

Throughout our artistic strategy is firm commitment to artist development.

Learning and Engagement

The Lowry is committed to ensuring its building and its programme actively contributes to achieving positive outcomes for local communities. Through this work The Lowry strategically prioritises children and young people; especially young people who are considered to be the most vulnerable or 'at risk' and living in Salford.

The Lowry's medium term aim is to become nationally recognised as a centre for best practice in successfully using arts and culture as a tool to work with vulnerable and hard-to-reach young people.

This will build on our extensive experience in developing high quality, inclusive programmes of work that respond and contribute to local need and priorities.

We will do this through the delivery of a comprehensive programme of activity, underpinned by quality in all of its social and artistic content, connecting to the wider programme of The Lowry.

The Lowry has in place a four-strand strategy for Learning & Engagement;

- Targeted engagement;
- Youth Talent Development
- Youth Employability and Skills
- Learning and Participation

Quality Principles

Working with Curious Minds, a charity championing cultural education for children, we have developed a new evaluation model based on the quality principles that will be used by The Lowry's Youth Leadership forum, to measure the impact of Learning & Engagement programmes on a termly basis.

We will also work closely with Curious Minds and other National Portfolio Organisations across Greater Manchester to test and share ways in which we can use the Quality principles to measure the impact of our work.

Strategic partnership working

Building on the success of the Learning & Engagement team's strategic partnership we will work to continue and enhance relationships with organisations across the education, youth, health, arts and culture sector.

We work closely with Statutory and non-statutory services via the Local Authority in Salford including Social Services, Salford Young Carers Service, Next Step Leaving Care Service, Teenage Pregnancy team, Work and Skills team.

TRUSTEES' REPORT (*continued*)

OBJECTIVES AND ACTIVITIES

The objects of the charity, as set out in the Memorandum and Articles of Association, are to promote the advancement of education and in particular, but not exclusively, to foster and promote the improvement, development and maintenance of artistic knowledge and the understanding and appreciation of the arts among the inhabitants of Great Britain and, in particular, amongst the inhabitants of the City of Salford and surrounding districts by providing facilities for the education of the public in the fields of arts, crafts, music and drama. The Memorandum of Association sets out the powers that the charity may exercise in furtherance of the objects.

The Lowry aims to maintain and re-energise the cultural life of the region by presenting a diverse, wide-ranging programme of events, exhibitions and activities aimed at expanding the horizons of audiences and artists alike. It takes a particular responsibility for the creation of participatory activities through which it engages with the audiences and artists of the future.

The Lowry's objectives

The Lowry's continuing objectives are to:

- present a balanced artistic programme presenting the finest work from around the world on its stages;
- encourage reconsideration of LS Lowry's work and to establish the galleries as home to the finest single artist collection in the UK alongside a programme of contemporary exhibitions; and
- engage with the public, not just as spectators but as participants, creators and artists.

Fundraising

The Lowry fundraising team prepares an annual strategy in respect of fundraising activities, which is reviewed on a quarterly basis, evolving in line with changes depending upon external factors. A risk register is prepared annually and due diligence is carried out on all donors. Donations have been and will continue to be declined in instances where the donor does not meet The Lowry's own fundraising guidelines.

Fundraising Standards

The Lowry follows the standards for fundraising as outlined in the Code of Fundraising Practice. We are part of a number of fundraising groups including the Active Directors of Development group, and the North West Development Network Group.

Fundraising Complaints

The Lowry have never received any formal complaints in respect of our fundraising activities. We have a customer care contact facility within our website and respond to all customers.

TRUSTEES' REPORT (*continued*)

OBJECTIVES AND ACTIVITIES (*continued*)

Protecting Vulnerable Individuals

The Lowry adheres to the regulations in respect of data protection and is responsible in its fundraising practice. We ensure there are no intrusions on a person's privacy, no unreasonable persistence and no undue pressure on any persons to give money or other property.

Public benefit

The Lowry recognises the duty to carry out its charitable activities for the benefit of the general public. Having regard to Charity Commission guidance, the Trustees consider that the following activities demonstrate the way in which the charity achieves this objective:

- Presenting an eclectic mix of theatrical art forms from around the world;
- Encouragement of local audiences through a benefits scheme offering free or discounted tickets to shows and exhibitions for Salford residents;
- Direct engagement with the local community through an extensive range of outreach activities and educational workshop projects; and
- Providing excellent access to disabled patrons through both pricing and facilities.

ACHIEVEMENTS AND PERFORMANCE

The doors of The Lowry were closed until 23 May 2021, in-line with government guidelines due to the global pandemic. As the phased re-opening began, our theatres and galleries began to welcome the public once more.

Although not as bleak as the prior year, the journey through April 2021 to March 2022 was filled with a changing landscape. Spending habits had changed, and through data insights it was apparent that theatre audiences were being more selective about which shows to attend and were often buying tickets much closer to the date of the shows. Gallery visitors gradually increased although donations were at an all-time low initially. The Learning and Engagement programme continued to engage with new and existing groups off-site, gradually returning to the Lowry facilities and studios in the summer. The extended contract with Her Majesty's Courts and Tribunal Service for the partial building hire continued through to August 2021, this provided financial stability and the opportunity to build back normal business operations in a safe and phased manner.

Again we have taken the view that to deliver this year's report chronologically, in a year where there continued to be so much uncertainty, provides greater clarity as each element of activity or decision we made can be considered within the unique environment of that moment in time.

APRIL 2021

We began the year with the encouraging news that The Lowry had been awarded a £7.3m emergency loan from the DCMS Cultural Recovery fund – protecting jobs, supporting freelancers and safeguarding our programme.

TRUSTEES' REPORT (*continued*)

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

APRIL 2021 (CONTINUED)

With The Lowry's doors still closed and the nation still under restrictions, we premiered commissions to share with our audiences through our #LoveLowry platform. The Faction's *The Last Duchess* and *Medea/Worn* are two reimagining of live performances first seen at New Diorama Theatre, filmed predominantly in Salford. The pieces have since received film festival selections. *Distant Dream*, a piece composed by Finn Anderson and performed by The Sunday Boys is filmed at The Lowry, and along with its accompanying documentary explores speaking to our former selves and what it means to discover yourself.

A live stream of partner company Rambert's dance-theatre *ROOMS* gave us a glimpse into the lives of 100 characters, echoing the nation's experiences of watching each other's stories from a distance.



Online sessions continued to be delivered regularly with targeted groups of young people, many of whom are some of the hardest hit by the pandemic. Young Carers create a brand new film, *'Time To Care'*, aimed at identifying and supporting primary-aged hidden young carers.

Our in-house ticketing team, QuayTickets continued to work tirelessly, selling and moving tickets not just for The Lowry but for clients up and down the country. They maintained a 90% customer satisfaction rating throughout, and in the year ahead their client base expanded to include the National Theatre, the National Football Museum, Van Gogh Alive, Winter Wonderland Manchester, Square Chapel and The Old Courts.

"A big thanks to all the staff who have worked over this time to provide such an excellent standard of service"

"I really appreciate the prompt response despite staff shortages caused by Covid. Thank you."

"Excellent. Personal. Prompt."

Quotes from a selection of Quayticket clients

We were finally able to restart Onstage Schools Delivery as part of our Stage Directions programme, following heavy disruption. Practitioners and trainee practitioners in six schools across Salford worked with pupils to develop creativity, theatre skills and confidence. We adapted the programme to more closely meet the needs of our schools, professionals and support the city's young people, as the city emerged from the worst of the pandemic.

TRUSTEES' REPORT (*continued*)

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

MAY 2021

The Lowry opened its doors once again to the public, and was one of the first venue to reopen in the North West. We were able to begin consistent face to face sessions with groups of young people, as part of our Arts for Social Change programme.



Our shop reopened, and in the year ahead we saw the launch of a number of exciting new ranges, including our Conscious Living range. This kick-started a more environmental and sustainable approach to how we buy for the whole of the Lowry gift ranges, including the wider use of packaging within the shop and online.

The Galleries re-opened, but at weekends only, with the *Days Like These* exhibition and highlights of the LS Lowry Collection. Having Lowry's historic and significant painting 'David Lloyd-George's Birthplace, Manchester' join the Collection via the acceptance-in-Lieu scheme was a great addition to the collection.



TRUSTEES' REPORT (*continued*)

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

MAY 2021 (CONTINUED)

Outdoor and offsite performances returned as part of Lowry Beyond, c-o-n-t-a-c-t in Media City and New Islington and Circuit 2, a series of dance and circus performances on the service road encircling our building.

On May 30 2022, comedian Michael Spicer was the first artist to perform indoors, on our Lyric stage, to a socially distanced audience.

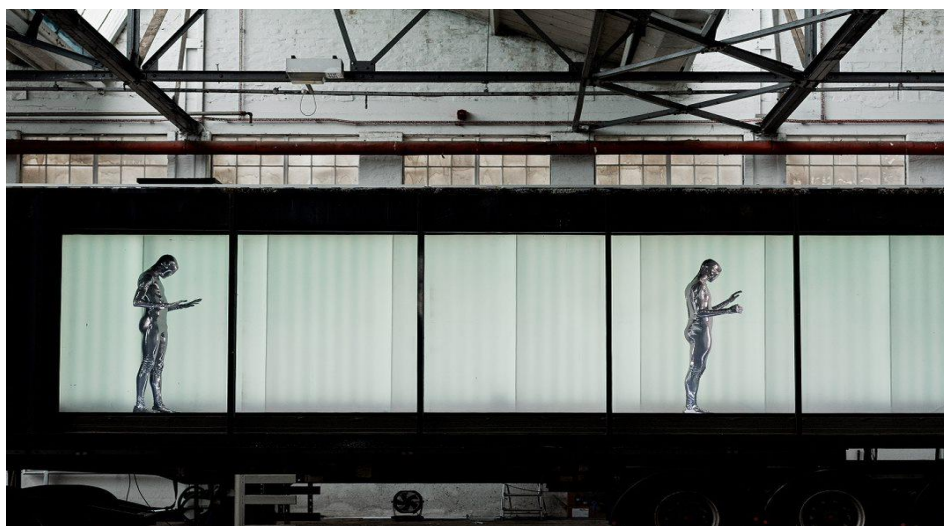
JUNE 2021

Our programme of live performance began to resume as Northern Ballet made its triumphant return, commencing its first national tour in over a year with performances of *Dangerous Liaisons* at The Lowry.



The Rewrites Festival celebrated the creation of new work, by showcasing three new musicals on our Lyric Stage; *GAME THEORY* by Rachel Bellman and Josh Bird, *A MOTHER'S SONG* by Finn Anderson and Tania Azevedo and *34* by Drew Dillon. The festival is filmed and distributed via Stream.Theatre.

Performances continued outside the building; Requardt & Rosenberg treated us to an extra-terrestrial delivery, as Future Cargo brought a truckload of aliens to the plaza.



TRUSTEES' REPORT (*continued*)

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

JUNE 2021 (CONTINUED)

A celebration event was held for Arts for Social Change – celebrating the hard work and achievements of the young people engaged through this programme, and who we have worked tirelessly to keep engaged and supported throughout the pandemic. It is a joyous moment to come together once again.

We partnered with Speakers for Schools, offering online work experience sessions for young people aged 14-17. 60 young people enjoy fun, full-day workshops exploring the day-to-day life of a professional arts venues, and the variety of careers available.

JULY 2021

The end of social distancing across the UK.

Carlos Acosta returns with his deeply personal *On Before*, as a celebration of theatres nationwide opening their doors once again.

Our Centre for Advanced Training in Dance (CAT) Students deliver a fantastic performance in The Lyric Theatre, the first time all the groups are back together in The Lowry since the start of the pandemic. The show is a wonderful coming together, and a celebration of the diverse skill, techniques, creativity and talent of our dance students.



TRUSTEES' REPORT (*continued*)

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

JULY 2021 (CONTINUED)

The Lowry relaunched its annual schools appeal, and raised its highest-ever total of £7,800, matched by a further £5,000 from long-standing supporters Alison and Noel Copley – totalling £12,800. This money saw the delivery of free creative workshops for under-resourced primary schools in Salford.

We worked with over 30 local partners across the city to deliver our biggest ever summer of free, open access, creative activities throughout Salford. Stage Directions works together with partners Salford Community Leisure, Walk The Plank and SCC to deliver five weeks of activities and supported young people across Ordsall, Eccles, Walkden and Pendleton. 232 children and young people explore all elements of theatre making and performance from technical theatre to puppetry, from storytelling to drama and from dance to creative making.

In place of being able to hold a Stage Directions festival, we staged celebration events across the partner schools. The young people were able to showcase their new skills, share what they have made and celebrate being part of Stage Directions.

