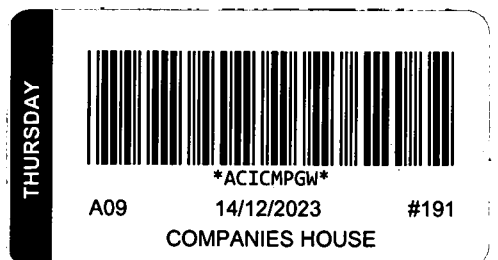


UNITY THEATRE

INDEPENDENTLY EXAMINED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2023

Company Number: 03333987
Charity Number: 1062463

Unity Theatre
1 Hope Place
Liverpool
L1 9BG



**UNITY THEATRE
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

TRUSTEES

Mr L Clark
Ms E Edwards
Mr D. Fletcher
Ms S Jones
Ms A Marshall
Mr G Millar
Ms L Mooney
Ms A Perera
Mr D Sebuyange
Ms G Buttoo (resigned 9th February 2023)

SECRETARY

Ms E Manson-Sawko (appointed 6th December 2022)
Ms R Palmer (resigned 6th December 2022)

CHIEF EXECUTIVE OFFICER

Mr G Millar

REGISTERED OFFICE

Unity Theatre
1 Hope Place
Liverpool
L1 9BG

COMPANY NUMBER

03333987

CHARITY NUMBER

1062463

BANKERS

The Co-Operative Bank

INDEPENDENT EXAMINER

Matthew Brown, CPFA
Adding Value Consultancy Ltd
Studio 6, Bluecoat Chambers
School Lane
Liverpool
L1 3BX

UNITY THEATRE
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

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UNITY THEATRE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

CHAIR'S REPORT

Reflecting on the last 12 months, I am incredibly proud of the hard work and commitment that has gone into ensuring Unity's resilience in what has continued to be extremely challenging circumstances. The economic crisis and long tail of the pandemic has had a crushing effect on many combined arts venues like our own, yet our exceptionally dedicated and skilled team of staff, freelancers and trustees have remained steadfast in their commitment in delivering on Unity's core charitable aims to benefit and enrich the lives of our local audiences, creatives and communities.

Despite the challenges in the sector, we have been able to deliver a diverse and exciting programme, that upholds our value of promoting an accessible and supportive society, with a string of new successful projects and initiatives supporting our community in Liverpool, and beyond.

Highlights of these included the ever growing success of our Youth Theatre in association with 20 Stories High, acclaimed national touring productions, co-productions with local companies and our critical partners Disabled Artist led festival, DadaFest, and Queer Arts Festival, Homotopia. Our Talent Development programme, 'Creative Pool' funded by Esmée Fairbairn Foundation has proved rapidly successful despite the devastating impact of the pandemic upon touring creative productions.

The aim of the programme is to train creatives in producing skills so as to enable them to tour their work nationally. To date 85% of supported artists have embarked upon national tours. Our community artist programme Open Call again supported over 20 individual companies, each receiving a guaranteed income, rehearsal space, technical support and mentoring from our team. All of these have had their work filmed so as to appear on Unity's sector leading 'ProPortal' database for venues to programme work from.

I am most pleased that we are the only known theatre to make all of their programme 100% accessible either through BSL interpretation, captioning, audio description or streamed production. This is a commitment we set out to achieve two years ago and one we have steadfastly held onto.

I want to give personal thanks to Liz Edwards our former stand in Chair, who I succeeded at the 2022 AGM. Liz remains a valued member alongside other outstanding board members who make a significant contribution to Unity. I would like to extend my thanks to them all for their increased their support as we navigate a financial mitigation plan, and new strategy to ensure we strengthening our reputation as a national theatre with a safe and creative space to work.

Unity could not survive without its Members and supporters, we are extremely grateful for your continued support and donations which has enabled us to build on our programme. I want to give particular thanks to those that have continued to fund Unity's work in an increasingly challenging environment, most significantly Arts Council England for their continued commitment to Unity's ambitions for the future and regular funding and Cultural Recovery Funds, Liverpool City Council, Esmée Fairbairn Foundation, The Garfield Weston Foundation and The Granada Foundation.

UNITY THEATRE
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

Unity has a bright future ahead. The past two years have been the most economically difficult we have sustained, alongside many of our sector partners. But the board has developed a revolutionary and robust strategy, that will lead to an economically stable future, that will best serve Liverpool's audiences, participants, communities and artists.

Sarah Jones
Chair

UNITY THEATRE

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

TRUSTEES REPORT

The trustees present their report and financial statements of the charity for the year ended 31 March 2023.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's memorandum and articles of association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (as amended for accounting periods commencing from 1 January 2016)". The charity is a Public Benefit Entity as defined by FRS 102.

