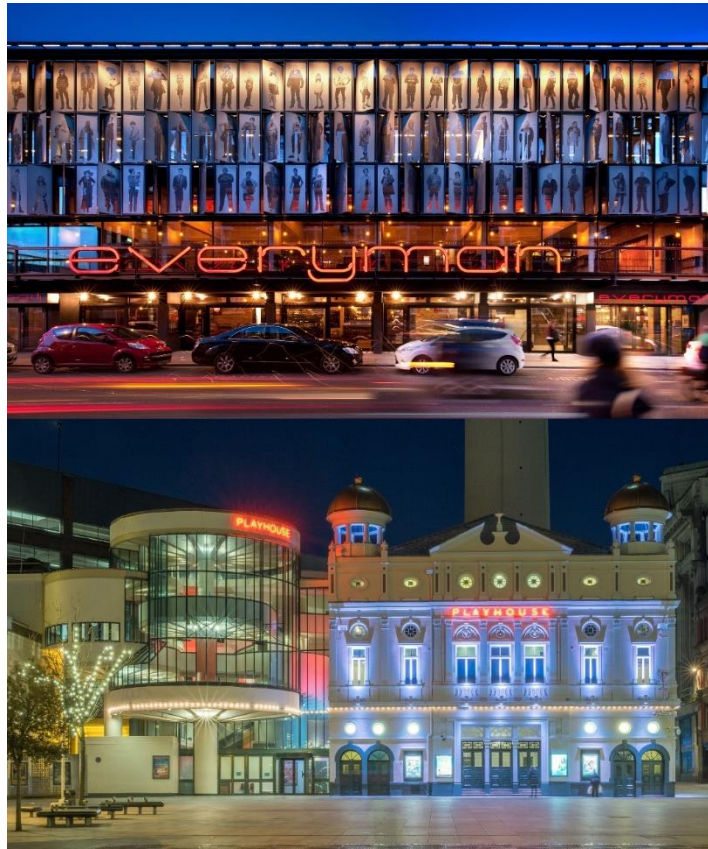


Company Registration Number 03802476

Registered Charity Number 1081229



# THE LIVERPOOL AND MERSEYSIDE THEATRES TRUST LIMITED

(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR  
ENDED 31<sup>st</sup> MARCH 2021

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## TRUSTEES' ANNUAL REPORT

### INTRODUCTION

As for cultural institutions the world over, the 2020/21 Financial Year was extraordinary. No one could have predicted the global pandemic that forced the closure of our theatres for the majority of the year and as a result the Liverpool and Merseyside Theatres Trust (LMTT) has had to play a different role within the arts ecology based on the challenges to our sector presented by Covid-19. While our physical doors were closed, we looked to open different routes to our work and to actively support our staff, audiences, partners and in particular the local freelance community. We sought opportunities to reach our audiences and the communities we serve through digital, outdoor and socially distanced means to stay connected and play our part in the city's recovery from the pandemic.

We were fortunate to be able to open over the Christmas period and perform to a socially distanced audience. During that time we staged three socially distanced shows; *A Christmas Carol*, *Everyman & Friends* and *A Christmas Cabaret*. Each artistic production was very well received and we were delighted to be able to bring some festive joy to the region in between the second and third national lockdowns.

Our long-serving Artistic Director Gemma Bodinetz decided it was the right time for her to explore new opportunities and step away from the theatres. We are indebted to Gemma for the amazing contribution she has made both to our organisation and to the city. We were delighted that she had the opportunity to direct *A Christmas Carol* for us before she left, and we wish her all the very best for the future.

We have been further developing our Board and were delighted to welcome Natasha Bucknor, Paul Evans, Jill Jones and Camilla Mankabady to the Board. On a sadder note we were devastated by the untimely death of our much-loved Trustee, Matt Dunham during the year. Matt made a huge contribution during his time as a Trustee and chair of our Finance Committee and we miss him dearly.

It has been a difficult year to navigate financially as our ability to generate income through box office and commercial trading ceased before the financial year began. Despite this we have managed to retain the majority of our workforce and support our casual staff through the year, a combined total of over 200 individuals. We have also managed to strengthen our financial position, providing a level of security for the year ahead. Our organisation continues to meet the challenges posed by Covid-19. We will continue to innovate and bring new theatrical experiences to our audiences, to care for our staff and reach out to our local communities. We remain invested in talent, and will continue to commission new work and nurture young people through our Young Everyman and Playhouse programme.

The murder of George Floyd sent shock-waves across the globe and demanded positive societal change. Like many in our sector, we have been undertaking a series of initiatives (including the establishment of a Diversity Action Group) to bring about the change we wish to see in our organisation, with the ultimate goal of engaging and reflecting our ethnically diverse communities, stories and artists.

We are indebted to all of those who have supported us throughout the year. We couldn't have survived without the help of the Culture Recovery Fund and the Coronavirus Job Retention Scheme and the generosity of our donors, audiences and supporters. Our major funders, Arts Council England and Liverpool City Council have continued to support us financially and have been hugely helpful in navigating this challenging year for our sector.

Finally we'd like to take this opportunity to thank our Trustees and staff for their continued dedication and commitment to LMTT. You have been extraordinary – thank you.



**Andrea Nixon**  
Chair



**Mark Da Vanzo**  
Chief Executive

## REVIEW OF ACTIVITIES

### OBJECTIVES AND ACTIVITIES

The Trustees present their annual report together with the audited financial statements for the year ended 31 March 2021.