Through projects such as Stage Directions, MediaCity Summer of Play and Healthy Holidays we were able to deliver 542 hours of creative activities over the summer, reaching 1766 children and young people.

AUGUST 2021

Emma Corrin (*The Crown*) starred in *Anna X*, the intriguing story of Anna Sorokin who posed as a wealthy German heiress.

The fabulous and enduring *Magic Goes Wrong* began its first national tour, heralding the return of a large-scale commercial programme to our Lyric Stage.

The Lowry, in partnership with Lost in Translation, brought Big Top in the Park to Prince's Park with the support of Irlam & Cadishead Festival. The sell-out event, combined a big top circus and a fantastic range of shows in an 11-day celebration of community and live performance.

Quays Festival celebrated its return with a spectacular new aerial show created by Scarabeus on The Lowry's iconic tower. It also marked the installation of a striking new sculptural commission by Liz West which is now on permanent display on the Media City steps. A complimentary programme of workshop activity and a participatory Colour Swim event engaged visitors in print-making, samba music and more!



Scarabeus
on The Lowry's iconic tower

TRUSTEES' REPORT (*continued*)

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

AUGUST 2021 (CONTINUED)

We celebrated the Copley Prize, our annual art competition for primary school children, with an exhibition in Copley Community Cases.



We were moved and delighted to welcome the first couple to have their wedding at The Lowry since the closure of the building

SEPTEMBER 2021

Our Arts for Social Change programme was finally able to hold regular, weekly sessions in person at The Lowry and offsite in the community. We resumed our Creative Learning and Families programme with schools and families, through to March 2022, engaging over 9000 participants.

We began our first Artist in Residence programme at Bridgewater Primary School in Salford, and worked with children across the whole school to develop their art skills and helps to embed arts across all areas of the curriculum by working closely with staff, supporting the school to work towards Artsmark.



TRUSTEES' REPORT (*continued*)

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

SEPTEMBER 2021 (CONTINUED)

On our stages, audiences embraced the feel-good *Everybody's Talking About Jamie*, with a sold-out two week run.



Live on stage, a scene from *Everybody's Talking About Jamie*

Akram Khan returned to The Lowry with his outstanding solo show *Xenos*, and strongwoman Charmaine Childs presented *Power*, a circus show originally commissioned by The Lowry for WEEK 53 Festival.

Paines Plough's Roundabout popped up Victoria Park, Swinton – its fifth appearance in Salford, with its usual mix of fresh new writing and performances for audience of all ages, and community activities and events.

We partnered with eight local organisations and over 30 local artists, volunteers and community members to shape and deliver a fantastic range of free activities and events in Roundabout in Swinton and welcomed 770 children, families and residents to enjoy these free events.

Quays Culture continued to tour artworks nationally and internationally, engaging audiences across the world each year. From September to February, Quays Culture commission Mystery Bird was presented at Greenwich & Docklands International Festival, Leeds Light Night & Oldham Illuminate. Meanwhile, Spectrum toured to Dubai and The Squirrel was displayed as part of Celebrate Halton.

TRUSTEES' REPORT (*continued*)

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

SEPTEMBER 2021 (CONTINUED)



A young schoolboy from Monton is the 2021 winner of the Copley Prize. His work 'Going to School' is a reimagining of LS Lowry's 'Going to Work (1959)' - a celebration of Lowry's techniques, and the return of him and his classmates back into school after lockdown. The young boy and his family are joined by the founders of the prize, Alison and Noel Copley, for an award ceremony at The Lowry and a chance to see the winning artwork hanging in our galleries alongside Lowry's own works.

OCTOBER 2021

A fabulous month for dance as we are joined by Ballet Black for their Triple Bill, and Agudo Dance for their flamenco infused contemporary reimagining of *Carmen*. We welcomed Rambert for a live performance of *Draw From Within*, a piece we had live streamed just the year before.



The Lowry's truly varied and eclectic programme continued its return to form, with shows such as *Contra*, a one-woman contemporary circus show, alongside evenings with Grayson Perry and Tim Peake.

Rewrites Festival returned to the Studio with Lewis Cornay's musical *Snowflake*, later being made available to watch on demand online alongside live streamed performances of other brand new musicals in development.

Our commitment to our online presence continued with Talkshow's *Take This Test*, and Dante or Die's *Skin Hunger on Film*, a 'Developed With' company and #LoveLowry commission.

TRUSTEES' REPORT (*continued*)

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

OCTOBER 2021 (CONTINUED)

In our Galleries, we presented our first exhibition since reopening. Jock MacFadyen Goes to The Lowry: An Exhibition 45 years in the making is a major retrospective of the Scottish artist's work, and featured a number of Lowry's own pieces to feature alongside Jock's work.



On-site placements returned for young people on our Youth Employability and Skills Programme. Participants spent time with our Galleries and Front of House teams, developing a wide range of skills and experiences.



We firmly re-established ourselves in local schools, delivering 10 school workshops to reach 300 children across Salford, Lancashire and Cheshire in October alone.

TRUSTEES' REPORT (*continued*)

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

NOVEMBER 2021

Our partner companies. Opera North returned with a brand-new production of *Carmen*, and a double bill of Bernstein's *Trouble In Tahiti* and *West Side Story Symphonic Dances*. Matthew Bourne's festive treat *Nutcracker!* enjoying a sell-out two week run.

Previous Developed With artist Dickson Mbi brought the world premiere of *Enowate*, an extraordinary solo performance co-commissioned by The Lowry and inspired by a visit to his ancestral home in Cameroon. Theatre Re present *BIRTH*, a powerful and deeply moving visual theatre piece and Botis Seva's beautifully brutal *BLKDOG* combines emotionally charged hip hop dance with a brooding, complex score.



Human by Extraordinary Bodies – a disability-led circus company – a fully accessible performance, provided us a timely celebration and reminder of our common humanity, and our ability to move forward together.

20 Emerging Practitioners took part in a day of training and skills development for early career artists, with a focus on developing their abilities in and understanding of 'Arts for Social Change', 'Accessibility and Inclusivity', 'Safeguarding' and 'Creative Evaluation'.

We were proud to welcome back LUNG's *Who Cares* to The Lowry's Aldridge Studio, following a national tour. *Who Cares* is a ground-breaking, award-winning piece of verbatim theatre exploring the lives of young carers. We welcomed supporters and stakeholders back to celebrate the ongoing success of this life-changing project, and shared the achievements of the current cohort of young carers on our Arts for Social Change programme.

TRUSTEES' REPORT (*continued*)

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

DECEMBER 2021

Lightwaves welcomed thousands of visitors to see the Quays transformed by light for 10-days of mesmerising displays. The free annual festival featured a bold new commission by Luke Jerram entitled *Floating Earth* alongside an ambitious programme of work that captivated audiences of all ages.



We relaunched Our First Lowry, with the support of the Christina Smith Foundation. 42 young families from Salford had their first ever theatre experience, and enjoyed a performance of *Stick Man* with a drop in workshops. Five primary schools from Salford also brought 201 children to see *Stick Man* – all of whom had never been to the theatre before. Alongside this we formally launched our free creative family programme in the Carole Nash Lookout, aimed at engaging young families from Salford who may be marginalised, or otherwise alienated from taking part in the arts and creative activities together.

The Copley Community Cases, home to a new exhibition by Venture Arts; The Art of Now. 'The Art of Now' brought together engaging new artworks by young creators with learning disabilities from their Young People's Art Club and their outreach schools programme. The exhibition incorporated painting, ceramics, sculpture, textiles and moving image.

TRUSTEES' REPORT (*continued*)

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

DECEMBER 2021 (CONTINUED)

Associate Artists Police Cops presented their new show *Police Cops: The Musical* at New Diorama in London in December, receiving 3 & 4* reviews. They are now working towards a run at Edinburgh Fringe 2023.

The Lowry closed its doors for six days over the Christmas period due to increased numbers of Covid-19, to keep audiences, companies and staff safe. Despite this, we celebrated a record-breaking Christmas as audiences flocked to see, with *The Lion*, *The Witch and The Wardrobe*, *SIX*, *Stick Man* and *Little Penguin's First Christmas*.



The Lion, The Witch and The Wardrobe; Live on the Lyric stage

The Lowry's annual Christmas Appeal raised an astonishing £31,000 to deliver projects which engage children and young people in projects to support their mental health and nurture wellbeing after an exceptionally challenging two years.

TRUSTEES' REPORT (*continued*)

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

JANUARY 2022

The Lowry Young Artists, our Arts for Social Change visual arts group, visit The Lowry to see *The Lion The Witch and The Wardrobe*. 90% of this group is care-experienced, and for many this is their first ever experience of live theatre. As part of the Healthy Holidays programme, 100 young people who qualify for free school meals visited us for a meal and to see the show.

Stewart Lee saw 2022 off to a dynamic start with his new show *Snowflake/ Tornado*, a double-bill of two new sets of material.

We welcomed Frozen Light with their show *2065*, an immersive sensory extravaganza for adults with profound and multiple learning disabilities. Frozen Light are experts in creating sensory theatre for adults with PMLD and the show is a wonderful experience for the audience and Lowry team alike.



'Developed With' company Thick & Tight premiered *Short & Sweet* at The Lowry, a new variety show featuring contemporary dance, theatre, drag and lip synching. *Short & Sweet* also celebrates the company's 10-year anniversary. Featured in the show were independent dance artists Harry Alexander and Azara Meghie, alongside an on-screen appearance of Corali Dance Company (leaders in dance created by artists with a learning disability) and the Camberwell Incredibles (an arts collective of practicing artists and learning diverse adults).



TRUSTEES' REPORT (*continued*)

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

FEBRUARY 2022

February saw the first meeting of the Show Selectors, a dynamic and varied group of people from across Salford who form our new community programming panel, supported by the Esmée Fairbairn Foundation. The group will see a wide range of shows, and will help to inform and curate what they want to see on our stages, ensuring that our programme truly represents audiences across our communities.

Gary Barlow brought his new one-man show *A Different Stage* – an exclusive performance at The Lowry. It was a tremendous success and received rave reviews from all lucky enough to get a ticket.

A superb month for dance, Acosta Danza's *100% Cuban* toured to us through the Dance Consortium, and Pagrav Dance Company with *Kattam Kati*, a joyous, contemporary celebration of the Indian Kathak dance tradition. Birmingham Royal Ballet's *Don Quixote* signalled the return of large-scale classical ballet, though sadly three performances were cancelled due to Covid cases amongst the company.



Acosta Danza's *100% Cuban*

We were pleased to host the U:Dance festival once again in the Quays Theatre. 10 diverse and dynamic dance groups from across the North West took part in an inclusive and joyous celebration of young talent.

TRUSTEES' REPORT (*continued*)

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

FEBRUARY 2022 (CONTINUED)

The world premiere of *Tomorrow Is Not Promised*, our second 2022 'Developed With' show as part of our Artist Development programme took to the stage. Written and directed by Salford based artist Tian Glasgow and produced by Tian's company New Slang Productions, this beautifully crafted performance incorporates theatre, movement and live music. The piece was also live-streamed to online audiences.

Tomorrow Is Not Promised



Theatre audience were delighted by *The Chosen Haram*, a bold and brilliant piece of contemporary circus, by Sadiq Ali, exploring themes of faith, sexuality, addiction and human connection, through a blend of exquisite Chinese pole skills with visual and physical theatre and a pumping soundtrack.

We relaunched our Booth Charities Family Scheme, which supports families of children with disabilities to enjoy live theatre together. 40 adults and children came to see Julia Donaldson's *The Smartest Giant in Town* and take part in creative craft activities together before the performance.

10 primary schools in Salford were recruited to our Copley Outreach programme. They enjoyed a visit to see *The Smartest Giant in Town*, and began a series of free visual arts workshops, with all children involved receiving their Arts Award.

MARCH 2022

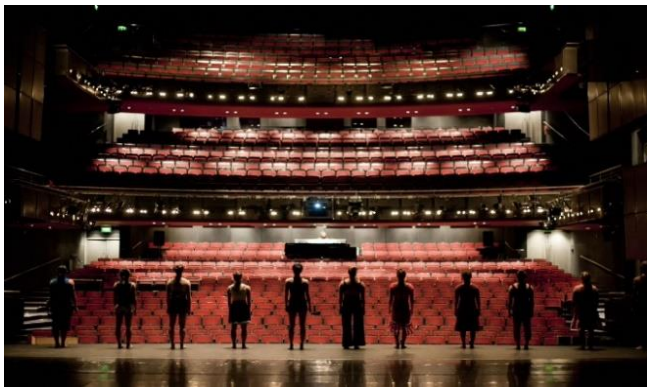
Building on the success of #LoveLowry during lockdown, we launched LOWRY DIGITAL, our purpose-built platform for performances, exhibitions, films and experiences online - available to enjoy wherever you are, at home or on the move. We were now able to live-stream performance filmed with our own equipment (thanks to a grant from the Weston Culture Fund) and facilitated by our own up-skilled audio-visual team.