Objectives and activities

The charitable objectives are:

"To advance the education of the public in all aspects of the art of drama, dance, mime and music and to develop the public appreciation of such art and to provide and manage a theatre within the postal district of Liverpool without distinction of age, sex, race, political or religious or other opinions, by associating with statutory authorities, voluntary organisations, institutions and inhabitants and to promote all or any objects for the benefit of the community which now or hereafter may be deemed by law to be charitable."

Unity Theatre aims to:

- Advance the education of the public in all aspects of the art of drama, dance, mime, and music.
- Provide and manage a theatre; to promote all other objects for the benefit of the community which now or hereafter may be deemed by law to be charitable.
- Our purpose is to share the stories of diverse individuals, working across three core areas:
 - Providing high quality creative experiences
 - Developing and supporting local artists
 - Platforming and celebrating local communities
- The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Public benefit

Unity exists for the communities of Liverpool — diversity is part of our history and remains at the heart of our ambitions to create excellent creative experiences. We have an industry-leading reputation for high-quality programming that is fully informed by the experience of our communities. Our approach to creation is dynamic and responsive. This in turn ensures relevancy for a broad range of audiences both in Merseyside and nationwide, who represent cultural, geographic, and socio-economic diversity.

UNITY THEATRE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

TRUSTEES REPORT (continued)

All of Unity's artistic offerings are designed in close consultation with Merseyside creative communities, with strong feedback loops built in at all levels of planning. Close partnership work with organisations specialising in diversity and access ensures that our aim to see 70% of creatives involved in our programmes come from diverse backgrounds, is consistently met and exceeded. We remain committed to making our programme accessible to audiences, through:

- Low ticket prices, with 15% given free via partners, supported by our online streaming platform that allows anyone to access Unity wherever they live
- Developing integrated partnerships with those working with artists from diverse backgrounds
- A commitment to 100% accessible productions in-person (BSI-captioned/relaxed/audio-described) and online (captioned/audio-described)
- Integrated community advocacy, running targeted activity with key partners (The Spider Project, Wirral; Knowsley Carers).
- The trustees have been consulted in compliance with the Charity Commission guidance on public benefit, in determining the fees for performances

Achievements and performance

Unity remains integral to the communities, artists, audiences and participants of Liverpool. We have upheld our reputation as the region's leading combined performing arts organisation, promoting an accessible and supportive society. Post pandemic has left the sector in a state of crisis. Unity has not been immune to the challenges faced across the economy but is proving resilient and has adapted to a new partnership model which will ensure the future of the venue moving forward.

Our creative programme welcomed audiences to our building to celebrate diverse storytelling from talented companies from across the country. Creatives featured in our programme this year have included David Hoyle, Leo and Hyde, and numerous popular comedians that challenge the status quo. With a sharp post pandemic decline in national touring work, we had a greater emphasis on local artists. This was coupled with collaboration with Liverpool-based acclaimed festivals Homotopia and DaDa Fest. We also collaborated on 20 Stories High's touring production of, 'Touchy', charting the journey of six characters as they navigated young adulthood, which won the 2022 OnComm Award.

Access and excellence for all remain the pillars of our operation and we continued a range of initiatives designed to grow equality of opportunity for artists and audiences:

UNITY THEATRE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

TRUSTEES REPORT (continued)

- 100% of our performances, both in person and online, were made accessible through BSL interpretation and captioning. This is a commitment we strive to continue as we welcome back full-capacity audiences to our building
- Gave 15% of our tickets away for free via community partners; 96% of those on our 'Community Ticket Programme' were first-time attendees
- Integrated community advocacy across our programmes, running targeted activity with key partners (The Spider Project, Wirral, Knowsley Carers)
- We grew 'Unity Online', our digital performance platform which features all our locally produced work, filmed in our spaces, and hosted online to bring Merseyside talent to a national audience. 30%+ of those engaging with paid online content were from outside north-west England, and 5+% were watching internationally
- Our second 'Associate Producer' (funded by the Esmée Fairbairn Foundation) George Soave joined Unity in January 2022 and has been integral in building our programme of support for artists, as well as strengthening relationships with creatives and organisations across the city.

Through Open Call, we ensured the continued support and survival of 80+ local artists

"Working with Unity has been a revelation. They always go the extra mile to make theatre more accessible to underserved communities and we can't wait to come back to Merseyside." – Matt Woodhead, LUNG

Whilst the programme was still seriously hampered by Covid, the programme that emerged from the pandemic has matured and led to some excellent outcomes for artists, community members, audiences and participants:

- Our annual **Open Call** season opened our stages to the very best performance talent from across all six boroughs of Merseyside
- Our long-term partnership with **20 Stories High** co-provided their hugely successful Youth Theatre at Unity, inviting young people aged 14-21 to make plays that mash up dance, spoken word, music, song, street dance and puppetry
- Together with **RAWD**, a company who shares our dedication to providing opportunities in the arts, we co-provided a year round weekly creative sessions for learning disabled participants, leading to an annual performance on our main stage
- Our talent development programme **Creative Pool** comprised over 120 workshops and events for creatives wanting to increase their producing skills. These have ranged from 1:1's held with our team and networking sessions involving over 20 local producers. Over 600 artists from across Merseyside have engaged so far, with 56% being new to the creative industry

UNITY THEATRE
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

TRUSTEES REPORT (continued)

- Provided **ProPortal**, our free-to-access online library of touring work (Wise Children, Complicite, emerging companies) promoted to 200+ programmers nationwide (V&A Museum, Slung Low, Manchester Royal Exchange).