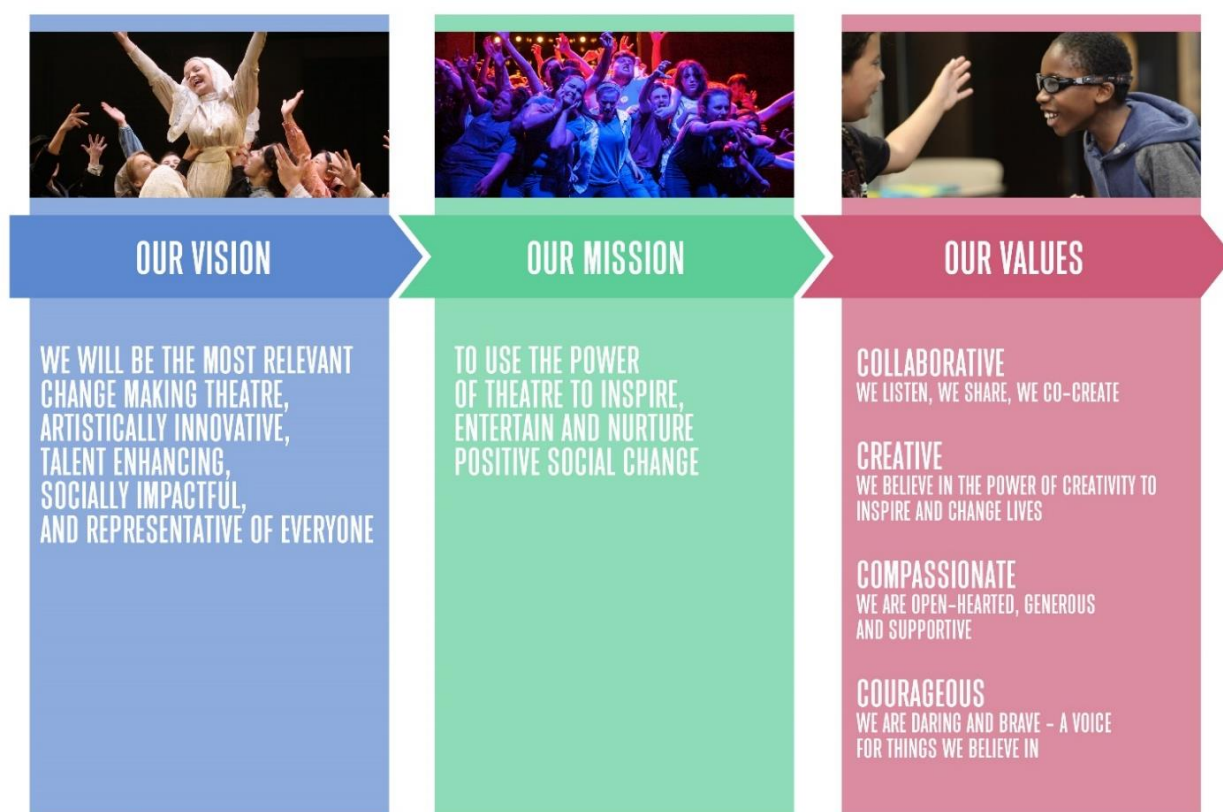
The Liverpool and Merseyside Theatres Trust Limited (“the Company”, “the Charity”, “the Trust” or “LMTT”) was incorporated on 8 July 1999 and operates out of its principal offices at the Everyman Theatre, 5-11 Hope Street, Liverpool, L1 9BH. LMTT is a company incorporated in England and Wales. The Company (No.3802476) is limited by guarantee, governed by its Memorandum of Association dated 17 June 1999 (and as amended 22 September 2011, 10 November 2005, 23 February 2005) and is a registered charity (No.1081229).

The Trustees have prepared this report under the Companies Act 2006 and in accordance with the Charities Statement of Recommended Practice (SORP), FRS102 and applicable accounting standards. This report evidences how LMTT has delivered on its charitable purpose through its activities and the quality of its performance and as a result demonstrates the benefit to the public of the work undertaken by the Trust.

The objects of LMTT as identified in its Memorandum of Association are:

*To advance, encourage, promote and improve the cultural and artistic education of the general public by producing quality theatrical productions and other arts.*

There is also particular provision for educational, community and training programmes for the people of Merseyside and the nation at large, and to protect, develop and improve the Playhouse.



## REVIEW OF ACTIVITIES

### PUBLIC BENEFIT

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit, "Charities and Public Benefit".

As described in the review of activities during the year the Trust has provided public benefit in numerous areas by:

- producing a theatrical programme (albeit curtailed by Covid-19) of quality and range
- investing in new plays and new talent through its work with young people, the community and new artists
- working to maximise accessibility through outreach activities, strategic ticket pricing and close relationships with schools and community groups
- delivering positive social impacts via work with young people and community groups

### KEY ARTISTIC ACTIVITIES

With the enforced lockdown conditions due to Covid-19 our main priorities throughout the year have been:

- resolving issues arising from the cancellation and rescheduling of productions
- raising funding to ensure the continued security of the theatres and to support ongoing creative activity
- maintaining creative contact with our many partners, freelance artists, communities and audiences
- offering pastoral support to our furloughed teams and members of Young Everyman Playhouse (YEP)
- producing digital and live activity that support our Vision, Mission and Values, such as *Love, Liverpool*
- future scenario and programme planning set against an ever-changing landscape

We are proud of the way in which we continued to reach our audiences and communities during this extraordinary year. It was doubtful as to whether we would be able to present anything on our stages in December, however Liverpool came out of the second national lockdown in Tier 2 which meant that we could once again perform to socially-distanced audiences.

*A Christmas Carol* was a hugely enjoyable production that rose to the challenges of rehearsing during the lockdown and adhering to social-distancing measures. Thanks to the investment in our digital capabilities and through the support of the Culture Recovery Fund, the production was also enjoyed by patients at Alder Hey Children's Hospital during Christmas week.

*Everyman & Friends* ran for three performances featuring local freelance artists; *A Lovely Word*, *Disabilitease*, *Ugly Bucket*, and the *Sense of Sound* choir. These were diverse and well received productions in the reconfigured Everyman cabaret.

*Everyman Christmas Cabaret* had a successful run of nine performances, curated by Musical Director and Arranger George Francis with local performers Emma Bispham, Gillian Hardie, Kelly Sweeney and Kenny Thompson. It was a joyous show and a Christmas treat enjoyed by everyone.



## REVIEW OF ACTIVITIES

Our ability to open over Christmas provided numerous employment opportunities for creative freelancers and front of house staff.

With the Government announcement on 4 January 2021 of the third national lockdown, all productions that were scheduled for the February and March period unfortunately had to be rescheduled.

We progressed the ambitions of the wider Review of Liverpool Theatres by connecting with our local building-based producing theatres and working together on shared outcomes such as joint promotion, young people's initiatives, collaborative commissioning, community outreach and talent development.

Despite a tumultuous year we were delighted to win the Liverpool City Region Tourist Award for Best Entertainment Venue and the Liverpool Echo Arts & Performance Award for our digital series *Love, Liverpool*.