TRUSTEES' REPORT (*continued*)

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

MARCH 2022 (CONTINUED)

Lowry Digital launched with the Empty Auditorium season, curated by our associate Programmer for Dance, Eckhard Thiemann, showcasing performances from across the world made by artists in iconic buildings when they were still closed to the public, including Munich Opera House, Zurich Schauspielhaus, and the Royal Albert Hall as well at The Lowry.



LOWRY DIGITAL also hosted new digital work developed through our LIVE NOW digital commissioning programme. Work included *A Dangerous Thing* by Proto-type Theater and *The Alter*, by immersive entertainment company Swamp Motel. Artists Nigel Barrett and Louise Mari in collaboration with disability and welfare rights activist Kerry Underhill launch *Mystery Trip*, an epic digital excursion created with a gang of people across the country confined to their homes due to chronic health conditions, enabling audiences to experience unique live mystery trips from the comfort of their homes via an online coach. Limbik Theatre also previewed their new digital commission called *Voice Thief* in March – a one-to-one performance taking place over What's App, using a combination of live calls, messaging, and 3D spatial audio.

TRUSTEES' REPORT (*continued*)

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

MARCH 2022 (CONTINUED)

In our galleries, Manchester based comic creator Julian Gray staged his first solo exhibition, *Stories For Us*. Julian is a queer, trans, disabled and mixed race artist, who uses his comics to platform characters who aren't generally represented in mainstream comic culture.



The heart of the exhibition included the creation station, where visitors engaged with the process of comic making through drawing and writing, and were invited to display their finished creations in the gallery space, contributing to an evolving, collective response to *Stories For Us*.

We launched Arty Party – formerly Relaxed Playhouse – at Springwood Primary school, regular creative sessions for families of children with additional needs or disabilities to attend together and have a shared creative experience.

"It's so special to be here together, we haven't really been into school over the past couple of years due to the restrictions so it's amazing to see how comfortable A is in this space."

TRUSTEES' REPORT (*continued*)

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

MARCH 2022 (CONTINUED)

The highly acclaimed production of Disney's *Bedknobs and Broomsticks*, complete with spellbinding effects and a flying bed entertained family audiences in the Lyric Theatre.



TalkShow by Telethon (our third Developed With show supported through our Artist Development programme) took place in the Studio, inviting audiences to take part in a televised charity special that veers wildly off the rails.

Covid once again took its toll, as several performances of *Animal Farm* were cancelled due to high numbers of positive cases amongst the cast and crew. The extraordinary hard work of the company and the dedication of our team meant that we were, finally able to present the final three performances in a week-long run.

And after a delay of two years *Les Misérables* makes a triumphant arrival to our Lyric Theatre stage. The staff, company and audiences alike were excited, and deeply moved by the significance of the show's arrival. Our year ended as a sell-out, four week run of this record-breaking show finally began.



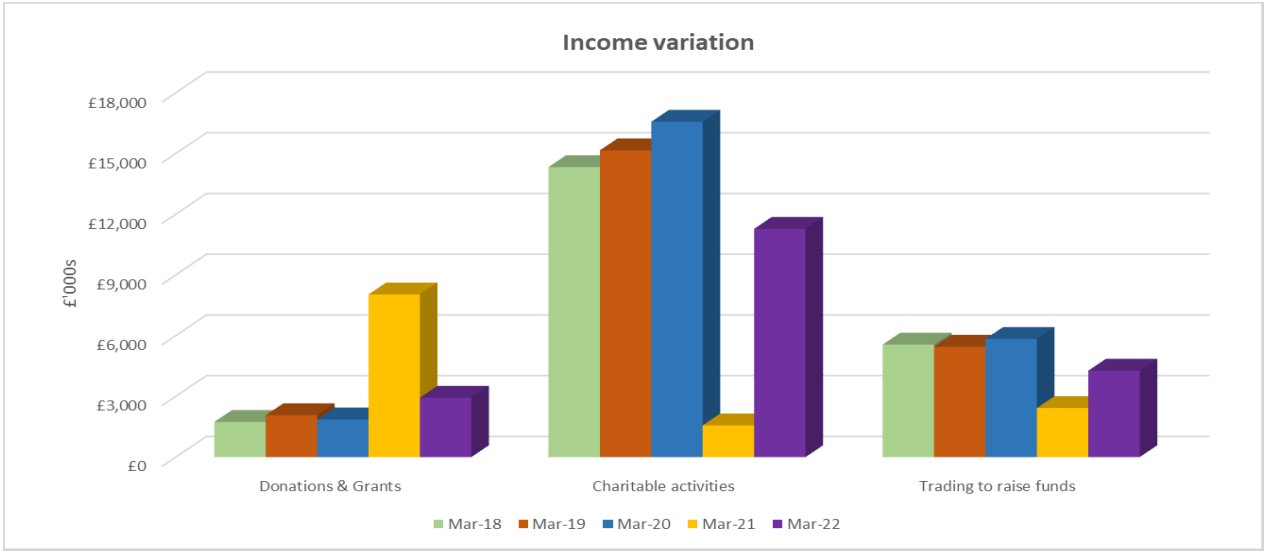
TRUSTEES' REPORT (continued)

FINANCIAL REVIEW

Group

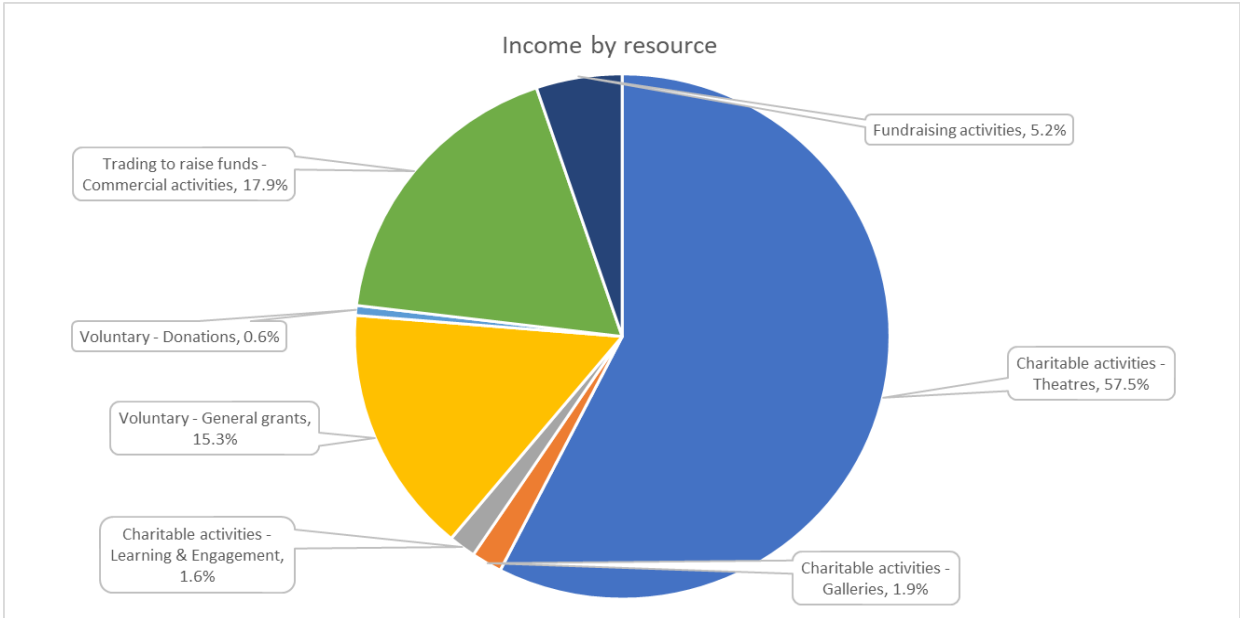
The financial performance profile for the year began to resemble that of previous years. The re-opening of the building allowed all business activities to resume, leading to an increase in trading operational income and expenditure, and with less reliance on external funding sources.

Whilst total income for the group increased by 53.6% this year, this is a decline of 23.9% compared to the financial year 2019/2020.



2021/2022 marked the final year of a four-year agreement with Arts Council England for funding as a National Portfolio Organisation, with a grant received during the year of £875,824 (2021: £875,824). Revenue funding from Salford City Council remained unchanged.

A summary of the sources of incoming resources is shown in the chart below.

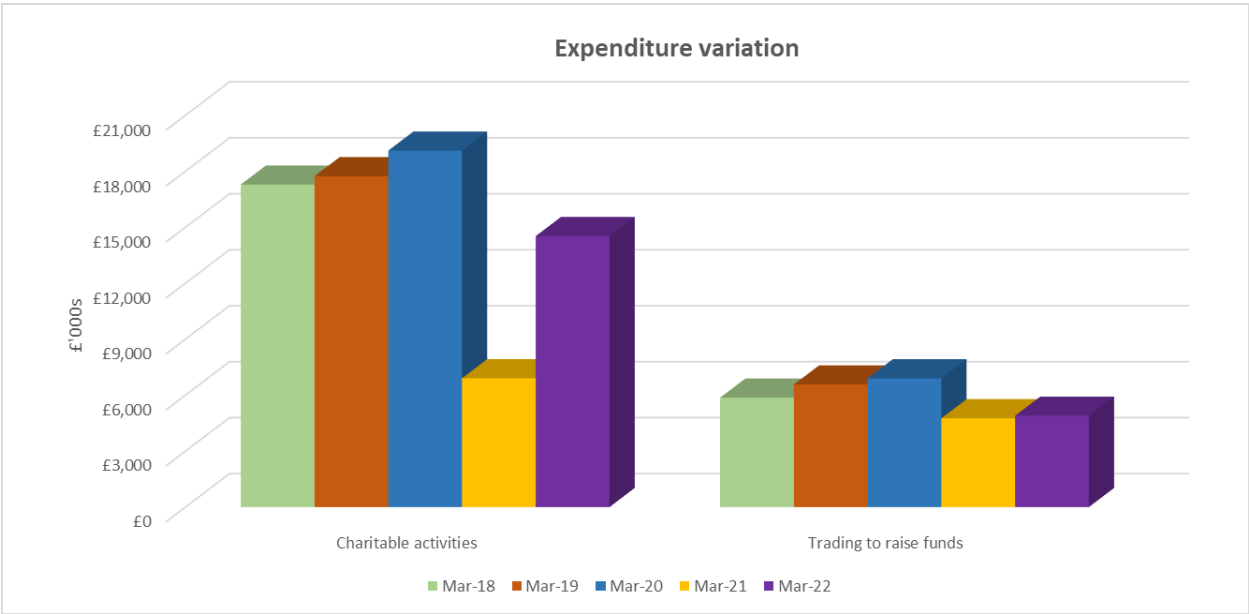


TRUSTEES’ REPORT (continued)

FINANCIAL REVIEW (CONTINUED)

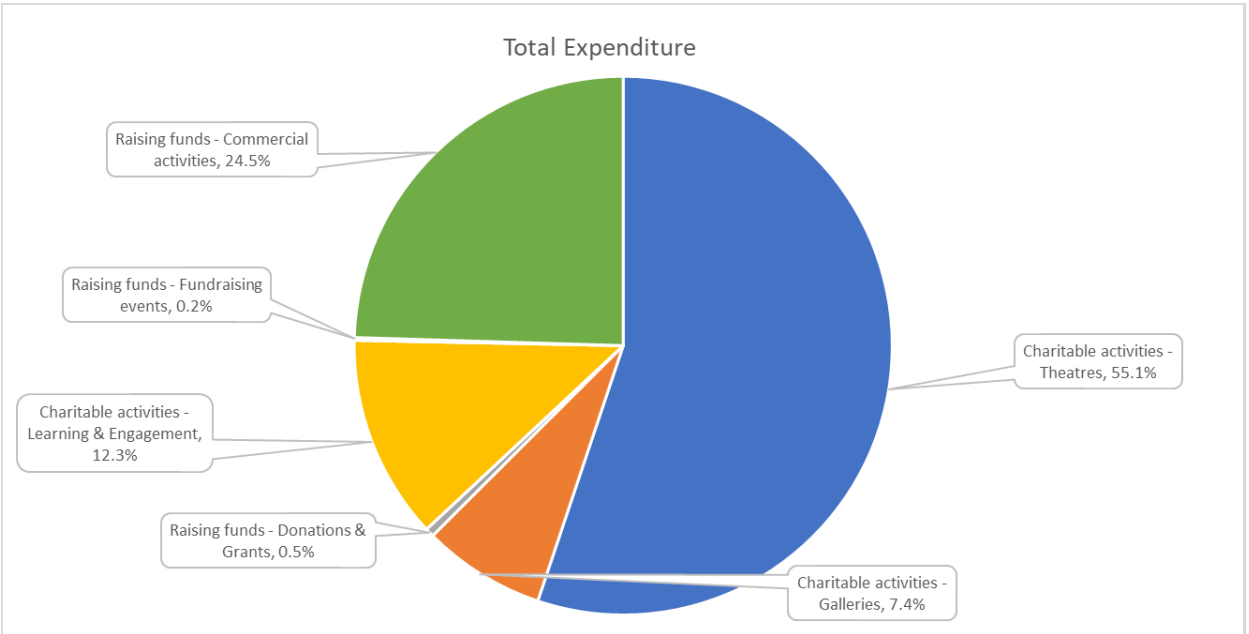
Group (continued)

Although total expenditure increased by 69.1% during the year, this is a decline of 24.1% compared to the financial year 2019/2020.