Over the year, Creative Pool and ProPortal have directly supported over 20 tours including:

- Multidisciplinary artist Dorcas Seb's Vice Versa (co-produced with HOME and Eclipse Theatre)
- Physical theatre company Ugly Bucket's Good Grief (supported by Slung Low)
- Dance artist Fabiola Santana's A Home for Grief (co-produced with Contact).

The Impact of the economic downturn

Despite an abundance of successful projects and initiatives to support our communities, creatives, and audiences this period has continued to be an unprecedented challenge off the back of the pandemic and the economic impact of higher costs and lower income experienced across many industries and households.

We have attracted 45% fewer audiences as a result of the economic uncertainty. This is slowly rising, but the loss of ticket income and secondary spend at the bar has been substantial. More noticeably, because other charities are facing significant drops in income, we are facing greater competition for attracting grants from Trusts and foundations than ever before and this has caused the largest dent to our funds. Such is the case that the board of Trustees has fashioned a new model to be more appealing but less reliant on Trusts and Foundations, and to grow audiences, through partnerships.

Despite these challenges, the structural changes we had made in 2020 alongside our reserves levels have allowed us to continue with our commitment to deliver a high-quality artistic experience and truly accessible community work that speaks to the people of Liverpool. Our outsourced finance function continues to strengthen our work in this area, with current processes across budget setting, bookkeeping and payroll. More transparent financial reporting has allowed members of our team from across the business to feel more empowered in making financial decisions, supported by robust checks and balances.

We have had to adapt our business model in light on the last few years and are confident that our business model is fully sustainable, with the hard work put in place over the last two years meaning that our reputation for presenting and supporting ground-breaking creative experiences only continues to grow. What's more we are proud that this work has empowered a new generation of diverse Merseyside artists to develop ambitious work that tells their own unique stories, seen by an increasingly national audience.

UNITY THEATRE
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

TRUSTEES REPORT (continued)

Ensuring Financial and Business Sustainability

Unity's Board of Trustees meets quarterly with separate financial and risk management quarterly meetings.

Our current Chair, Sarah Jones, started her tenure in 2022, replacing Liz Edwards, who has remained a valued member of the board. Apart from a Committee Chair, membership is rolling with all trustees attending twice annually at minimum to govern and interrogate the core operations. Additional working groups are formed when required (major policy change, funding applications, business planning etc).

FINANCIAL REVIEW

Overview

Unity has a successful future ahead but is temporarily experiencing financial challenges, alongside nearly every building-based arts organisation in the country, this is due to continuing unprecedented economic, societal and sector change. Resultantly, Unity will adapt 2023/24 plans for a considered, inspiring and sustainable model from 2024/25 onwards.

In the midst of ongoing unprecedented economic times, Unity, like many organisations has suffered serious financial setbacks. Unity ended the 2022/23 financial year with an unrestricted general fund deficit of £40,948.

- We are experiencing the challenges of radically increased:
 - o operating costs
 - o production costs
- whilst simultaneously income is lower due to:
 - o charitable sector giving to venues of our scale has decreased
 - o individual giving has decreased due to the cost crisis
 - o secondary spend has decreased due to the cost crisis
 - o sector standstill ACE funding
 - o city wide reduction in Local Authority funding.
- So, the board has dynamically reacted now to generate a new model fit for these economic times, to ensure we remain vital and relevant to participants, audiences and artists. We are capable of this. We achieved it with our pandemic response to the extent that we were acknowledged as Liverpool City Region Cultural Organisation of the Year. We can achieve it again.
- Details of the plan are outlined in future plans below

UNITY THEATRE
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

TRUSTEES REPORT (continued)

Risk management

The risks faced by the organisation are reviewed regularly throughout the year. A comprehensive risk register encompassing all areas of the business is kept and updated regularly by the CEO and Executive Director and is scrutinised at every Risk and Compliance Sub-Committee before going to Board each quarter.