## ACHIEVEMENTS AND PERFORMANCE

### In-House Work

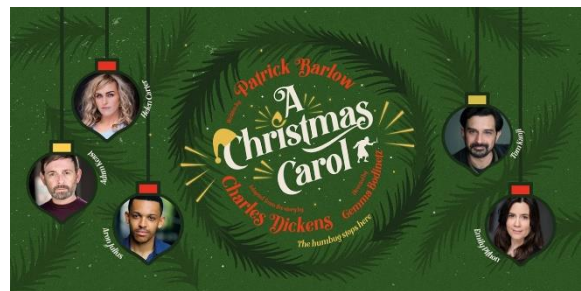
#### *A Christmas Carol*

Sat 5 Dec to Thu 24 Dec 2020

Written by Patrick Barlow

Adapted from the story by Charles Dickens

Directed by Gemma Bodinetz



★★★★★ "A brilliant new version of a festive classic" Liverpool ECHO

★★★★★ "Clever socially distanced Dickens that balances wistful warmth with razor-sharp wit" The Stage

#### *Everyman & Friends*

Thu 10 Dec to Sat 12 Dec 2020

Hosted by Matt Rutter and Paislie Read.

Acts included *A Lovely Word* (featuring Gerry Clarkson, Lyndsay Price, Amina Atiq, Levi Tafari & Felix Mufti), burlesque show *DisabiliTease* (hosted by Little Peaches and Arielle Firecracker), *Sense of Sound* and *Ugly Bucket Theatre Company*.



## REVIEW OF ACTIVITIES

### *The Everyman Christmas Cabaret*

Thu 17 Dec to Thu 24 Dec 2020

Creative & Musical Director George Francis

Performers included Emma Bispham, Gillian Hardie, Kelly Sweeney and Kenny Thompson with musicians Danny Millar and Vidar Norheim.



### *Love, Liverpool: An A to Z of Hope*

A podcast series of seven episodes was released, with 3,333 downloads within the financial year including 10% from outside the UK.



## Visiting Work

Due to restrictions the following productions were all streamed live from the Everyman:

### *Daniel Kitson's Dot. Dot. Dot.*

Wed 4 Nov to Sat 7 Nov 2020



### *Homotopia & Friends' Fabulous Cabaret*

Fri 13 Nov 2020

### *Everyman Double Bill - Sound Cistem and S/he/it Happens*

Sat 14 Nov 2020

In addition, we provided marketing support for the following digital productions:

- Mark Thomas - *Lockdown Live*
- Wise Children - *Romantics Anonymous* and *The Flying Lovers of Vitebsk*
- ThickSkin Productions - *Petrichor*
- Sheffield Theatres - *The Band Plays On*

## Young Everyman & Playhouse (YEP)

### *The Visit*

A radio play in seven instalments  
10 July – 19 September 2020



## REVIEW OF ACTIVITIES

### Attendances

2020/21 was a year dominated by the pandemic, with our doors only physically open to the public for one month out of twelve. This impacted significantly on attendances with only 7,816 seats being sold, which is just 6% of the previous year. This included 3,709 tickets sold for productions presented online. Overall average ticket yield dropped from £17.48 to £15.73 in part due to smaller-scale performances and the introduction of a 'Pay What You Can Scheme' for the In-House productions in December. The scheme was targeted at communities and groups, selling 296 tickets at an average yield of £5.03. In addition we were able to welcome 3 small school groups (58 tickets) and 60 tickets went to audiences with access needs; this represents just 1% of the previous year. The ability to share our production of *A Christmas Carol* digitally, allowed us to reach 1,270 patients, families and staff at Alder Hey Children's Hospital.

Booker numbers were just 13% of 2019/20, of which 53% were new; a similar percentage to the previous year. This was driven by Daniel Kitson's production, which was streamed internationally; not only attracting new bookers (77%) but 83% bookers from outside Liverpool City Region, with 10% international. This led to an increase in attracting bookers from outside Liverpool City Region to our work across the year, which was 48% (compared to 28% in 2019/20).

### New Work

We continued to centre relevance and stories that matter to Liverpool across our artistic programming. The productivity of our New Works department was relatively unaffected by Covid-19 as we looked to place our artists and community at the centre of our commissioning and development programmes.

### Commissions and New Work

We worked with 57 creative artists (writers, actors, theatre makers) and 19 guest practitioners (workshop leaders, freelance representatives, consultants) between March 2020 and April 2021 on projects ranging in scale from seed commissions, supported R&D and full commissions. Of the creative artists we worked with, 47% were from mixed heritage and/or ethnically diverse backgrounds.

We commissioned 32 projects which included the Theatre for Good project. Four artists were engaged to spend a week in their communities using art for positive social change including running singing lessons for children in Princes Park and writers' workshops in Norris Green. Feedback was overwhelmingly positive with some great resultant legacy, such as this from one of our artists, who used her grant to run a DJ workshop in L8:

*"DJing is pretty inaccessible and expensive to get into so to be able to take my equipment and teach them for free meant a lot! Off the back of doing this, I then got involved and decided to work on a project called Celebrate L8, a radio / audio show sharing people's experiences growing up in Toxteth."*  
(Gaia Ahuja)

We co-commissioned with new partners including Sphinx Theatre (Ginni Manning) and we also hosted a series on online and offline events in an alternative New Works program during lockdown including *Love Liverpool*, *A Lovely Word* (digital and on location in St James Gardens), a filmed reading of Maria Nwoko's verbatim play *Sweet Mother* and accompanying discussion on the importance of Black Oral History for Black History Month, Black Fest live at the Palm House and an evening of arts and music at the Baltic Quarter in collaboration with the Unusual Arts Sourcing Company.



## REVIEW OF ACTIVITIES

### Writers' Programmes

We delivered 20 YEP Writers sessions and 25 Playwrights Programme Sessions. Guest presenters included Lime Pictures, Paddy Hughes, Tim Crouch, Paula Varjack, Ava Wong Davies, Nathan Powell and Matthew Xia, Chinonyerem Obdima and Gill Greer.

This year applications for the 2020/21 YEP and Playwrights Programmes included two open-to-all taster workshops. This offered a simplified application process with a longer application window to improve accessibility. We also collaborated with local universities (Hope, LIPA) and groups (The Goddess Project) to offer tailored specific workshops. In recruiting our final Playwrights Programme cohort of 11 participants, we received a much wider, diverse range of applications including 14% from ethnically diverse writers and 8% from writers with disclosed disabilities.