Overall the financial performance for the year generated net expenditure of £2,558,000 (2021: income of £360,000).

A summary of the expenditure incurred is shown in the chart below.



TRUSTEES' REPORT (*continued*)

FINANCIAL REVIEW (CONTINUED)

The cash position improved from £14,197,000 as at 31 March 2021 to £14,969,000 at the end of the year, this includes £5,730,605 relating to advance ticket sales.

Charity

Income totalling £13,026,999 (2021: £2,668,829) included all elements relating to non-commercial activities of which £8,601,612 (2021: £1,079,193) related to the theatres programme. Fundraising and Development raised £981,222 in the year (2021: £2,125,296) of which, £791,322 (2021: £2,019,033) was restricted project-related income and £189,900 (2021: £106,263) was unrestricted.

Costs of sale for the year were £5,816,133 (2021: £219,279). The increased levels of both income and expenditure are a direct result of the building being re-opened following a full year of closure.

The Charity charges its subsidiary company for use of the facilities employed for commercial purposes together with an appropriate proportion of payroll costs incurred. In addition, the commercial subsidiary charges the Charity for services relating to the sale of theatre tickets. The net income received by the Trust for the year was £181,550 (2021: £nil). Due to the building being closed in 2021, no cross charge was made.

The Charity recorded a deficit for the year of £2,558,015 (2021: income of £32,084), this includes an amount of £1,159,798 (2021: £nil) receivable from the subsidiary company in respect of a gift aid donation.

The Charity's balance sheet shows that at the year-end Fixed Assets, including the Lowry property totalled £43,759,129 (2021: £45,501,857) and Net Assets had decreased to £44,118,546 (2021: £46,676,561).

GOING CONCERN

The majority of the group and charity's income is generated from cash sales, a substantial part of which derives from advanced theatre ticket sales. The group's cash flow and operational performance is the subject of daily review and forward-looking forecasts are updated regularly to identify any potential issues in advance.

During the year, the principal risk has arisen from the uncertainty surrounding the ability to generate operational income at levels similar to those pre-pandemic. Initially the volatility of theatre audiences and exhibition visitors resulted in reduced levels of income and the impact of the pandemic continued to be evident throughout the year.

In October 2022, Arts Council England reaffirmed their support for our artistic ambition with confirmation of funding for another three years, from 2023-26, as part of their National Portfolio.

The commercial subsidiary was able to recommence its business operations with effect from the end of August 2021, with reported profits of £1,159,798 at 31 March 2022 (2021: loss £708,303). With the resumption of trade and profitability, it is the expectation that the commercial subsidiary will be a valuable contribution to the trust to support its charitable objectives going forward.

TRUSTEES' REPORT (*continued*)

FINANCIAL REVIEW (CONTINUED)

GOING CONCERN (CONTINUED)

Detailed income and expenditure, and cash flow forecasts for the year 2022/2023, and outline forecasts for the subsequent 1-year period, have been prepared for the group. These take reasonable account of

possible changes in its performance resulting from the general and variable nature of its programme of activities and restrictions on operating activities continuing into the 2022/2023 financial year.

After making all appropriate enquiries and considering various scenarios and possible mitigating actions, the Trustees consequently have a reasonable expectation that the charity and the group has adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of the financial statements. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

RESERVES POLICY

At the year-end the group had positive unrestricted reserves totalling £46,107,000 (2021: £48,204,000) of which £41,165,000 (2021: £43,566,000) were designated unrestricted reserves and £4,942,000 (2021: £4,638,000) were general unrestricted reserves.

The Trust had positive unrestricted reserves totalling £43,328,000 (2021: £45,425,000) of which £41,165,000 (2021: £43,375,000) were designated unrestricted reserves and £2,163,000 (2021: £2,050,000) were general unrestricted reserves.

The Trust aims to return to generate surpluses each year to maintain a positive balance and provide funds for the development of its charitable objects. Annual budgets are set accordingly with close monitoring throughout the year to ensure targets are met. The expectation is that general unrestricted reserves are adequate to support costs for a period of at least six months. The Trust recognise the balance of protecting reserves and ensuring future investments in staff, digital infrastructure and maintenance of the building.

PLANS FOR FUTURE PERIODS

Performing Arts

This financial year started with a boom as the acclaimed production *Les Misérables* graced the Lyric stage, delighting audiences of over 50,000.

With a solid theatre programme, including re-scheduled shows from 2020 and 2021, we have seen a return to stability. We are mindful that the booking trends of audiences have changed and the impact of late bookings and reduced numbers across certain genres is evident of that. At the half year point, theatre audiences are over 300,000 across our three stages, musicals remain the most popular accounting for 42% of the total audience.

Through our dance programme we continue to develop and present work across all scales, identifying national and international works to reach audiences. We will do this through focusing on diverse programming and internationalism; ballet; commissioning and new talent focus; engagement and partnerships. Across all art forms we will maintain at least 50% diversity/representation (relating to Protected Characteristics in Equality Act) when commissioning new work.

TRUSTEES' REPORT (*continued*)

PLANS FOR FUTURE PERIODS (CONTINUED)

Performing Arts (CONTINUED)

We aim to become more active as a commissioner of new work, both at research and production stage. As a leading executive member of Dance Consortia North West, we will work with artists as curators and co-presenters, bringing different voices and aesthetics into the curatorial process.

During the year, we will present emerging artists at small scale, regularly offering them their first performance outside London. Once a year, we offer a special focus on a seminal UK artist at large-scale in the Lyric Theatre, championing artists whose work rarely tours at large scale outside London. During 2022/2023 this will continue by developing the collaboration as curators and artists with IMPACT Dance Collective, exploring move from Studio Theatre to The Quays and longer seasons.

We will continue to present and commission newly created, cutting-edge performing arts practice from the most exciting artists and companies working nationally; playing a sector role in quickly re-establishing a touring circuit for contemporary theatre that is sustainable, diverse and environmentally responsible. Programming will respond to the needs of artists and theatre-makers at all stages of career. Working with partners to increase diversity within programme – Shubbak Festival, SICK! Festival, Submerge Festival, GM LGBTQ+ Arts & Culture Network and hAb/Word of Warning.

Offering a range of one night, week-long and longer-running productions will continue to be an aim for the populist programme as the prove to be popular. These productions include comedy and spoken word performances which are diverse and inclusive. Wherever possible we will champion new, original and diverse work across all three theatres – and have developed relationships with key commercial partners in our Industry including Fiery Angel, Kenny Wax, Harper Elliott and others. We will support commercial partners as they seek to rebuild from the devastating effects of the extended lockdown and Pandemic, working with them to restore audience confidence while also encouraging the development of new work.

Further exploration of the role of the digital space will continue and understanding how this strand will help us achieve a more relevant, inclusive and diverse contemporary programme in the future. Utilising new equipment we will live-stream and pre-record commissioned and touring performances from our Quays and Studio stages.

Visual Arts

Our programme for 2022/2023 will feature a combination of exhibitions and Edits (our programme of shorter, more experimental residencies and installations for artists and performers in the galleries). The impact of the pandemic has also reinforced our need to ensure that sitting alongside this in-gallery programme will be a robust digital dimension for each project, which will add value rather than simply replicate online.

In addition, all our work will be informed and influenced by our community steering group, made up of a diverse mix of people from Salford, who will engage with both the Lowry Collection and the contemporary visual arts programme; and also by our burgeoning network of artists and practitioners who will support, advise and influence our commitment to improving equality, diversity and inclusion across the organisation.

TRUSTEES' REPORT (*continued*)

PLANS FOR FUTURE PERIODS (CONTINUED)

Visual Arts (CONTINUED)

There are two key drivers that underpin Galleries' approach to artist development – looking after people; and giving artists and performers the space, support and curatorial / technical expertise to develop new areas of their artistic practice, specifically the fusing together of visual art and performance. We have no single definition of either, rather we embrace new ideas and new means of practice that encompass objects, ideas and actions. Crucially, what success looks like is a personal and artistic measurement agreed in advance with our practitioners, and is not confined to visitor numbers or media exposure.

We want artists and performers to feel their engagement with The Lowry Galleries is an opportunity to test themselves, to test The Lowry, and to test new and existing audiences, in a safe, supportive and skilled environment - enabling them to have the confidence, resilience and skills to become more ambitious in their work. Our collaborations will include the expert support of our vastly experienced gallery and theatre technicians; the opportunity for wider conversations with other artists and performers we have worked with; safe and positive platforms to interrogate proposals and methodologies; and the chance to reflect, alongside peers, audiences and staff. We will have a particular emphasis on collaborating with the artists and performers we work with to identify meaningful opportunities for our audiences to be inspired and informed by the work they encounter, to express their own creativity, both in-gallery and online.

We will be devising a complete redisplay of the LS Lowry Collection, to focus more directly on his engagement with people's everyday lives, in relation to how we live our lives today; and to explore further his paintings and drawings that he made to reflect his personal mental health, especially in the 1950s and 1960s.

In addition, we will be using the recent new acquisition to the collection, *Going To The Match* (LS Lowry, 1953) as an opportunity to develop relationships with museums and galleries in the North West with the intention of displaying this incredible artwork at various venues free of charge, encouraging visitors from across the region.



TRUSTEES' REPORT (*continued*)

PLANS FOR FUTURE PERIODS (CONTINUED)

Learning and Engagement

We continue to work closely with local services and organisations to ensure that we remain responsive to the frequently changing landscape and subsequent needs of children, young people and communities in our city and beyond.

- **Arts for Social Change**

Projects are funded through income raised from Trusts & Foundation with areas of growth supported by the Culture Recovery Fund from DCMS. Our plans include the delivery of over 800 hours of creative activity to accelerate the life chances, health & wellbeing of 3000 children and young people in Salford across 2022/2023 to help them overcome the negative impacts of lockdown on their academic, social and personal development. Extending and deepening the reach of our Arts for Social Change programme by encouraging new referrals from our partners across Looked After Children's services, Salford Young Carers service, Early Help teams and Youth Homelessness organisations; offering 1-1 and group support with specialist arts practitioners. These young people are those experiencing the highest levels of socio-economic deprivation as well as digital poverty, unable to access online support.

- **Youth Employability and Skills**

In addition to addressing health & wellbeing we will prioritise the "Not in education, employment or training" (NEET) agenda in Salford for young people aged 13-25. This programme creates new opportunities for 1000 young people in employability, training and personal development, through both online and face-to-face activity during 2022/2023.

We will develop and deliver new personal, social and wellbeing programmes as foundations for returning to education, employment and training. This involves continuing to work closely with local partners including Salford Council, Salford Foundation, Salford's NEET provider network, MediaCityUK, BBC, ITV, UTC@MediaCity and others to facilitate new training and employment opportunities for young people who are NEET or at-risk of NEET in Salford.

- **Learning & Participation**

We continue to deliver our ambitious Cultural Education offer for Key Stages 1 to 6 to support Cultural Education to thrive in schools. This offer is led by a diverse range of professional artists and practitioners across a range of art forms- connecting high quality artists with schools in meaningful ways to support curriculum outcomes, CPD for teachers and a love of art and culture amongst children and young people; with integrated opportunities for Arts Mark and Arts Award embedded throughout.

The Lowry is founder member and a strategic steering group member of the Salford LCEP, working with education & cultural partners (including Salford's Culture and Place Partnership) across the city to develop, enhance and improve the Cultural education offer for CYP. This includes leading the delivery of YPPF Stage Directions programme across this partnership and a new citywide Creative Careers Event for schools.