Our risk management policy is supported by wider organisational policies including finance, fundraising, HR, and safeguarding. Risk management is factored into all organisational decisions including business planning, artistic programming, audit, finance management and commercial and fundraising opportunities. Risks are split into five key categories:

- **Artistic Reputation** – including consideration of Unity's standing within the sector regarding programming and participation activities; the continued understanding of trends in performance and presentation; the standard and risks associated with artistic partnerships.
- **Financial Diversity** – including the range and variety of income streams coming into the organisation; Unity's relationships with key funders; strength of financial controls; progress against reserves policy; external factors such as current government policy.
- **Audience Development** – considering quality of communications and strength of brand; strength of engagement with current audience and participants; size and growth of engaged database; audience engagement in the face of external factors such as the pandemic and a cost-of-living crisis.
- **Staffing and Governance** – including regular review of expertise held within Board of Trustees, Senior Management, and wider staff base; staff retention rates; review of diversity of Board and staff team ensuring they reflect organisation equality and diversity policies.
- **Organisational** – encompassing wider business considerations such as health and safety and data management.

Principal funding sources

Key funders for our core activity in the period were Arts Council England and Liverpool City Council. We have secured funding from the Esmée Fairbairn Foundation to support the development of our Creative 'Pool talent development programme until December 2023.

UNITY THEATRE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

TRUSTEES REPORT (continued)

The Senior Management team are working to further diversify our income streams in the coming year through private fundraising and commercial opportunities.

Investment policy and review

Due to the current percentage of income received from statutory sources and fundraising, the appetite for investment risk is judged as low. This appetite is reviewed annually by the Board and may change as income streams continue to diversify. All future investments will be agreed between the AD/CEO and Chair of Finance Committee, signed off at Board level. Unity currently holds all funds in accounts connected with HSBC, split between standard current accounts and a deposit account. To aid with petty cash spending, the team have introduced purchasing cards to key budget holders; individual debit cards have a fixed monthly spend cap, imbursement from the organisation's main bank account.

Reserves

Unity has set a target for free reserves (unrestricted funds not invested in fixed assets or otherwise designated) for the charity of 12 weeks operating costs, judged to be £103k. This takes account of the funding and trading environment in which the charity operates, and of its strategic plans. The unprecedented circumstances of 2020 – 2023, with the sector crisis and ongoing fragility of the economy, have been severely challenging to trade in. As of March 2023, free reserves were at a deficit level of £40,948 equivalent to -40% of the target level.

Going concern

These financial statements have been prepared on a going concern basis.

Unity has a successful future ahead but has experienced considerable financial challenges, due to continuing, unprecedented economic, social and sector change. The sector is experiencing an existential crisis unlike any in memory. Unity no longer has reserves, is in a deficit position and would be at risk were it to have continued with a previously successful but now defunct operating model. So, the trustees have reacted dynamically to build back reserves by:

- Undertaking a financial mitigation plan
- Reducing overheads to sustainable levels
- Shaping a programme model that is:
 - o not reliant on Trusts and Foundation but rather partnerships, which have been secured
 - o Can flex up or down
- Seeking working capital to assist with the cashflow
- Acquiring funds to cover essential building works

Unity retains sizeable funding and support from Arts Council England and Liverpool City Council.

UNITY THEATRE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

TRUSTEES REPORT (continued)

The Trustees have considered the level of deficit held and the expected level of income and expenditure for the twelve months from authorising these accounts. The Trustees assess the charity to be a going concern based on review of financial performance of the 23/24 year to date, the management accounts forecast for the remainder of 23/24, the rolling cash flow forecast, future funding commitments, the financial mitigation plans, the levels of existing funding and the implementation of a sustainable model. As a result, the trustees are confident about the financial future of the charity and satisfied that these accounts and prepared on a going concern basis.

FUTURE PLANS

Our team and Board have interrogated a new model for implication in 2024 onwards that speaks to our core aims of:

- Promoting an accessible and supportive society through
- High quality creative experiences
- Developing and supporting local artists
- Platforming and celebrating local communities
- Ensuring financial and organisation viability.

To achieve this the Board believe a new model is required that still delivers on the aims of our core funder, Arts Council England and Liverpool City Council but can attract new funding and unlock new possibilities across our aims.

NEW MODEL

The Board is most confident that the following new model delivers financial certainty, is considerably more appealing to all those we already serve with distinction, and has capacity to benefit the lives of people we do not currently engage.

- For 24/25 onwards, once existing programming commitments have been honoured, Unity requires a new model.
- 24/25 will be divided into 7 seasons, that are based on a theme, containing programme of 3-4 weeks each. Each 'season' will have various streams that would deliver all aspects of our programme.
- This model will deliver Unity's inclusive, diverse programme for audiences, artists and participants, be sustainable from the outset.
- It will enable Unity to build back a secure level of reserves.
- It combines aspects of our programme into fundable groupings.
- The model is dynamically flexible and allows Unity to deliver its programme but not over commit when finance is not available.
- It will not assume funding but will attract funding ahead of time.
- Unity's output is appealing to funders, but the existing model needs to change from a sporadic and divergent programme to a collated model that matches funder requirements in a competitive market.
- This model can respond when new funds emerge, e.g., City Council project funds or monies raised by the new Liverpool City Region Culture Network

UNITY THEATRE
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

TRUSTEES REPORT (continued)

- The work will be much more appealing and marketable to audiences and participants, with cross over opportunities throughout each season
- Between seasons the venue is available to hire for commercial and community purposes.