We were happy to support 2019/20 YEP writer Mostywn Jones through a seed commission that resulted in the play *That Week with the Rats*, which won the Edge Hill prize for playwriting, including a cash prize for a reading. We hope to stage this piece as a Granada supported studio play in 2022.

A collaboration with Black Fest and Boisterous Theatre (Royal Court Liverpool) to support the Black Fest Writers' Room, a weekly writers' group modelled after a TV writers' room, led by playwright Maurice Beeseman has been delayed from Spring 21 to Autumn 21.

### Supporting Liverpool's Creative Community

In response to the pandemic we worked closely with our artistic community to support:

- working with the March for The Arts project to create a working practice agreement between freelancers and organisations
- offering monthly Script Surgeries online in conjunction with Paperwork Theatre, giving free dramaturgical support to emerging writers in lockdown
- delivering a series of storytelling sessions, an online theatre book club and an improvisation session with PlayWell Theatre company as part of Life Rooms
- collaboration with the Unity Theatre on their Open Call programme, directly sponsoring two spaces and working across the theatres to select the latest cohort and offer them support. In March we selected three artists to support, *RAWD: Phone Home*: a live production with a cast of 19 disabled artists, and *Mixed Signals* (Alexis Maxwell): exploring the fluidity of race, culture and the role 'code switching' plays in the Black and ethnic minority identity. We also supported Playwrights programme alumni Tom Kinney to have a rehearsed reading in the Unity's new series of Scratch new-writing nights

### New Writing and Talent Development

We supported three online R&D projects:

- A Collective Encounters' project with writer Denise Kennedy on *Can you Hear the Heat*, which took place in the Liverpool Metropolitan Cathedral
- Mandy Redvers Rowe's *Shielded and Shafted*, a new verbatim work created in collaboration with Collective Encounters and Graeae
- *Swing Sister Swing* with Emily Aboud and Liverpool/ US dance company Swing Sister.

## REVIEW OF ACTIVITIES

### Social Change

In what has been an extraordinary year, the impetus of our Social Change work has been to continue to promote creative, healthy lives for all within our priority demographics:

- children and young people
- ethnically diverse communities
- mental wellbeing
- areas of high socio-economic disadvantage

Our commitment to maintaining participatory work with individuals and groups meant that the majority of our work moved online. Through this, we have continued to listen and respond to our diverse communities in the City Region and learnt new ways of working to maintain and extend our reach.

### Children and Young People

Young Everyman and Playhouse (YEP) were able to switch from face-to-face to online sessions for all strands of the programme (Young Actors, Directors, Writers, Marketing, Producers, Technicians and Drop-In activity). The YEP Members from all strands created a seven part radio drama series *The Visit* which was devised, created and released entirely through the first lockdown in collaboration with Liverpool Arts Bar. Members have also participated in master classes led by industry professionals including Ellie Hurt (YEP Alumni), Gemma Bodinetz, Matthew Xia and Emma Bramley. This included Grace Goulding's weekly 'midday move' sessions delivered via Instagram Live enabling YEP members to keep in touch and be physically active. Across the year, the YEP Team have delivered 149 YEP online sessions.

Outreach projects have continued at Harmonise Academy and the Dewi Jones Mental Health Unit in Alder Hey Children's Hospital culminating in a digital alternative nativity. Young people also worked on a sketch show *Welcome to the Dewi*.

We have continued to collaborate with our education partners at all levels throughout the year. We found that we shared many of the same challenges with the education sector during Covid-19 as new solutions had to be found in order to deliver blended and online learning.

To support families with home learning we have created an area on the website containing resources and activities for children. *EveryPlayTime* has three subject areas:

- Build A Play – designed to meet Key Stage 2 English Creative Writing and Drama aims, tasks and prompts support the child through the building blocks of play writing. The tasks can work as stand-alone exercises or can be used together to create a full play.
- Drama Games – a suite of digital drama games to keep little ones entertained.
- Craft Corner – craft challenges hosted by a pantomime Fairy Sparkles.

During the first two months of being live (April – June) *EveryPlayTime* received over 5,256 views. It has had subsequent peaks of activity which have coincided with subsequent lockdown periods.

### Creative Wellbeing

In response to service-users' needs, and following a successful pilot of *Life Rooms at the Playhouse* with partner Mersey Care, we introduced live interactive creative sessions which had significant impact in supporting mental health and preventing crisis. Online versions of Confidence Through

## REVIEW OF ACTIVITIES

Drama, Singing for Wellbeing, Creative Writing and Play-readings were part of a weekly programme which also included occasional film clubs and quizzes.

Weekly Confidence Through Drama and Creative Writing sessions facilitated by Emma Bird and in partnership with University of Liverpool English Department have continued. Some individuals who began their wellbeing journey through *Life Rooms at the Playhouse* now take on an enhanced role within sessions. The Drama group have created and performed two pieces of theatre online and the Writers group created an anthology of work. We have facilitated 230 Creative Wellbeing sessions online.

Play readings have continued as part of the regular Play Group standalone programme. The group is for people aged 50+ with many of its members forced to shield during Covid-19 leading to issues arising from isolation. Five volunteers were trained to lead sessions, preparing introductions and using Zoom. The group has recently expanded and is working well.

In the 12 days leading up to Christmas, a team of volunteers alongside Mersey Care spread a little cheer across the City Region to people in need of a festive treat. Supported by Culture Liverpool, our volunteers visited up to 3 destinations a day performing to 329 people. These included people who found themselves isolated or lonely over Christmas, NHS staff and front line workers.



### Ethnically Diverse Communities

We partnered with Culture Liverpool and the Confucius Institute to produce a weekend of live and recorded activities celebrating Chinese Culture and the arts. Our three placements from the University of Liverpool helped to produce and deliver the events, many of which are now archived on our website for future spring festival events. Increased traffic to our website demonstrated that our online reach extends well beyond the boundaries of Merseyside as 39% bookers were from outside the City Region.



Funding from Our Liverpool created an opportunity for families from refugee and asylum seeking communities to come together and explore theatre and the arts together. Families, originally from Syria and El Salvador, were supported to attend *The Missing Light* at the Everyman and felt inspired by puppetry to tell their own stories. Meeting online throughout the pandemic was the impetus for speaking English and helped significantly with home learning for their children. Prop-maker Laura Pullig and puppeteer Eilidh Bryan helped create a live action filmed puppet show *An Advice for a Camel*.