From April 2022, we resumed our usual programmes for schools, families and local communities to re-engage with the LS Lowry collection and wider Galleries programme through a range of accessible and creative activities and new areas of interpretation.

TRUSTEES' REPORT (*continued*)

PLANS FOR FUTURE PERIODS (CONTINUED)

Learning and Engagement (*continued*)

- **Youth Talent**

The Lowry is home to NW regions ***Centre for Advanced Training in Dance (CAT)*** funded by the MDS with approx. 65 students per academic year from across the North West region. This year we developed and delivered a new accessible CAT pathway to enable young or new dancers to enjoy dance, develop basic skills and prepare for the CAT programme.

We work closely with Salford's Local Education Authority, city-wide partners and school improvement team to consult and adapt the Stage Directions programme to support the 'levelling up' and future life of Cultural Education and Youth participation in Creative subjects and activities to recover, in parallel to grassroots sport.

NT Speak Up Programme – From January 2022, we partnered with the National Theatre to develop and deliver a brand new 3-year co-creation and youth voice programme in Salford, Wigan and Rochdale. The programme sees the employment of at least 30 new freelance artists and 1 new post. The programme provides access to high quality creative opportunities to young people in underserved communities.

Partner Companies

The Lowry has benefited from longstanding partnerships with a number of nationally renowned companies. Our partner companies are The National Theatre, Birmingham Royal Ballet, Opera North and Rambert. This has ensured that a consistent, high-quality cultural offer has been present within our programme since we opened - and we have worked hard with our partners to develop loyal audiences for their work.

The Lowry also plays a leading role within The Touring Partnership and The Dance Consortium, which are committed to touring large scale drama and dance nationally. Other key partnerships within our programme include Zonation, Northern Ballet, Akram Khan Company, the Leeds Dance Hub and New Adventures, while at the smaller scale we work with SICK! Festival and The Shubbak Festival of contemporary Arab Arts among many others.

Strategic Partnerships

- **Salford Culture and Place Partnership (SCPP)**

During the year we will continue to be a lead partner of the SCPP and manage the executive lead. The Lowry's key engagement in the SCPP will be around *Box on the Docks* taking exhibitions out into greenhouse structures in MediaCity and wider parks in Salford; LCEP membership and driving; and , a *Rediscovering Salford* project at Peel Park and Buille Hill Park project with Lowry's Learning and Engagement, running public engagement activities.

TRUSTEES' REPORT (*continued*)

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Lowry Centre Trust is the governing body of The Lowry. Its Board of Trustees, currently comprising thirteen members, meets formally up to four times a year. Ten of the current trustees are directly elected by the Board of Trustees. The remaining three trustees are nominated by Salford City Council. The Key Management Personnel attend all board meetings. During the year all meetings have been conducted by video conferencing online.

Each new trustee attends an induction day and is provided with a pack of information about The Lowry and their responsibilities as a trustee. The pack also contains The Lowry's Governance Handbook. Additional training is provided if required.

The Trust has established three committees for the purpose of governance; Audit, Nominations and Remuneration. In addition, a separate Development Advisory Group has been established for the specific purpose of raising funds. Each has specific terms of reference and functions delegated by the Trust and with a Trustee or a Non-Executive Director of the operating company as chair, appointed by the Trust. The Nominations Committee is responsible for the recruitment and appointment of Trustees.

The Chief Executive and Finance Director attend all Audit Committee meetings and the Chief Executive attends all other committee meetings.

The Trustees decide on the strategy of The Lowry with its implementation and day-to-day operational management delegated by the Trustees to the Executive Team which is comprised of the Principal Officers.

The Trustees appoint the directors of the subsidiary companies, The Lowry Centre Limited and The Lowry Centre Development Company Limited, and ensure that at least fifty percent of the directors are trustees and that the Chairman of each subsidiary is a trustee. The directors of The Lowry Centre Limited meet up to three times a year and the directors of The Lowry Centre Development Company Limited meet as required.

The Trustees review the effect of all material internal controls including operational, financial and compliance controls and risk management systems. The internal control systems are designed to meet the organisation's particular needs and the risks to which it is exposed, to manage those risks and to provide reasonable assurance against misstatement or loss. Established regular procedures, including budgetary controls, operate to monitor the receipt of income and both revenue and capital expenditure.

The Trustees have reviewed and assessed the risks to which the organisation may be exposed. A risk register identifies those risks and assigns specific actions and responsibilities for mitigating them. The risk management process is ongoing and is regularly reviewed by the Trust.

Whilst the external funding equates to only 6% of our income, The Lowry is reliant on the continued funding from Arts Council England and Salford City Council to ensure financial stability. The risks faced for the coming year weighs heavily towards the economic climate and the uncertainty of how audiences will behave, how they choose to spend any disposable income and the impact to ancillary income as well as ticket sales. As a receiving house we are reliant on a programme built around the availability of product from touring and visiting companies, with challenging financial burdens access to new product may increase. To mitigate this, the creative team continually seek to build relationships, source new material and drive forward collaboration projects. The strategic business plan outlines the aims and objectives together with key performance indicators, thus providing a monitoring tool to guide the effective delivery of operational activity and provide insight to enable the management of risk.

TRUSTEES' REPORT (*continued*)

STRUCTURE GOVERNANCE AND MANAGEMENT (CONTINUED)

SECTION 172 STATEMENT

This section of the Report describes how the Trustees have had regard to the matters set out in section 172(1) (a) to (f), and forms the Directors' statement required under section 414CZA, of the Companies Act 2006.

The Trustees recognise that the long-term success of the Group and Trust is dependent on having regard to the interests of its stakeholders. As a registered Charity, the Directors' responsibility also extends to ensuring that the affairs and objectives of The Lowry Centre Trust are managed in a way that embodies the values of the stated charitable objects.

The Board has identified and documented its stakeholders in the strategic plan. Key stakeholders include our visitors and audiences being the general public and in particular the city and the people of Salford, artists, participants, our partner companies, our key funders and benefactors, and our staffs. Trustees and key management personnel ensure through regular engagement with key stakeholders that we maintain an understanding of their needs to inform our strategic direction. Our decision-making processes consider the impact of decisions on relevant stakeholders.

The company engages with its audiences and visitors through marketing methods including customer relationship management, and social media platforms. Regular meetings are held with the key funders, Arts Council England and Salford City Council. A series of advocacy events is held throughout the year with funders and benefactors including trusts and foundations and individual philanthropic donors. We engage with artists through our 'In Association With' and 'Developed With' The Lowry schemes offering facilities, advice and financial support to new and emerging artists whose work we present in our Studio Theatre.

The Lowry delivers benefit for the general public by presenting an eclectic mix of theatrical art forms from around the world; by the encouragement of local audiences through a benefits scheme offering free or discounted tickets to shows and exhibitions for Salford residents; by direct engagement with the local community and schools through an extensive range of outreach activities and educational workshop projects; and providing excellent access to disabled patrons through both pricing and facilities.

Employee Engagement

Engagement with staff is through the established Employee Consultation Forum and Volunteer Consultation Forum which meet regularly with senior management throughout the year and offer a platform for discussion of matters of importance to employees and volunteers respectively.

Employee Communications

Regular staff briefing sessions are held throughout the year in order to communicate information of concern to employees. The sessions cover regular updates relating to the organisation's core charitable activities as well as information relating to strategic direction or legislative change as appropriate.

Members of staff appoint colleagues to represent them on the Employee Consultation Forum (ECF). In this respect the workforce is split into constituencies according to areas of common interest. The ECF follows a formal constitution drawn up between the members and management.

TRUSTEES' REPORT (*continued*)

STRUCTURE GOVERNANCE AND MANAGEMENT (CONTINUED)

Section 172 statement (*continued*)

The key objectives of the Forum are to improve the quality of decisions by seeking the knowledge, experience and views of staff via their representatives; to improve communications by providing a forum where staff representatives and management may discuss matters of general and particular concern pertinent to their well-being and The Lowry as a whole; and to exchange information and to deal with problems that have not been resolved at a local level. The Forum meets six times per annum with the agenda being collated from the representatives from each constituency at the request of the workforce. The meeting is attended by the Chief Executive Officer and Head of Human Resources together with the representatives. ECF Representatives receive training to assist them during their term of office.

The ECF is mirrored for the volunteers. A Volunteer Consultation Forum (VCF) meets six times per annum. The membership is comprised of elected representatives in line with a formal constitution and is attended by the Chief Executive Officer, the Commercial Director and the Head of Human Resources. The key objectives of the VCF are to improve the quality of decisions by seeking the knowledge, experience and views of volunteers via their representatives; to improve communications by providing a forum where volunteer representatives and management may discuss matters of general and particular concern pertinent to their well-being and The Lowry as a whole and to exchange information and to deal with problems that have not been resolved at a local level.

Pay policy

The overriding policy with regard to pay is that the Trustees consider that having a fair and competitive reward offering is one of the many ways in which we can secure the very best people to deliver our strategy. For 2022 this included taking the decision to pay at a rate in line with the Real Living Wage.

We aim to ensure that our employees' salaries reflect the level of responsibility and leadership expected of them, and that they are in line with the salaries paid by other comparable organisations. We benchmark salaries each year against comparable organisations of similar sizes, complexity and profile. We also keep an overview of local markets to ensure that pay differentials do not affect our ability to attract the right calibre of person.

Equal Employment Opportunities

The salary of the Chief Executive is set by Trustees appointed to the Remuneration Committee and key management personnel salaries are set by the Chief Executive. This practice is in line with the National Council for Voluntary Organisations' executive pay guidance that 'the overall goal of a charity's pay policy should be to offer fair pay to attract and keep appropriately-qualified staff to lead, manage, support and/or deliver the charity's aims.' The salaries of the key management personnel are reviewed and benchmarked periodically against comparable organisations and roles by a relevant independent consultancy that reports to the Chair and the Trust's Remuneration Committee.

By paying salaries that match similar roles at comparable organisations, we can attract and keep the highly skilled and committed staff the organisation needs. This means we can keep meeting our ambitious plans, remain effective and efficient, increasing both the artistic and financial sustainability of the organisation.

The Lowry has a Diversity policy in place to encourage freedom from discrimination or harassment on grounds of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion and belief, sex or sexual orientation.

TRUSTEES' REPORT (*continued*)

STRUCTURE GOVERNANCE AND MANAGEMENT (CONTINUED)

Section 172 statement (*continued*)

This is to ensure that the organisation does not discriminate against people and makes the best of all talents, abilities, background, knowledge and understanding. The Lowry commits proactively to encouraging employees, volunteers, contractors, visiting companies, interns and placements to welcome diversity, respecting each person's individuality and valuing their creativity. The policy states that at The Lowry *"Equality of opportunity is an integral way of life and a normal way of doing business."*

The Lowry's Recruitment and Selection policy states *"Every effort will be made to ensure that during each of the stages of the recruitment process, that is advertisement, selection, interview, offer and appointment there will be no discrimination"* and offers application forms in large print and requests access requirements for interviews if necessary. The Lowry has been awarded the nationally recognised Two Ticks symbol since 2013, which commits to interview all applicants with a disability who meet the minimum criteria for a job vacancy and consider them on their abilities. In order to retain the symbol, The Lowry has to show annually that there is a mechanism in place to discuss with disabled employees what can be done to make sure they can develop and use their abilities, that every effort is made when employees become disabled to make sure they stay in employment and that all employees develop the appropriate level of disability awareness needed to make these commitments work.

The Lowry is a Disability Confident (Level2) employer and as at 31 March 2022, 13% of employees had formally disclosed that they had a disability (2021: 13%). The Lowry proactively works with the government's *Access to Work* programme to ensure that employees with a disability or health condition are fully supported in the workplace.

The Lowry's Sickness policy states that The Lowry has *"a responsibility to look into making, if assessed as necessary, possible reasonable adjustments to the employee's role and work environment... If there are no possible reasonable adjustments, the possibility of alternative employment may be considered."* A number of adjustments have taken place in the workplace in order to help employees return and stay in work including provision of specialist equipment and changes to working hours and patterns.

Business Relationships

The Trust recognises its responsibility to ensure charitable business activities are undertaken in accordance with regulatory requirements and best practice. The trustees recognise the importance of good relationships with our patrons, participants, artists, visiting companies, clients, key funders and all of those whose involvement helps to shape the development of the organisation. This requires strong mutually beneficial relationships. The Charity seeks the promotion and application of certain general principles in such relationships, maintaining its reputation for high standards in each of general business conduct, artistic quality and community engagement. The ability to promote these principles effectively is an important factor in the decision to enter into or remain in such relationships and this alongside other standards are reviewed periodically.