24/25 Financial Model Fixed Costs

Fixed Annual Income	Amount
Arts Council England and Local Authority	£340,000
Commercial Income (net of costs)	£50,000
Sub Total	£390,000
Fixed Annual Expenditure	Amount
Operational and Salaries	£351,000
Sub Total	£351,000
Total	£39,000*

*The surplus would contribute to the rebuilding of reserves until such time as this is met. All costs of the programme would be secured through other income sources outlined below.

24/25 Programme

The creative programme will be six or seven seasons of three to four weeks each, focussing on a theme of importance. The streams will be:

- **Combined Arts**
 - o Our diverse and inclusive performance programme of local and national touring work, onsite, offsite and online
- **Artists of the Future**
 - o Comprised of local Children and Young People, local Universities, Open Call for local creatives and our producer/talent development programme "Creative Pool"
- **Unity Community**
 - o This will provide opportunities for the groups we currently work with on a weekly basis to be deeper embedded in the organisation by performing or programming or hosting workshops in each season. These groups are:
 - RAWD (D/deaf Disabled company)
 - 20 Stories High (with whom we partner on Youth Theatre)

**UNITY THEATRE
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023**

TRUSTEES REPORT (continued)

- We will host community events around performances that encourage interaction between divergent groups.

The annual cost of the programme would be £160,950. These costs would be covered by the following income sources.

Stream	Annual / long term Income	One off grant / sponsorship	Ticket Income	Donations (in-venue / online)
Combined Arts		£12,000	£28,500	£1,200
Artists of the Future	£36,000			
- CYP		£1,500		£450
- Higher Education	£15,000			£450
- Open Call		£3,750	£3,900	£450
- Creative Pool		£3,750		
Unity Community	£36,000			
- Community Experiences		£3,250		£450
- D/deaf Disabled Programme		£6,500	£2,750	£450
- Youth Theatre		£1,500	£2,750	£450
TOTAL	£87,000	£32,250	£37,900	£3,900

- **Annual / Long term Income** is in the process of being completed through combination of HE funding and Trusts/Foundation
- **One off grants and sponsorship** are in the process of being secured
- **Ticket Income** has been set conservatively in line with current sales trends
- **Donations in venue / online** will include 'pay extra if you can' and the introduction of digital donation stations in the venue

UNITY THEATRE
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

TRUSTEES REPORT (continued)

STRUCTURE GOVERNANCE AND MANAGEMENT

Governing document

The charity is a company limited by guarantee governed by its Memorandum and Articles of Association dated 11th March 1997, as amended by special resolutions dated May 1 1997 and September 27 2016. It is a registered charity with the Charity Commission.

Members of the company

The members of the company are the directors and any other persons or organisations admitted to membership by the directors. Currently the only members of the company are the directors.

Appointment of trustees

The directors, who are the trustees of the charity, are appointed by the members in general meeting. The Directors have the power to co-opt to fill a casual vacancy and such persons hold office until the next AGM. The directors are appointed initially for a three-year term and are eligible for re-election for a second consecutive three-year term. In extraordinary circumstances a director may be, with the Board's approval, appointed for a third consecutive three-year term but not beyond that.

Only retiring directors or those proposed by the Board are eligible for election at the general meeting unless due notice has been given by a member of their intention to propose someone.

Trustee induction and training

All new Trustees receive an induction prior to starting their first term, led by a member of the Risk and Compliance Committee and/or Executive Director. This induction covers the history of the organisation, its current work and the role and expectations required of a Trustee.

Shortly after the election of a new group of Trustees, a training session is arranged covering governance and current charity legislation, run by an external consultant.

We have meaningfully improved diversity in the last 5 years, particularly around disability and cultural representation, and age has dropped significantly — with ages spanning 26-49 - meaning lived experiences fully reflect our communities. Though core skillsets of creative industry, HR, finance, fundraising and digital are all represented, we prioritise curating a diverse range of viewpoints and experience, with our Chair creating a supportive culture to aid collective problem-solving.

**UNITY THEATRE
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023**

TRUSTEES REPORT (continued)

Organisation

The Board, which must be no less than three and not more than 15 people, meets as required and normally 4 times per year. Day to day management of the charity is delegated to the Chief Executive and the other members of the Senior management team who together with the directors constitute the key management personnel of the charity.