We also celebrated Festival 31 and Refugee Week by working with Culture Liverpool and Sola Arts commissioning 10 artists including those with lived experience of being an asylum seeker and refugee. The stories, films and performances allowed us to explore the world through the eyes of others, culminating in an interactive Q&A, chaired by Ngunan Adamu for BBC Radio Merseyside.

## REVIEW OF ACTIVITIES

### Our Commitment to Equality, Diversity & Inclusion

Since the murder of George Floyd, we have been undertaking a series of positive actions to bring about the change we wish to see in our organisation, with the ultimate goal of engaging and reflecting our ethnically diverse communities, stories and artists. We are acutely aware that we hadn't done enough in the past and are committed to listening, learning and acting both now and in the future.

So far we have:

- met with freelancers, practitioners and ex-staff members who generously shared their personal and often painful experiences. We would like to publicly thank all of those who contributed
- accepted that as two major public buildings in Liverpool, we should be a welcoming and safe space for everyone; it has become apparent that this has not always been the case and for this we are deeply sorry
- recognised that change must come from the top. We felt that the Board needed to be more diverse and have taken steps to address its composition
- established a Diversity Action Group made up of staff, board members and external co-opted members to agree measurable targets in the short, medium and long-term and monitor our progress on the journey
- acknowledged the impact of institutional racism in our sector and working hard to ensure that we are an anti-racist organisation and that our initiatives do not perpetuate inequality
- worked with our board of Trustees to solidify our commitment to bring about positive change throughout our organisation. To demonstrate this, we have recurrently allocated 1% of our annual turnover to initiatives that promote diversity, inclusion and social progression. So far we have invested in schemes to directly support ethnically diverse artists e.g. Theatre for Good, Unity Crowdfunder, and we have joined the Ally for Change programme of Inc Arts which will help us to integrate our ambitions into our business planning and assist with the creation of an anti-racism policy
- worked with the Anthony Walker Foundation as a corporate partner, to further our work in being an anti-racist organisation
- arranged for anti-racist training for both our board and staff over the coming year and we are developing an emergent leaders course aimed at upskilling and empowering individuals from ethnically diverse backgrounds
- with the help of the Diversity Action Group we are undertaking a root and branch review of each of our functional areas, including artistic, procurement, recruitment and training, to ensure we are not missing opportunities to embrace diversity



Original artwork by Sumuyya Khader

## REVIEW OF ACTIVITIES

- been awarded a grant through Creative Access' Mo Siewcharran Fund to employ a New Works Associate from an ethnically diverse background
- reached out to local and national EDI experts and advocates for guidance and identified potential local partners
- worked closely with our local cultural partners and formed a Liverpool Arts Regeneration Consortium (LARC) Race Equality Action Group

Changing attitudes and established working practices does not happen overnight but the first step is to acknowledge that change must happen and we have taken that first step. With the help of our Diversity Action Group, we are working to ensure that all our initiatives are embedded and delivered with a clear measurement framework in place.

## Our Commitment to the Environment

LMTT is committed to lessening its impact on the environment, as evidenced by its approach to building the new Everyman and subsequent initiatives since.

We are committed to minimising our negative impacts on the environment and reducing our carbon footprint in the following ways:

- Encouraging staff and participants to make sustainable choices throughout their activities
- Creating a Green Team made up of staff across all departments
- Sourcing products locally where possible and from sustainable environments
- Promoting environmental awareness along the supply chain and to our audiences
- Implementing the waste hierarchy – to Reduce, Reuse, and Recycle
- Taking positive steps to reduce our energy and water use
- Monitoring and evaluating our impacts, and contribute to industry benchmarking by participating in the Industry Green Scheme run by Julie's Bicycle
- Communicating our objectives, activities and achievements
- Being an active member of Shift Liverpool, a new sustainability network for cultural organisations in the Liverpool City Region
- Making first approaches to address the Playhouse's environmental impact

In reviewing our impact on environmental sustainability, we have taken into account the following UN sustainability goals:

- *Affordable and Clean Energy* – our recent work with the Zero Carbon Institute has provided us with a pathway to reach net zero carbon and only use clean energy
- *Responsible Consumption and Production* – we continually review our consumption and wastage (as per our key measures) and the partners we work with to ensure they have similar aspirations.
- *Climate Action* – we aspire to be net zero carbon in our own right and future Playhouse development has environmental sustainability at its heart.
- *Partnership for the Goals* – we work alongside our local and national cultural partners through a variety of environmental forums



## REVIEW OF ACTIVITIES

### FINANCIAL REVIEW

The 2020/21 financial year has been a very different year to the one we envisaged and set out in our Business Plan. Our theatres have had to remain closed to the public, with most of our workforce on Furlough under the Coronavirus Job Retention Scheme (CJRS)

We started the 2020/21 financial year in a reasonably strong position as the previous two years had focussed on sustained financial recovery. These years were marked by significant organisational change that included changes in senior leadership, a full staffing restructure, strengthening of the finance function and a change in approach to planning and budgeting for artistic work. As a result we started 2020/21 with free reserves of £226k and a cash balance of +£1.1m.

At the start of 2020/21 and in response to the theatres' forced closure and certain loss of all earned income and Theatre Tax Relief, the following management actions were implemented to protect the long-term sustainability of the organisation:

- preparation of an emergency budget assuming a period of safe hibernation, potentially for the whole year
- removal of all variable production and staffing costs, ceasing service contracts we could and cutting all discretionary non-pay spend
- initiated a freeze on recruitment and rolled out a voluntary redundancy scheme
- undertook a staffing review of our commercial trading arm resulting in some redundancies
- the Coronavirus Job Retention Scheme was utilised – with all but a core skeleton staff on furlough during dark periods, adopting a flexible approach as activity and restrictions allowed
- encouraged audiences to donate the value of their tickets or credit their account for future use, in favour of refunds for cancelled shows
- introduced one page giving online as part of a revised fundraising campaign targeting funds to support our recovery and future resilience

### ACE Emergency Response Fund and Cultural Recovery Fund

During April 2020 ACE announced a £90m support package for cultural organisations adversely affected by the pandemic. This support was designed for organisations that would be in a critical financial position and facing closure by September 2020. After discussion with our relationship manager at ACE, the decision was taken to not apply for funds, given that the mitigating steps we'd put in place above had secured our position in the short term.