The trustees entrust the executive management team to manage and develop day to day relationships with key personnel and organisations, and trustees regularly meet to review the progress toward the attainment of organisational goals. At all such, and other meetings throughout the company all participants are heard and are treated equally with equal voting rights.

TRUSTEES' REPORT (*continued*)

STRUCTURE GOVERNANCE AND MANAGEMENT (CONTINUED)

Section 172 statement (*continued*)

The Charity continuously assesses the priorities related to our wider community and those with whom we do business, and the trustees agree with and task the executive management team with development in these areas. The Trustees also consider the likely consequences of any decision in the long-term.

Energy and carbon reporting

The annual quantity of emissions in tonnes of carbon dioxide equivalent resulting from activities for which the company is responsible involving the combustion of gas during the year was 470 tonnes CO₂e (2021: 388 tonnes CO₂e).

The annual quantity of emissions in tonnes of carbon dioxide equivalent resulting from the purchase of electricity by the company for its own use was 665 tonnes CO₂e (2021: 419 tonnes CO₂e).

The aggregate quantity of emissions in tonnes of carbon dioxide from the combustion of gas and the usage of electricity was therefore 1,135 tonnes CO₂e (2021: 807 tonnes CO₂e).

The figure, in kWh, which is the aggregate of the annual quantity of energy consumed from activities for which the company is responsible involving the combustion of gas or the consumption of fuel for the purposes of transport was 2,564,358 kWh (2020: 2,112,806 kWh).

The annual quantity of energy consumed resulting from the purchase of electricity by the company for its own use, including for the purposes of transport was 2,875,614 kWh (2021: 1,665,039 kWh).

The methodologies used to calculate the information disclosed above for gas and electricity kWh is that usage is taken from monthly meter readings. The carbon dioxide equivalent is taken from Julie's Bicycle IG Tools. The company has also committed to securing a Julie's Bicycle 3-star rating within the current year.

Energy usage ratios

- Energy usage per visitor: 6.65kWh (2021: 7.5kWh)
- Carbon emissions per employee: 7.57 tonnes Co₂e (2021: 4.4 tonnes)

The company recognises the importance of its environmental responsibilities and continue to strive towards introducing new initiatives designed to minimise the company's impact on the environment. As standard these include a ban on the use of single use plastics, the safe disposal of waste, recycling and reducing energy consumption.

There was no additional investment on energy efficiency plant or equipment during the year. Through a working group (EAST), staff are regularly engaged with a view to their contributing to energy reduction through their working practices.

TRUSTEES' REPORT (*continued*)

STRUCTURE GOVERNANCE AND MANAGEMENT (CONTINUED)

INVESTMENTS

The investments held by the Trust have been acquired in accordance with the powers available to the Trustees under the Memorandum and Articles of Association. The investment in subsidiary companies enables the generation of profits to support the Charity's objects. The Lowry Centre Limited operates the commercial aspects of the venue operations providing hospitality, retail and ticketing operations to support the delivery of the Charity's objects. There were no trading activities in The Lowry Centre Development Company as at the year end.

RESERVES POLICY

At the year-end the group had positive unrestricted reserves totalling £46,107,000 (2021: £48,204,000) of which £41,165,000 (2021: £43,566,000) were designated unrestricted reserves and £4,942,000 (2021: £4,638,000) were general unrestricted reserves.

The Trust had positive unrestricted reserves totalling £43,328,000 (2021: £45,425,000) of which £41,165,000 (2021: £43,375,000) were designated unrestricted reserves and £2,163,000 (2021: £2,050,000) were general unrestricted reserves.

The Trust aims to return to generate surpluses each year to maintain a positive balance and provide funds for the development of its charitable objects. Annual budgets are set accordingly with close monitoring throughout the year to ensure targets are met. The Trust recognise the balance of protecting appropriate levels of reserves and ensuring future investments in staff, digital infrastructure and maintenance of the building.

PRINCIPAL RISKS AND UNCERTAINTIES

The group and charity maintain a risk register that addresses principal external and internal organisational risks and seeks actively to control and mitigate such risks. Continuing through the year, focus remained on the mitigation of the effect of the global pandemic on the business.

From April through to September 2021, the group and charity continued to benefit from the Government Job Retention Scheme and the agreement with the courts and tribunal service for their use of the building. The group and charity continued to enable hybrid working or working from home where possible, and improving cash balances held.

The group and charity operates receiving theatres and as such is subject to the availability of product of sufficient quality. Such availability is not within the company's direct control although relationships with producers are highly developed and remain strong. Prior to confirmation, the theatres' programme contains a series of performance options which mitigates against potential unavailability of some productions.

The group and charity receives an annual grant from Arts Council England on which it is dependant in order to develop its artistic output. The grant received in the year related to the final year of a four-year agreement for National Portfolio Organisations of which The Lowry is one. The extant funding agreement commenced on 1 April 2018 and covers the period to 31 March 2022. In October 2022, Arts Council England reaffirmed their support for our artistic ambition with confirmation of funding for another three years, from 2023-26, as part of their National Portfolio. The total fund granted of £2,627,472, will be recognised over three financial years at £875,824 per year.

TRUSTEES' REPORT (*continued*)

TRUSTEES' RESPONSIBILITIES STATEMENT

The trustees (who are also directors of The Lowry Centre Trust for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 group and of the incoming resources and application of resources, including the income and expenditure, of the 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 estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Trustees' Report, including the Strategic Report, was approved by the Board of Trustees and signed on behalf of the Board:



Sir RM Aldridge OBE
Chairman and Trustee

23 December 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LOWRY CENTRE TRUST

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

In our opinion the financial statements of The Lowry Centre Trust (the 'charitable company') and its subsidiaries (the 'group'):

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2022 and of the group's incoming resources and application of resources, including the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the group statement of financial activities;
- the group summary income and expenditure account;
- the group and parent charitable company balance sheets;
- the group cash flow statement; and
- the related notes 1 to 24.

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).

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 auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and of the parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC'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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LOWRY CENTRE TRUST (continued)

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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 purpose 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LOWRY CENTRE TRUST (continued)

Auditor's 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 auditor's 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the group's industry and its control environment, and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements, which included UK Charities Act and UK Companies Act; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty, which included regulations of the Charity Commission for England and Wales (Charity Commission).

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud or non-compliance with laws and regulations in the following areas, and our specific procedures performed to address it are described below:

Income recognition – cut off

- Tracing a sample of income transactions recorded either side of the year end to supporting documentation to corroborate that they had been recorded in the correct period.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LOWRY CENTRE TRUST (continued)

Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing any correspondence with Charity Commission.

Report on other legal and regulatory requirements

Opinions 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, which includes the strategic report and the directors' report prepared for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report included within the trustees' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, 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.

We have nothing to report in respect of these matters.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LOWRY CENTRE TRUST (continued)

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 auditor's 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Matthew Smith (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Manchester, United Kingdom

23 December 2022

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(including consolidated income and expenditure account)
Year ended 31 March 2022

	Note	Unrestricted funds £'000	Restricted funds £'000	Total funds 2022 £'000	Total funds 2021 £'000
INCOME FROM:					
Donations and grants	3	1,468	1,463	2,931	8,037
Charitable activities	4	11,229	50	11,279	1,569
Other trading activities	5	4,042	228	4,270	2,421
TOTAL OPERATING INCOME		16,739	1,741	18,480	12,027
Interest received		-	-	-	1
TOTAL INCOME		16,739	1,741	18,480	12,028
EXPENDITURE ON:					
Raising funds	6	5,751	615	6,366	4,762
Charitable activities	7	12,939	1,587	14,526	6,906
TOTAL EXPENDITURE		18,690	2,202	20,892	11,668
Interest expense	24	146	-	146	-
Net (expenditure)/income before tax	9	(2,097)	(461)	(2,558)	360
Taxation	11	-	-	-	50
Net (expenditure)/income for the year		(2,097)	(461)	(2,558)	310
Transfer between funds	18,19	-	-	-	-
NET MOVEMENT IN FUNDS		(2,097)	(461)	(2,558)	310

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(including consolidated income and expenditure account)
Year ended 31 March 2022

	Note	Unrestricted funds £'000	Restricted funds £'000	Total funds 2022 £'000	Total funds 2021 £'000
RECONCILIATION OF FUNDS:					
Total funds brought forward		48,204	1,251	49,455	49,145
Net movement in funds for the year		(2,097)	(461)	(2,558)	310
Total funds carried forward	18,19	<u>46,107</u>	<u>790</u>	<u>46,897</u>	<u>49,455</u>

There were no other recognised gains or losses other than those listed above and the net income for the year. All income and expenditure derives from continuing activities.

The net expenditure of the parent charity for the year for Companies Act purposes is £2,558,015 (2021: Expenditure £32,084). As permitted by Section 408 of the Companies Act 2006, no separate statement of financial activities is presented in respect of the parent charity.

See note 17 for comparative Consolidated Statement of Financial Activities analysed by funds.

BALANCE SHEETS

At 31 March 2022

		Group		Charity	
	Note	2022 £'000	2021 £'000	2022 £'000	2021 £'000
FIXED ASSETS					
Intangible assets	12	630	683	630	683
Tangible assets	13	44,268	46,252	43,129	44,819
		44,898	46,935	43,759	45,502
CURRENT ASSETS					
Stocks		187	142	-	-
Debtors	15	2,982	1,917	5,755	3,003
Cash at bank and in hand		14,969	14,197	10,195	12,021
		18,138	16,256	15,950	15,024
Creditors: amounts falling due within one year	16	(8,601)	(6,305)	(8,053)	(6,419)
NET CURRENT ASSETS		9,537	9,951	7,897	8,605
TOTAL ASSETS LESS CURRENT LIABILITIES		54,435	56,886	51,656	54,107
Creditors: amounts falling due after more than one year	24	(7,538)	(7,431)	(7,538)	(7,431)
NET ASSETS		46,897	49,455	44,118	46,676
FUNDS					
Unrestricted funds:					
General fund		4,942	4,638	2,163	2,050
Designated funds		41,165	43,566	41,165	43,375
Restricted funds:					
General restricted funds		790	1,251	790	1,251
TOTAL FUNDS	18,19	46,897	49,455	44,118	46,676

These financial statements of The Lowry Centre Trust registered number 1053962 were approved by the Board of Trustees and authorised for issue on 23 December 2022. They were signed on its behalf by:



Sir RM Aldridge OBE
Chairman and Trustee

23 December 2022

CONSOLIDATED CASH FLOW STATEMENT
Year ended 31 March 2022

	Note	Total funds 2022 £'000	Total funds 2021 £'000
Net cash flows from operating activities	23	1,229	1,553
Net cash flows from financing	24	(39)	7,264
Cash flows from investing activities:			
Interest received		-	1
Purchase of property, plant and equipment		(418)	(152)
Net increase in cash and cash equivalents		772	8,666
Cash and cash equivalents at beginning of year		14,197	5,531
Cash and cash equivalents at the end of the year		14,969	14,197

Analysis of changes in net debt	As at 1 April 2021 £'000	Cashflows £'000	Interest expense £'000	As at 31 March 2022 £'000
Cash	14,197	772	-	14,969
Loans falling due after more than one year	(7,300)	-	(146)	(7,446)
Finance lease obligations	(131)	39	-	(92)
TOTAL	6,766	811	(146)	7,431

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2022

1. ACCOUNTING POLICIES

Company and charitable status

The Lowry Centre Trust, a public benefit entity, is incorporated in the United Kingdom and registered in England and Wales as a company limited by guarantee not having a share capital. There are currently 13 Trustees who are also the members of the company. Each member has undertaken to contribute to the assets in the event of winding up a sum not exceeding £10. The charity is a registered charity. The registered office is given on page 1.

Basis of accounting

The financial statements are prepared under the historical cost convention, in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities (SORP 2019)" applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), effective 1 January 2019; and the Companies Act 2006.

The charity meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemption available to it in respect of its separate financial statements in relation to presentation of a cash flow statement.

The principal accounting policies are set out below.

Preparation of financial statements - going concern basis

The majority of the group and charity's income is generated from cash sales, a substantial part of which derives from advanced theatre ticket sales. The group's cash flow and operational performance is the subject of daily review and forward-looking forecasts are updated regularly to identify any potential issues in advance.

During the year, the principal risk has arisen from the uncertainty surrounding the ability to generate operational income at levels similar to those pre-pandemic. Initially the volatility of theatre audiences and exhibition visitors resulted in reduced levels of income and the impact of the pandemic continued to be evident throughout the year. The loan received in March 2021, of £7.3m, first become repayable in 2025/2026, this injection of cash has ensured our financial stability and mitigates against future reduced levels of income.