Pay and remuneration for senior staff

All roles are formally reviewed prior to each vacancy being advertised, with adjustments made to ensure our structure meets the business' current and future needs. Where there is a vacancy in our senior team, pay and remuneration packages are benchmarked against a minimum of three regional peer venues and advertised within a range to remain competitive.

Staff pay at all levels of the organisation is reviewed annually to achieve fair salary bands and avoid discrimination.

Co-operation with other organisations/charities

Unity is regularly funded by Arts Council England and Liverpool City Council.

Across our networks we foster a commitment to diversity and the employment of local creatives within communities. We are core members of the Liverpool Arts Regeneration Consortium and Shift sustainability network, plus Big Imaginations, Dance Consortium Northwest and Venues North. Regular local creative partners include Homotopia, DaDa Fest and 20 Stories High. We work closely with Liverpool's Everyman and Playhouse and Royal Court to strengthen the city's creative ecology.

UNITY THEATRE
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

Statement of Trustees' Responsibilities

The trustees, who are also the directors of Unity Theatre for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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 judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Small company provisions

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

The trustees' report was approved by the Board of Trustees.


S Jones

Trustee

Date: 4 December 2023.

**UNITY THEATRE
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023**

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES

I report to the trustees on our examination of the accounts for the year ended 31 March 2023.

Responsibilities and basis of report

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act'). The trustees consider that an audit is not required for this year under section 144(2) of the Act and that an independent examination is needed.

I report in respect of my examination of the Trust's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Matthew Brown, CPFA
Adding Value Consultancy Ltd
Accountants and Financial Management Consultants

Date: 4/12/23

UNITY THEATRE
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

STATEMENT OF FINANCIAL ACTIVITIES

<u>Income From:</u>	Notes	Unrestricted funds general 2023 £	Unrestricted funds designated 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Donations and legacies	3	369,814	0	15,000	384,814	418,968
Charitable activities	4	68,445	0	0	68,445	63,681
Other Trading Activities	5	24,766	0	0	24,766	9,209
Other Income	6	77	0	0	77	164
Total Income		463,103	0	15,000	478,103	492,022
<u>Expenditure On:</u>						
Raising Funds	7	37,931	0	0	37,931	18,484
Charitable Activities	8	547,567	24,563	38,356	610,485	612,152
Total Expenditure		585,498	24,563	38,356	648,416	630,636
Net income (expenditure) and Net movement in funds		(122,395)	(24,563)	(23,356)	(170,314)	(138,614)
Transfers between funds		(4,820)	4,820	0	0	0
Net movement in funds	16	(127,215)	(19,743)	(23,356)	(170,314)	(138,614)
Fund balances brought forward		86,267	1,743,975	64,606	1,894,848	2,033,462
Fund balances carried forward		(40,948)	1,724,232	41,250	1,724,534	1,894,848

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

**UNITY THEATRE
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023**

BALANCE SHEET AS AT 31 MARCH 2023


		2023		2022	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible Assets	12		1,724,230		1,743,973
CURRENT ASSETS					
Stocks	13	1,647		1,811	
Debtors	14	26,123		85,656	
Cash at Bank and in hand		57,158		105,892	
		<u>84,928</u>		<u>193,359</u>	
CREDITORS					
Amounts falling due within one year	15	<u>(84,624)</u>		<u>(42,484)</u>	
NET CURRENT ASSETS			<u>304</u>		<u>150,875</u>
TOTAL NET ASSETS			<u>1,724,535</u>		<u>1,894,848</u>
FUNDS					
Restricted Funds	16		41,250		64,606
Unrestricted Funds - designated			1,724,232		1,743,975
Unrestricted Funds - general			<u>(40,948)</u>		<u>86,267</u>
TOTAL FUNDS			<u>1,724,535</u>		<u>1,894,848</u>

For the year ending 31 March 2023 the company was entitled to exemption under section 477 of the Companies Act relating to small companies. The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Approved by the board of trustees on and signed on their behalf:


S Jones
 Trustee
 Date: 24 December 2023.

UNITY THEATRE
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

NOTES TO THE ACCOUNTS

1. Accounting Policies

Charity information

Theatre is a private company limited by guarantee incorporated in England and Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The registered office is 1 Hope Place, Liverpool, L1 9BG.

1.1 Accounting Convention

The accounts have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £. The accounts have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going Concern

At the time of approving the accounts and as detailed in the Trustees' report the Trustees have considered the recent economic environmental challenges on the charity and the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus, the Trustees continue to adopt the 'going concern' basis of accounting in preparing the accounts.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

UNITY THEATRE
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

NOTES TO THE ACCOUNTS

1. Accounting Policies (continued)

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

1.5 Expenditure

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

Costs of raising funds: including those associated with fundraising activities.

Charitable activities: costs of undertaking the work of the Charity.

The Charity is registered for VAT and can recover all input tax charged. Costs are stated exclusive of VAT where charged.