A further £1.57bn was announced for a Cultural Recovery Fund that looked at longer term financial viability with a view to reopening. Value for Money (VfM) was crucial in the assessment of applications and our rigorous approach to modelling this ensured a successful outcome for the Trust. Our application was approved in full (£389k) on the 12<sup>th</sup> October 2020 allowing us to:

- reconfigure both our auditoria and stages to support socially distanced productions for a partial re-opening
- invest in projection technology to transform our stages at much reduced cost when compared to historical production methods
- invest in digital technology to help us reach our audience and develop new revenue streams, through digital capture and live streaming

## REVIEW OF ACTIVITIES

- trial and develop a cabaret model at the Everyman that would eventually secure a long-term home in our commercial Bistro space
- continue with our community engagement activity, including our Life Rooms Partnership with Mersey Care
- protect against loss of ticket income at the risk of a second lockdown, by creating a ticket income contingency

Despite the unprecedented levels of uncertainty we closed the 2020/21 financial year with a £558k unrestricted surplus which allowed Trustees to protect against our long term status as a going concern, and designate £653k to three specific Funds:

- a £325k Risk Fund to protect against the traditional monthly financial run rate, which consistently sees month on month losses early in the financial year, with a return to financial balance during the Christmas season
- a £179k Building Fund with respect to much needed repairs that could not take place during the financial year and to fund future improvements to the Playhouse
- a £149k Artistic Innovation Fund to support the ambitions of the 2022/23 business plan as Covid restrictions lessen allowing a return to a full-year artistic programme

This closing unrestricted funds position is key to underpinning our financial resilience for 2021/22 as we face a further year of uncertainty and easing of restrictions.

Total unrestricted income for the Group significantly fell by £1,775k, from £5,446k (2020) to £3,671k (2021). This was the result of the theatres closure on lost ticket income and reduced commercial income when compared to the previous year. To offset this, unrestricted expenditure was reduced by £2,325k to £3,113k (2020: £5,438k).

The financial results for the year are set out from page 27 onwards. The consolidated income and expenditure account reports a surplus of £327k (2020: £458k deficit). Restricted expenditure in year included £650k (2020: £673k) relating to depreciation of fixed assets. As explained in the accounting policies, the charity SORP requires the Charity to recognise fundraising for capital projects within the income and expenditure account in the year of grant, whilst the related spend (depreciation) is recognised over the life of the related assets. This results in a significant mismatch between the timing of income and expenditure recognition.

The Trustees note that the position reported in the consolidated income and expenditure account and balance sheet has the potential to confuse readers. In years with significant fundraising initiatives, net income may appear disproportionately high because, whether for revenue or capital purposes, the charity SORP requires recognition of income based upon entitlement, rather than when the grant is received in cash or when the related expenditure is incurred, whilst requiring recognition of expenditure in the year of spend or use. In years with fewer or non-capital fundraising initiatives, reported expenditure will often exceed reported income because of such timing differences. The following table provides an analysis of funds as presented in the accounts:

## REVIEW OF ACTIVITIES

Group	1 April 2020 £'000	2021 Results £'000	2021 Transfer £'000	31 March 2021 £'000
<b>Unrestricted funds: Operating</b>	555	558	(543)	570
<b>Unrestricted funds: Designated</b>				
Designated Funds	-	-	653	653
<b>Total unrestricted funds</b>	555	558	110	1,223
<b>Restricted Funds</b>				
Fixed Assets	20,260	(649)	73	19,684
Other (Revenue)	218	418	(183)	453
<b>Total Restricted Funds</b>	20,478	(231)	(110)	20,137
<b>Total Funds</b>	21,033	327	-	21,360

Within unrestricted funds, a transfer has been made between operating and designated funds of £543k to largely fund the three specific funds discussed above. A transfer of £110k has also been made from restricted funds to designated funds in respect of support received under the Cultural Recovery Fund, which allowed for a unrestricted funds reflation for any unused ticket income contingency as set out within the bid. In year results for restricted funds shows a net reduction of £341k. This included £649k depreciation against restricted fixed assets, receipt of £843k restricted income, less utilisation of restricted funds of £425k. A transfer between restricted revenue and fixed asset funds was made due to the purchase of digital equipment funded through the Cultural Recovery Fund that was recognised in the accounting records as capital expenditure. The closing balance of restricted revenue funds of £453k includes a grant of £390k from the Garfield Weston Foundation to fund artistic activity during 2021/22.

When reviewing restricted funds, Trustees believe a more representative assessment of the Charity's financial position is obtained by considering restricted funds which are available to fund the Charity's activities and by disregarding those funds which have either already been applied to fund large building projects or which will not be received in cash until a future date. The following table provides a reconciliation between reported restricted funds and Trustees' view:

	2021 £'000	2020 £'000	2019 £'000
<b>Reported Restricted Funds</b>			
Everyman redevelopment	15,206	15,715	16,248
Other capital projects	4,478	4,545	4,685
Revenue projects	453	218	11
<b>Total reported restricted funds</b>	20,137	20,478	20,944
Funds included in fixed assets at 31st March so not available to fund Trust activities	(19,684)	(20,260)	(20,933)
Funds included in other debtors at 31st March so not available to fund Trust activities	(70)	(20)	-
<b>Restricted Funds available to fund Trust activities</b>	383	198	11

## REVIEW OF ACTIVITIES

## Reserves policy

The Trustees consider it prudent to maintain reserves in order to ensure the Trust can plan effectively, ensure the sustainability of the organisation and offset the impact of any unforeseen events which may have a detrimental effect on operating cash flows. The Trustees have considered it desirable to maintain unrestricted operating funds above £500k (2021: £570k, 2020: £555k, 2019: £547k) free reserves above £250k, and also hold designated funds for:

- the upkeep and maintenance of the two theatres
- investment in artistic innovation and piloting new streams of work
- management of risk across a normal programming year which would see month on month planned losses through the early parts of the year
- protecting against reduced audiences post-Covid

The value of designated funds at 31 March 2021 was £653k (2020: £nil) which includes a £325k risk fund. In the current economic climate and in light of the Theatres reopening during uncertain times for the sector at large, the Trustees recognise that should the need arise, the £325k designated risk fund may be used to offset future short-term operating deficits.