In October 2022, Arts Council England reaffirmed their support for our artistic ambition with confirmation of funding for another three years, from 2023-26, as part of their National Portfolio.

The commercial subsidiary was able to recommence its business operations with effect from the end of August 2021, with reported profits of £1,159,798 at 31 March 2022 (2021: loss £708,303). With the resumption of trade and profitability, it is the expectation that the commercial subsidiary will be a valuable contribution to the trust to support its charitable objectives going forward.

Detailed income and expenditure, and cash flow forecasts for the year 2022/2023, and outline forecasts for the subsequent 1-year period, have been prepared for the group.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 March 2022

1. ACCOUNTING POLICIES (continued)

Preparation of financial statements - going concern basis (continued)

These take reasonable account of possible changes in its performance resulting from the general and variable nature of its programme of activities and restrictions on operating activities continuing into the 2022/2023 financial year.

After making all appropriate enquiries and considering various scenarios and possible mitigating actions, the Trustees consequently have a reasonable expectation that the charity and the group has adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of the financial statements. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Basis of consolidation

Group financial statements have been prepared in respect of the charity and its wholly owned subsidiary undertakings, The Lowry Centre Limited and The Lowry Centre Development Limited. These financial statements have been consolidated on a line by line basis and the results of the subsidiary undertakings are disclosed in note 14.

Income

Income is recognised when the group and charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably. Donations are recognised in the statement of financial activities at the date of receipt.

Grants receivable are recognised in the statement of financial activities when the conditions for receipt have been complied with. Where a grant is received relating to a future accounting period as specified by the donor, the statement of financial activities shows the gross amount received together with the changes in the amount deferred to future accounting periods. Deferred grant income at the year-end is included in creditors.

Income from commercial activities is included in the period in which the group has provided goods or services.

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised - refer to the trustees' annual 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 charity which is the amount the charity 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 March 2022

1. ACCOUNTING POLICIES (continued)

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

Raising funds

This includes the costs associated with the commercial trading operations of subsidiary companies, along with the costs associated with the sale of merchandise.

Charitable activities

This includes costs associated with the operation of the theatre activities, gallery activities and learning and engagement activities, along with support costs and costs associated with the building.

Expenditure on charitable activities includes:

- support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the Trusts artistic programmes and activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 8.

Fund accounting

The charity holds three types of funds as follows:

Restricted funds

Restricted funds are funds subject to specific restrictions imposed by the funding authorities and donors. These funds are not available for the Trustees to apply at their discretion. The purpose and use of the restricted funds is set out in the notes to the financial statements.

General unrestricted funds

General unrestricted funds represent funds which are expendable at the discretion of the trustees in the furtherance of the objects of the charity. Such funds may be held in order to finance both working capital and capital investment.

Designated unrestricted funds

Designated unrestricted funds are a part of unrestricted funds which the trustees have set aside to be used for a particular future project or commitment.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 March 2022

1. ACCOUNTING POLICIES (continued)

Interest and finance costs

Interest and finance costs of financial liabilities are recognised in the statement of financial activities over the term of such instruments at a constant rate on the carrying amount.

Finance costs which are directly attributable to the construction of tangible fixed assets are capitalised as part of the cost of those assets. The commencement of capitalisation begins when both finance costs and expenditures for the assets are being incurred and activities that are necessary to get the asset ready for use are in progress. Capitalisation ceases when substantially all the activities that are necessary to get the asset ready for use are complete.

Taxation

The parent company is a registered charity and has no liability to corporation tax on its charitable activities under the Corporation Tax Act 2010 (chapters 2 and 3 of part ii, section 466 onwards) or Section 256 of the Taxation for Chargeable Gains Act 1992, to the extent surpluses are applied to its charitable purposes.

Current tax for the subsidiary company, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

The Lowry Centre Limited makes charitable donations to The Lowry Centre Trust under an existing deed of covenant equal to its taxable profits and therefore no tax liability arises. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax is measured on a non-discounted basis.

Intangible fixed assets

Intangible fixed assets comprise a long leasehold asset giving the group the right to display the Lowry collection owned by Salford City Council for 30 years from 2004, and are stated at cost net of amortisation.

Amortisation is provided to write off the cost less estimated residual value in equal annual instalments over the period of the lease.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 March 2022

1. ACCOUNTING POLICIES (continued)

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets and freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Fixtures and fittings	3-10 years
Plant and equipment	5-17 years

Interest charges incurred in the period of construction were capitalised.

Included within the category of long leasehold land and buildings is the Lowry building which is classified as a heritage asset.

Heritage assets

Heritage assets, included in Tangible fixed assets, are stated at cost, less provision for depreciation and impairment.

Depreciation is provided to write of the cost less estimated residual value on a straight line basis over the assets expected useful life as follows:

Long leasehold land and buildings	50 years
-----------------------------------	----------

Impairment reviews are carried out where there is evidence of impairment, for example where the asset has suffered physical deterioration or doubts arise over the asset's ability to contribute to knowledge and culture.

Investments

In the parent charity balance sheet, investments in subsidiary undertakings are measured at cost less impairment.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to sell, which is equivalent to the net realisable value. Cost is calculated using the FIFO (first-in, first-out) method. Provision is made for obsolete, slow-moving or defective items where appropriate.

Operating and finance leases

Assets held under finance leases, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets at the fair value of the leased asset (or, if lower, the present value of the minimum lease payments as determined at the inception of the lease) and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 March 2022

1. ACCOUNTING POLICIES (continued)

Operating and finance leases (continued)

The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Employee benefits

For defined contribution schemes the amount charged to the Statement of Financial Activities in respect of pension costs and other retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs).

The charity and group only have 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.

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid net of any trade discounts due. Cash at bank and cash in hand includes cash or opening of the deposit or similar account. Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 1, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Trustees do not consider there are any critical judgements or sources of estimation uncertainty requiring disclosure beyond the accounting policies listed above.

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 March 2022

3. ANALYSIS OF INCOME FROM DONATIONS AND GRANTS

	2022	2021
	£'000	£'000
Donations	377	27
Unrestricted grants		
Cultural Recovery Fund	-	2,810
Arts Council England Emergency Fund	-	1,325
Arts Council England	816	816
Salford City Council Capital Funding	274	274
Restricted grants		
Government Job Retention Scheme	496	2,049
Arts Council England – project funding	477	435
Music & Dance Grant Scheme	105	143
Greater Manchester Combined Authority	386	158
	<u>2,931</u>	<u>8,037</u>

4. ANALYSIS OF INCOME FROM CHARITABLE ACTIVITIES

	2022	2021
	£'000	£'000
Theatres activities	10,632	1,085
Gallery activities	343	371
Learning and engagement activities	304	113
	<u>11,279</u>	<u>1,569</u>

5. ANALYSIS OF INCOME FROM OTHER TRADING ACTIVITIES

	2022	2021
	£'000	£'000
Fundraising activities	959	255
Commercial trading activities	3,311	2,166
	<u>4,270</u>	<u>2,421</u>

Commercial trading activities includes Government Job Retention Scheme income of £496k (2021: £1,168k).

6. ANALYSIS OF EXPENDITURE ON RAISING FUNDS

	2022	2021
	£'000	£'000
Operating fundraising events	32	12
Raising donations, grants and legacies	102	154
Commercial trading activities	6,232	4,596
	<u>6,366</u>	<u>4,762</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 March 2022

7. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Activities undertaken directly	Support costs	Total 2022	Total 2021
Activity	£'000	£'000	£'000	£'000
Theatres activities	5,205	5,506	10,711	4,105
Gallery activities	394	1,041	1,435	1,120
Learning and engagement activities	1,367	1,013	2,380	1,681
	<u>6,966</u>	<u>7,560</u>	<u>14,526</u>	<u>6,906</u>

2021 COMPARATIVES

	Activities undertaken directly	Support costs	Total 2020
Activity	£'000	£'000	£'000
Theatres activities	1,707	2,398	4,105
Gallery activities	460	660	1,120
Learning and engagement activities	1,057	624	1,681
	<u>3,224</u>	<u>3,682</u>	<u>6,906</u>

8. ANALYSIS OF SUPPORT COSTS

2022	Theatre activities £'000	Gallery activities £'000	Learning & Engagement £'000	Total 2022 £'000	Basis of allocation
Box office	1,526	-	15	1,541	Based on a percentage of total takings
Administration	725	144	151	1,020	Percentage cost based on headcount
Facilities management	1,397	398	388	2,183	Percentage cost based on floor space occupied
Marketing	619	146	114	880	Percentage cost of based on staff time allocation
Building related	1,239	353	344	1,936	Percentage cost based on floor space occupied
	<u>5,506</u>	<u>1,041</u>	<u>1,013</u>	<u>7,560</u>	

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 March 2022

8. ANALYSIS OF SUPPORT COSTS (continued)

2021	Theatre activities £'000	Gallery activities £'000	Learning & Engagement £'000	Total 2020 £'000	Basis of allocation
Box office	28	-	-	28	Based on a percentage of total takings
Administration	40	9	9	58	Percentage cost based on headcount
Facilities management	828	236	230	1,294	Percentage cost based on floor space occupied
Marketing	262	62	39	363	Percentage cost based on staff time allocation
Building related	1,240	353	346	1,939	Percentage cost based on floor space occupied
	<u>2,398</u>	<u>660</u>	<u>624</u>	<u>3,682</u>	

Total amount of governance costs incurred are £38k for 2022 (£32k 2021).

9. NET INCOME/(EXPENDITURE) FOR THE YEAR

	2022 £'000	2021 £'000
Net income/(expenditure) is stated after charging:		
Depreciation of owned assets	2,402	2,399
Amortisation of intangible assets	53	52
Rentals under operating leases	11	17
Auditor's remuneration:		
- Fees payable to the charity's auditor for the audit of the charity's annual financial statements	18	16
- Fees payable to the charity's auditor for other services to the group:		
Taxation services	4	3
- Audit of the charity's subsidiary	16	16

No other non-audit services were provided to the charity or its subsidiaries during the year (2021: same).

10. ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES, AND THE COST OF KEY MANAGEMENT PERSONNEL

The average monthly number of full-time equivalent employees was:

	Group		Charity	
	2022 No.	2021 No.	2022 No.	2021 No.
Raising funds	4	6	2	6
Charitable activities	267	337	63	63
Support	34	44	30	38
	<u>305</u>	<u>387</u>	<u>95</u>	<u>107</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 March 2022

10. ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES, AND THE COST OF KEY MANAGEMENT PERSONNEL (continued)

Their aggregate remuneration comprised:

	Group		Charity	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Wages and salaries	5,461	5,650	2,910	2,903
Social security costs	444	409	287	277
Pension costs	88	93	52	55
	<u>5,993</u>	<u>6,152</u>	<u>3,249</u>	<u>3,235</u>

The number of Group employees whose emoluments, excluding pension contributions and employers' national insurance, but including benefits in kind, were in excess of £60,000 was:

	2022	2021
	No.	No.
£60,000 - £70,000	5	3
£70,000 - £80,000	1	1
£80,000 - £90,000	1	-
£130,000 - £140,000	1	1
£140,000 - £150,000	-	-
£180,000 - £190,000	-	1
£200,000 - £210,000	1	-
	<u>9</u>	<u>6</u>

The key management personnel of the Group comprise those of the Charity and key management personnel of its wholly owned subsidiary The Lowry Centre Limited. The total remuneration (including pension contributions and social security costs) of the key management personnel of the Group for the year totalled £795k (2021: £730k).

The key management personnel of the parent Charity are listed on page 1. It is not practical to split the key management personnel remuneration between entities.

Trustees' remuneration

No trustees received remuneration during the current or prior year. Total travel and subsistence expenses of £nil (2021: £nil) were paid to 13 trustees (2021: 13 trustees).

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 March 2022

11. TAX ON PROFIT/(LOSS) OF TRADING SUBSIDIARIES

	2022	2021
	£'000	£'000
UK corporation tax charge on profit/(loss) for the year	-	(127)
Adjustment in respect of previous periods	-	177
Total tax on profit/(loss)	-	50

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 19% (2021: 19%).
The actual tax charge for the year differs from the standard rate for the following reasons:

The Lowry Centre Limited	2022	2021
	£'000	£'000
(Loss)/profit	1,160	(659)
Tax charge at 19% (2021: 19%) thereon	220	(125)
Effects of:		
- Adjustment from previous periods	-	177
- Income not taxable	-	(56)
- Depreciation on ineligible assets	-	56
- Unprovided deferred tax charge	(7)	(2)
- Gift aid donation	(211)	-
- Super-deduction	(3)	-
Total tax for the year	-	50

Finance No.2 Bill 2015 enacted the rate of corporation tax to 19% with effect from 1 April 2017, resulting in a current tax rate for the year of 19%. On 3 March 2021, the Chancellor of the Exchequer announced that legislation would be introduced in Finance Bill 2021 to increase the main rate of corporation tax for all non-ring fence profits to 25%, coming into force on 1 April 2023. This change was substantively enacted on 24 May 2021.