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources

UNITY THEATRE
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

NOTES TO THE ACCOUNTS

1. Accounting Policies (continued)

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	Over the period of the lease
Fixtures & fittings	25% straight line basis
Computers	Over 7 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is recognised in net income/(expenditure) for the year.

1.7. Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8. Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.9. Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

UNITY THEATRE
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

NOTES TO THE ACCOUNTS

1. Accounting Policies (continued)

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

When employees have rendered services to the charity, short term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

UNITY THEATRE
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

NOTES TO THE ACCOUNTS

3. Donations and legacies

	Unrestricted funds	Restricted funds	Total funds	Unrestricted funds	Restricted funds	Total funds
	2023	2023	2023	2022	2022	2022
	£	£	£	£	£	£
Donations and gifts	14,409	0	14,409	2,052	0	2,052
Revenue Grants	355,405	15,000	370,405	373,316	43,600	416,916
	369,814	15,000	384,814	375,368	43,600	418,968
Revenue Grants						
Arts Council England	277,005	0	277,005	277,005	0	277,005
Liverpool City Council - CAIP	74,400	0	74,400	74,400	0	74,400
Cultural Recovery Fund	0	0	0	0	38,057	38,057
Liverpool City Council	0	0	0	8,000	0	8,000
Coronavirus Job Recovery Scheme	0	0	0	11,244	0	11,244
Other	0	0	0	2,667	5,543	8,210
Big Imaginations	250	0	250	0	0	0
Esmée Fairbairn	3,750	0	3,750	0	0	0
Culture Liverpool	0	15,000	15,000	0	0	0
	355,405	15,000	370,405	373,316	43,600	416,916

4. Charitable activities

	Unrestricted Funds	Restricted Funds	Total Funds	Unrestricted Funds	Restricted Funds	Total Funds
	2023	2023	2023	2022	2022	2022
	£	£	£	£	£	£
Box Office	43,060	0	43,060	43,437	0	43,437
Ancillary Hospitality Sales	25,385	0	25,385	20,244	0	20,244
Sales within charitable activities	68,445	0	68,445	63,681	0	63,681

5 Other trading activities

	Unrestricted funds general	Unrestricted funds general
	2023	2022
	£	£
Trading activity Income	24,766	9,209

Included within these balances are commercial hire sales income for £24,566 (2022: £8,627).

UNITY THEATRE
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

NOTES TO THE ACCOUNTS

6 Other Income

	Unrestricted funds general 2023 £	Unrestricted funds general 2022 £
Other Income	<u>77</u>	<u>164</u>

7 Raising Funds

	Unrestricted funds general 2023 £	Unrestricted funds general 2022 £
Direct Costs	9,933	3,755
Support Costs	<u>27,998</u>	<u>14,729</u>
Fundraising and Publicity	<u>37,931</u>	<u>18,484</u>

8 Charitable activities

	Unrestricted Funds 2023 £	Designated Funds 2023 £	Restricted Funds 2023 £	Total, Theatre 2023 £	Total Theatre 2022 £
Staff costs	202,648	0	19,085	221,733	212,577
Direct costs	<u>77,056</u>	<u>0</u>	<u>14,527</u>	<u>91,583</u>	<u>133,303</u>
	279,704	0	33,612	313,316	345,880
Share of support costs (see note 9)	260,863	24,563	4,744	290,170	234,790
Share of governance costs (see note 9)	<u>7,000</u>	<u>0</u>	<u>0</u>	<u>7,000</u>	<u>31,532</u>
	<u>547,567</u>	<u>24,563</u>	<u>38,356</u>	<u>610,485</u>	<u>266,322</u>

UNITY THEATRE
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

NOTES TO THE ACCOUNTS

9 Support costs

	Support Costs 2023	Governance Costs 2023	Total 2023	Support Costs 2022	Governance Costs 2022	Total 2022
	£	£	£	£	£	£
Staff Costs	61,940	0	61,940	68,967	0	68,967
Depreciation	24,563	0	24,563	30,174	0	30,174
Staff related costs	12,233	0	12,233	5,571	0	5,571
Marketing salaries	76,964	0	76,964	72,751	0	72,751
Marketing costs	23,605	0	23,605	30,322	0	30,322
BO system & other subs	66,059	0	66,059	10,228	0	10,228
Insurance	7,498	0	7,498	8,495	0	8,495
Office & other support costs	12,791	0	12,791	10,942	0	10,942
Bank & other charges	450	0	450	3,118	0	3,118
Trustee expenses	260	0	260	189	0	189
Other	0	0	0	8,762	0	8,762
Accountancy and Independent Exam fees	31,807	2,375	34,182	0	29,415	29,415
Legal and professional	0	4,625	4,625	0	2,067	2,067
	<u>318,168</u>	<u>7,000</u>	<u>325,168</u>	<u>249,519</u>	<u>31,482</u>	<u>281,001</u>
Analysed between:						
Fundraising	27,998	0	27,998	14,729	-	14,729
Charitable activities	<u>290,170</u>	<u>7,000</u>	<u>297,170</u>	<u>234,790</u>	<u>31,482</u>	<u>266,272</u>
	<u>318,168</u>	<u>7,000</u>	<u>325,168</u>	<u>249,519</u>	<u>31,482</u>	<u>281,001</u>

Governance costs includes payments for independent examination fees of £2,375 (2022: £4,500 for audit fees).