The value of free reserves on the 31<sup>st</sup> March 2021 was £269k (2020: £226k). Free reserves are unrestricted operating funds that have not been used to purchase fixed assets, don't include designated funds and are available for use by the Trust to fund activity:

	2021 £'000	2020 £'000
Unrestricted funds: Operating	570	555
Unrestricted Fixed Assets	(301)	(328)
<b>Free Reserves</b>	<b>269</b>	<b>226</b>

The Charity does not budget on the basis of achieving a large surplus year on year, it does ensure that adequate uncommitted contingency is built into plans. The board will take a view annually on how it commits any unused contingency for future periods.

## Investment policy

The Charity takes a low-risk approach to investments, with cash required for working capital held in bank current accounts. Surplus cash can be placed on short-term money market deposit (no more than three months' term). Such arrangements have a high level of asset security and liquidity is planned for in advance.

## Principal risks and uncertainties

The Trustees examine major strategic, business and operational risks which the Charity faces on an ongoing basis and confirm that systems have been established to mitigate and lessen these risks. A risk register is closely monitored and formally reviewed by Trustees twice annually. Over the past year identified risks have been allocated to the appropriate governance structure for monitoring. Operational risks are addressed through line management and budget control systems and through comprehensive and regularly reviewed policies in relation to key issues such as safeguarding and health and safety.

A report from the Health and Safety Committee is considered by the Trustees at each of their meetings. Financial risks are addressed through regular monitoring by the Finance and Audit

## REVIEW OF ACTIVITIES

Committee and full board, with the overall budget receiving a full reappraisal on at least a quarterly basis. Where appropriate, insurance cover complements and supports other risk reduction mechanisms. External risks and questions of compliance are addressed by maintaining a strong relationship with key funders and regular contact with support and regulation agencies, and by promoting positive PR about the Trust and its programme.

The principal risks and uncertainties faced by LMTT are:

Risk Category	Risk
<b>Operational</b>	Drop in footfall as a direct consequence of Covid-19 and corresponding drop in income.
<b>External</b>	External factors adversely impact organisation's ability to operate (e.g. COVID-19)
<b>Financial</b>	Insufficient reserves to ensure long-term future viability of the organisation and its Going Concern status
<b>Operational</b>	Adverse impact from a delay in appointing the Creative Director position
<b>Financial</b>	Failure to achieve in-year fundraising targets and secure Development pipeline beyond 21/22

Arts Council England (ACE) are providing grant funding in support of the 2020/22 Business Plan, although this is now likely to be extended through to 2023 in light of Covid-19. We have secured Liverpool City Council (LCC) funding through the Culture and Arts Investment Programme through to 2022 which is confirmed by the LCC Cabinet on an annual basis. We continue to manage funding risk by maintaining a positive relationship with both funders and by making a visible contribution to the city's profile and its social and economic wellbeing.

The economic climate, especially in light of Covid-19, poses a continued threat and it is hard to predict how long it will take consumer confidence to return once the theatres return to full capacity. Pressures on public funders, especially local authorities, remains a constant concern. All opportunities are taken to maximise and diversify income; to secure income for the medium as well as short-term, and to retain a degree of flexibility in order to revise plans in response to any financial shocks.

Our business plan through to March 2023 aims to carefully balance the risks of reopening post-Covid and building back audience confidence in returning to our theatres.

### The Future

At the time of writing, we are slowly reopening the theatres as social-distancing measures relax. We are anticipating that audience numbers will be slow to recover as people's confidence rebuilds in attending larger gatherings. Thankfully, through the Coronavirus Job Retention Scheme and the continued generosity of our core funders and donors, the majority of staff have been able to be retained and the organisation remains stable.

With challenge comes opportunity as we look to new ways of working with the help of new partners. Our commitment to embracing digital technologies continues with the appointment of a Digital



## REVIEW OF ACTIVITIES

Producer and a new ground-breaking relationship with Digital Theatre which has the potential to extend our reach internationally.

Our work with the Diversity Action Group over the past year has been illuminating as we have explored how we can bring about positive change. The recommendations from this work will inform our forward business planning as we look to be an anti-racist organisation that is welcoming to all, regardless of background. We have enlisted the further help of Inc. Arts and the Anthony Walker Foundation to help us on our journey.

We are recruiting for a new Creative Director who will bring a fresh and exciting perspective, forming a collaborative artistic vision and programme and further developing our artistic role and voice. Over the course of the coming year we will be embedding Arts Council England's new Investment Principles and preparing our application for the next NPO round.

### Related parties and co-operation with other organisations

On 1 April 2020, the new Chief Executive was appointed to the board in accordance with the revised Memorandum and Articles of the Charity. During his appointment, he will continue to receive his usual salary payments and to reclaim approved expenses incurred wholly in his roles as an employee. This is disclosed in Note 23.

No other Trustees received remuneration from their work with the Charity with the exception of Helen Blakeman who was commissioned to write a script. This decision was approved by the Board in advance.

LMTT is the sole shareholder of two subsidiary companies as follows:

- Liverpool Everyman & Playhouse Trading Limited manages the trading activities for the Everyman and Playhouse Theatres
- Liverpool Everyman & Playhouse Productions Limited through which productions are commissioned

### Key management personnel pay policy

The remuneration of key management personnel is determined by the Trustees of the charity. The Trustees consider the seniority of the post, the expertise and experience of the post holder, the local market conditions and sector market conditions for remuneration, and benchmarking information from similar organisations in determining the remuneration of key management personnel.

### Fundraising Standards

The Charity directly employs a fundraising Development team to manage the relationships with education partners, corporate sponsors and individual givers and donors. The team also develop and submit funding applications to Trust and Foundations in line with our Ethical Fundraising Policy. We are registered with the Fundraising Regulator and follow its code of practice.

### Organisation

The board is ultimately accountable for ensuring the financial probity and strategic direction of the Charity. It is the responsibility of the Trustees, in consultation with the Executive, to determine policy, to set strategic policy targets, to implement monitoring and reporting procedures that will ensure their fulfilment, and to approve and monitor annual budgets and business plans.

The board normally meets six times a year to set and review strategic policy and monitor the financial health of the organisation. The scrutiny of detail is undertaken by suitably skilled subsidiary companies (LEPT and LEPP) or sub-committees of the board, each of which report to the main board.