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 March 2022

12. INTANGIBLE FIXED ASSETS

Group and Charity	Total £'000
Cost	
At 1 April 2021 and at 31 March 2022	1,576
Amortisation	
At 1 April 2021	893
Charge for the year	53
At 31 March 2022	946
Net book value At 31 March 2022	630
At 31 March 2021	683

13. TANGIBLE FIXED ASSETS

Group	Long leasehold land and buildings £'000	Plant and equipment £'000	Fixtures and fittings £'000	Total £'000
Cost				
At 1 April 2021	74,241	22,900	6,629	103,770
Additions	-	252	166	418
At 31 March 2022	74,241	23,152	6,795	104,188
Depreciation				
At 1 April 2021	31,199	22,798	3,521	57,518
Charge for the year	1,532	91	779	2,402
At 31 March 2022	32,731	22,889	4,300	59,920
Net book value At 31 March 2022	41,510	263	2,495	44,268
At 31 March 2021	43,042	102	3,108	46,252

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 March 2022

13. TANGIBLE FIXED ASSETS (continued)

Charity	Long leasehold land and buildings £'000	Plant and equipment £'000	Fixtures and fittings £'000	Total £'000
Cost				
At 1 April 2021	49,815	190	3,425	53,430
Additions	-	252	119	371
At 31 March 2022	49,815	442	3,544	53,801
Depreciation				
At 1 April 2021	6,762	99	1,750	8,611
Charge for the year	1,532	91	438	2,061
	8,294	190	2,188	10,672
Net book value				
At 31 March 2022	41,521	252	1,356	43,129
At 31 March 2021	43,053	91	1,675	44,819

Included in long leasehold land and buildings is £1,707,519 (2021: £1,707,519) of interest costs which have been capitalised.

As a tangible asset with historical, artistic, scientific, technological, geophysical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture, the Lowry building is accounted for as a heritage asset at historic cost, and is held within long leasehold land and buildings. The Lowry building has a NBV at 31 March 2022 of £34,336,922 (2021: £35,604,211).

The Lowry building is utilised to maintain and re-energise the cultural life of the region by housing and presenting a diverse, wide-ranging programme of events, exhibitions and activities aimed at expanding the horizons of audiences and artists.

No expenditure has been made on additions to the Collections during the last six accounting years. Costs of repairs and maintenance are charged as expenses incurred. No heritage assets have been disposed of in those years.

Group and Charity - Leasehold land

The City of Salford has granted the charity a 125 year lease, at a peppercorn rental, over a 3.5 acre plot of land at Pier 8, Salford Quays, Manchester for the erection of The Lowry.

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 March 2022

14. FIXED ASSET INVESTMENTS

The company owns the entire issued ordinary share capital of the companies listed below, both are incorporated and registered in England and Wales.

Charity

Subsidiary undertaking	Principal activities	2022	2021
		£	£
The Lowry Centre Development Company Limited	Development of The Lowry and associated elements – Non trading	1	1
The Lowry Centre Limited	Commercial operations of The Lowry	1	1
		<u>2</u>	<u>2</u>

The result of the Charity's trading activities through its subsidiary undertaking are detailed below, the subsidiaries taxable profits are generally donated to the Charity annually.

The Lowry Centre Limited	2022	2021
	£'000	£'000
Turnover	6,017	255
Cost of sales	(1,136)	(178)
Gross profit	<u>4,881</u>	<u>77</u>
Administrative expenses	(4,514)	(3,092)
Other operating income	793	2,356
Operating profit/(loss)	<u>1,160</u>	<u>(659)</u>
Finance income	-	1
Gift aid donation payable to charity	(1,160)	-
Profit/(loss) for the year before taxation	-	(658)
Tax on profit/(loss)	-	(50)
Retained profit/(loss) for the year	<u>-</u>	<u>(708)</u>

The aggregate of the assets and liabilities was:

Fixed assets	1,140	1,433
Current assets	6,742	3,159
Current liabilities	(7,045)	(3,458)
Liabilities falling due after one year	(495)	(792)
Net assets/(liabilities)	<u>342</u>	<u>342</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 March 2022

15. DEBTORS

	Group		Charity	
Amounts falling due within one year:	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Trade debtors	461	539	229	512
Amounts owed by subsidiary undertaking	-	-	4,553	1,925
Prepayments and accrued income	902	715	878	551
Other debtors	1,619	663	95	15
	<u>2,982</u>	<u>1,917</u>	<u>5,755</u>	<u>3,003</u>

16. CREDITORS

	Group		Charity	
Amounts falling due within one year:	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Trade creditors	492	296	406	279
Accruals and deferred income	7,494	5,622	7,111	5,963
Corporation tax	-	50	-	-
Taxation and social security	449	98	409	67
Other creditors	166	239	127	110
	<u>8,601</u>	<u>6,305</u>	<u>8,053</u>	<u>6,419</u>

	Group	Group	Charity	Charity
Deferred income:	£'000	£'000	£'000	£'000
Brought forward	5,307	5,421	4,865	4,865
Released in the year	(6,067)	(1,050)	(5,899)	(910)
Deferred in the year	7,091	936	6,768	910
Carried forward	<u>6,331</u>	<u>5,307</u>	<u>5,734</u>	<u>4,865</u>

Amounts due to group undertakings are unsecured, repayable on demand and do not bear interest.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 March 2022

17. COMPARATIVE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £'000	Restricted funds £'000	Total funds 2021 £'000
INCOME FROM:			
Donations and legacies	5,252	2,785	8,037
Charitable activities	1,547	22	1,569
Other trading activities	390	2,031	2,421
TOTAL TRADING INCOME	7,189	4,838	12,027
Interest received	1	-	1
TOTAL INCOME	7,190	4,838	12,028
EXPENDITURE ON:			
Raising funds	2,580	2,182	4,762
Charitable activities	4,475	2,431	6,906
TOTAL EXPENDITURE	7,055	4,613	11,668
Net (expenditure)/income before investment (losses)/gains	135	225	360
Net (losses)/gains on investments	-	-	-
Net (expenditure)/income before tax	135	225	360
Taxation	50	-	50
Net (expenditure)/income for the year	85	225	310
Transfer between funds	-	-	-
NET MOVEMENT IN FUNDS	85	225	310
RECONCILIATION OF FUNDS:			
Total funds brought forward	48,119	1,026	49,145
Net movement in funds for the year	85	225	310
Total funds carried forward	48,204	1,251	49,455

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 March 2022

18. MOVEMENTS ON FUNDS

	At 1 April 2021	Income	Expenditure (including taxation)	At 31 March 2022
	£'000	£'000	£'000	£'000
Charity				
Unrestricted funds:				
General fund	2,050	14,588	(14,475)	2,163
Designated funds:				
Fixed asset fund	43,375	-	(2,210)	41,165
Restricted fund:				
Development of The Lowry	1,251	1,246	(1,707)	790
Total charity funds	46,676	15,834	(18,392)	44,118
Group				
Unrestricted funds:				
General fund	4,638	16,739	(16,435)	4,942
Designated funds:				
Fixed asset fund	43,566	-	(2,401)	41,165
Restricted fund:				
Development of The Lowry	1,251	1,741	(2,202)	790
Total group funds	49,455	18,480	(21,038)	46,897

The balance of restricted funds at 31 March 2022 is £790k (2021: £1,251k), detailed as follows:
 Foundation pledges - £790k.

The purpose of this fund is to deliver Learning and Engagement activities as referred to in the Trustees report.

The balance of designated funds at 31 March 2022 is £41,165k (2021: £43,566k). This represents the value of the heritage assets.

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 March 2022

18. MOVEMENTS ON FUNDS (continued)

	At 1 April 2020	Income	Expenditure (including taxation)	At 31 March 2021
Charity	£'000	£'000	£'000	£'000
Unrestricted funds:				
General fund	332	6,923	(5,205)	2,050
Designated funds:				
Fixed asset fund	45,350	-	(1,975)	43,375
Restricted fund:				
Development of The Lowry	1,026	2,790	(2,565)	1,251
Total charity funds	46,708	9,713	(9,745)	46,676
Group				
Unrestricted funds:				
General fund	2,154	7,190	(4,706)	4,638
Designated funds:				
Fixed asset fund	45,965	-	(2,399)	43,566
Restricted fund:				
Development of The Lowry	1,026	4,838	(4,613)	1,251
Total group funds	49,145	12,028	(11,718)	49,455

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 March 2022

19. ANALYSIS OF ASSETS AND LIABILITIES BETWEEN FUNDS

Group	Unrestricted funds £'000	Designated funds £'000	Restricted funds £'000	Total funds 2022 £'000
Tangible fixed assets	3,733	41,165	-	44,898
Current assets	17,348	-	790	18,138
Current liabilities	(8,601)	-	-	(8,601)
Long term liabilities	(7,538)	-	-	(7,538)
As at 31 March 2022	4,942	41,165	790	46,897

Charity

Tangible fixed assets	2,594	41,165	-	43,759
Current assets	15,160	-	790	15,950
Current liabilities	(8,053)	-	-	(8,053)
Long term liabilities	(7,538)	-	-	(7,538)
As at 31 March 2022	2,163	41,165	790	44,118

COMPARATIVE

Group	Unrestricted funds £'000	Designated funds £'000	Restricted funds £'000	Total funds 2021 £'000
Tangible fixed assets	3,369	43,566	-	46,935
Current assets	15,005	-	1,251	16,256
Current liabilities	(6,305)	-	-	(6,305)
Long term liabilities	(7,431)	-	-	(7,431)
As at 31 March 2021	4,638	43,566	1,251	49,455

Charity

Tangible fixed assets	2,127	43,375	-	45,502
Current assets	13,773	-	1,251	15,024
Current liabilities	(6,419)	-	-	(6,419)
Long term liabilities	(7,431)	-	-	(7,431)
As at 31 March 2021	2,050	43,375	1,251	46,676

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 March 2022

20. FINANCIAL COMMITMENTS

Operating lease commitments

The total future minimum lease payments under non-cancellable operating leases:

	2022	2021
	Other	Other
	£'000	£'000
Group		
- Within one year	9	14
- Between one and five years	4	13
	<u>13</u>	<u>27</u>

The total future minimum lease payments held by the Charity under non-cancellable operating leases is £nil (2021: £nil).

21. RELATED PARTY TRANSACTIONS

All transactions between charity and the subsidiaries, The Lowry Centre Limited and The Lowry Centre Development Company Limited, are eliminated on consolidation.

Total donations received from the trustees during the year was £nil (2021: £nil).

22. EMPLOYEE RETIREMENT BENEFITS

Defined contribution schemes

The company operates defined contribution retirement benefit schemes for all qualifying employees. The total expense charged to profit in the period ended 31 March 2022 was £88k (2021: £93k).

23. CASH FLOW STATEMENT

Reconciliation of net income to cash generated by operations:	2022	2021
	£'000	£'000
Net (loss)/profit for the year	(2,558)	310
Adjustments for:		
Depreciation charges	2,401	2,399
Amortisation charges	53	52
Interest expense accrued	146	-
Operating cash flow before movement in working capital	<u>43</u>	<u>2,761</u>
Operating cash flow before movement in working capital		
(Increase)/decrease in stock	(45)	28
Increase in debtors	(1,065)	(288)
Increase/(decrease) in creditors	2,296	(948)
Cash generated by operating activities	<u><u>1,229</u></u>	<u><u>1,553</u></u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 March 2022

24. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

Group and Charity	2022 £'000	2021 £'000
Loan	7,300	7,300
Finance lease	92	131
Loan interest	146	-
	<u>7,538</u>	<u>7,431</u>
Repayable as follows:		
Payable within one year	36	36
Payable between 1 and 2 years	36	36
Payable between 2 and 5 years	1,536	972
Payable after 5 years	5,930	6,387
	<u>7,538</u>	<u>7,431</u>

The loan is owed to The Secretary of State for the Department for Digital, Culture, Media and Sport and is repayable over 16 years beginning 29 March 2025. Interest is payable at 2% on the principal amount. Interest expense in the year was £146,000 (2021: £nil).