10 Trustees and related party transactions

None of the trustees (or any persons connected with them) received any remuneration during the year for their role as trustee. Trustees were reimbursed for expenses to the value of £260 during the year (2022: £189)

The key management of the charity comprise of the trustees and senior staff.
The remuneration of key management personnel is as follows:

	2023 £	2022 £
Aggregate remuneration	<u>108,052</u>	<u>127,028</u>

On February 4th 2020 the Chied Executive Officer G Millar was appointed as a trustee and director of the company. He did not receive any remuneration for acting as a trustee. His employment benefits in the year were £51,555 (2022: £53,618)

UNITY THEATRE
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

NOTES TO THE ACCOUNTS

11 Employees

The Average monthly number of employees during the year was:

	2023 Number	2022 Number
Average no. of employees	25	27
	2022 £	2021 £
Employment costs		
Wages and salaries	248,429	328,319
Social security costs	21,854	22,773
Other pension costs	6,372	5,480
	276,655	356,572

There were no employees whose annual remuneration was £60,000 or more.

12 Tangible fixed assets

	Leasehold land and buildings £	Fixtures and fittings £	Computers £	Total £
Cost				
At 1 April 2022	2,057,677	262,470	8,950	2,329,097
Additions	0	4,820		4,820
At 1 April 2023	2,057,677	267,290	8,950	2,333,917
Depreciation and impairment				
At April 2022	321,960	261,885	1,279	585,124
Depreciation charged for the year	20,577	1,003	2,983	24,563
At 31 March 2023	342,537	262,888	4,262	609,687
Carrying amount				
At 31 March 2023	1,715,140	4,402	4,688	1,724,230
At 31 March 2022	1,735,717	585	7,671	1,743,973

13 Stocks

	2023 £	2022 £
Finished goods and goods for sale	1,647	1,995

UNITY THEATRE
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

NOTES TO THE ACCOUNTS

14 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	9,046	1,444
Other debtors	0	845
Prepayments and accrued income	17,077	83,367
	<u>26,123</u>	<u>85,656</u>

15 Creditors: amounts falling due within one year

	2023 £	2022 £
Other taxation and social security	21,620	9302
Trade Creditors	59,504	12243
Other Creditors	910	0
Accruals and deferred income	2,589	20,939
	<u>84,624</u>	<u>42,484</u>

16 Restricted Funds

	Incoming Resources 2022 £	Resources Expended 2022 £	Transfers between Funds 2022 £	Balance at 31 March 2022 £	Incoming Resources 2023 £	Resources Expended 2023 £	Transfers between Funds 2023 £	Balance at 31 March 2023 £
Opencall Programme	0	-20,210	10,210	0	0	0	0	0
Esme Fairbairn Foundation	0	-38,763	0	64,606	0	38,356	0	26,250
Granada Foundation	0	-4,047	47	0	0	0	0	0
ACE CRF2	38,057	-38,057	0	0	0	0	0	0
National M&G	5,543	-5,543	0	0	0	0	0	0
Culture Liverpool	0	0	0	0	15,000	0	0	15,000
	<u>43,600</u>	<u>-106,620</u>	<u>10,257</u>	<u>64,606</u>	<u>15,000</u>	<u>38,356</u>	<u>0</u>	<u>41,250</u>

- Esme Fairbairn Foundation: This funds "Creative Pool", Unity's programme for development of creative opportunities. The trustees have agreed to fund part of the expenses from the general fund.
- Culture Liverpool: The Culture Liverpool Grant was to deliver the Eurovision programme in May 2023, where Unity hosted performances from Ukranian artists.

17 Analysis of net assets between funds

Fund balances at 31 March 2023 are represented by:

	Unrestricted funds 2023 £	Designated funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Designated funds 2022 £	Restricted funds 2022 £	Total 2022 £
Tangible assets	0	1,724,230	0	1,724,230	0	1,743,973	0	1,743,973
Current assets/(liabilities)	-48,386	0	41,250	-7,136	86,269	0	64,606	150,875
	<u>-48,386</u>	<u>1,724,230</u>	<u>41,250</u>	<u>1,717,094</u>	<u>86,269</u>	<u>1,743,973</u>	<u>64,606</u>	<u>1,894,848</u>