## REVIEW OF ACTIVITIES

### Statement of Disclosure to Auditors

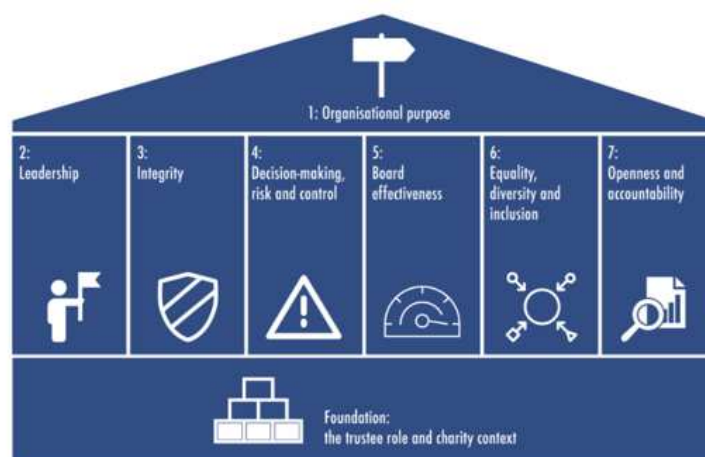
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditors are unaware, and each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

## REVIEW OF ACTIVITIES

### STRUCTURE, GOVERNANCE AND MANAGEMENT

#### The Governance Code

The LMTT board believes that good governance in charities is fundamental to their success. The Charity Governance Code is a practical tool to help charities and their Trustees develop high standards of governance as it enables and supports a charity's compliance with the law and relevant regulations. It also promotes a culture where everything works towards fulfilling the charity's vision.



Through ensuring each element of the Code is met (see above diagram), Trustees hope to both improve the transparency and breadth of reporting and demonstrate exemplary leadership and governance on behalf of staff, stakeholders and supporters.

#### The Trustee Role and Charity Context

All LMTT Trustees:

- are committed to LMTT's cause and have joined the board because they want to help the charity deliver its purposes most effectively for public benefit
- recognise that meeting LMTT's stated public benefit is an ongoing requirement
- understand their roles and legal responsibilities, and, in particular, have read and understand:
  - the Charity Commission's guidance The Essential Trustee (CC3)
  - their charity's governing document
  - are committed to good governance and want to contribute to LMTT's continued improvement

With continued improvement in mind, the LMTT board aspire to deliver the principles of the Governance Code as outlined below. A Governance Code working group has been established and assessed LMTT's performance against each of the following principles.

#### 1: Organisational Purpose

The board is clear about the charity's aims and ensures that these are being delivered effectively and sustainably.

#### 2: Leadership

Every charity is headed by an effective board that provides strategic leadership in line with the charity's aims and values.

#### 3: Integrity

The board acts with integrity, adopting values and creating a culture which helps achieve the organisation's charitable purposes. The board is aware of the importance of the public's confidence and trust in charities, and trustees undertake their duties accordingly.

## REVIEW OF ACTIVITIES

### 4: Decision-Making, Risk and Control

The board makes sure that its decision-making processes are informed, rigorous and timely, and that effective delegation, control and risk-assessment, and management systems are set up and monitored.

### 5: Board Effectiveness

The board works as an effective team, using the appropriate balance of skills, experience, backgrounds and knowledge to make informed decisions.

As a result of its assessment the board have identified a number of areas of improvement including the review of certain policies, the implementation of a Stakeholder Advocacy Plan and the publication of different Board documentation to ensure transparency.

### 6: Equality, Diversity & Inclusion

The board has a clear, agreed and effective approach to supporting equality, diversity and inclusion throughout the organisation and in its own practice. This approach supports good governance and the delivery of the organisation's charitable purposes.

### 7: Openness and Accountability

The board leads the organisation in being transparent and accountable.

## Directors

The directors of the Charity are its Trustees for the purposes of charity law and throughout this report are collectively referred to as the Trustees. Except as noted below, the Trustees of the Charity who served during the year and up to the date of this report are listed below:

### Current Directors/Trustees

A Nixon (Chair)	M Dunham *
P Bennett-Jones	P Evans (appointed 22 July 20)
P Bibby (Vice Chair)	B Hutchinson
H Blakeman	J Jones (appointed 24 February 21)
A Causley	C Mankabady (appointed 22 July 20)
M Clarke	C Roberts-Cherry
P Corcoran (Vice Chair)	N M Russell (appointed 22 July 20)
M Da Vanzo (CEO – appointed 1 April 20)	Cllr W Simon

### Former Directors/Trustees

*\*Sadly, M. Dunham passed away on the 12<sup>th</sup> July 2020 which was formally recorded by the Board at its meeting on the 22<sup>nd</sup> July 2020.*

## Company Secretary

M Da Vanzo

## Reference and Administrative Details

Registered office	Bankers	Auditor
Everyman Theatre 5-11 Hope Street Liverpool Merseyside L1 9BH	Lloyds Bank Merchant's Court, 2 - 11 Lord Street Liverpool L2 1TS	DSG Castle Chambers 43 Castle Street Liverpool L2 9TL



**Andrea Nixon**

Chair

DATE: 2 December 2021

## REVIEW OF ACTIVITIES

### Statement of Trustees' Responsibilities

The Trustees who are also directors of The Liverpool and Merseyside Theatres Trust Limited for the purposes of company law are responsible for preparing the report of the Trustees 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 charitable Company and the Group and of the incoming resources and application of resources, including the income and expenditure, of the charitable 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; 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 proper 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.

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.

### Board Composition

At the Annual General Meeting on 10<sup>th</sup> November 2005, a Special Resolution was passed to limit Trustees' service to up to two consecutive terms of three years. A board evaluation and skills audit is delivered annually. This is a method of assessing the organisation's changing needs and reviewing the need for additional skills and expertise on the board. If a need is identified then new members are sought in the appropriate areas. All proposed board members are considered for their suitability before being interviewed and a proposal being put to the full board for decision.

Note 23 Related Party Disclosures, details any Trustee interest in the Charity or any of its group companies (together "the Group"), including the Chief Executive who was appointed to the board in accordance with the revised Memorandum and Articles of the Charity.

The board may make new appointments within the above parameters at any time, with any such appointees being re-elected at the next Annual General Meeting. Induction of new Trustees includes the issuing of current financial statements and projections, forthcoming artistic programme details, and guidelines for good practice (such as those published by the Charities Commission), in the context of an explanatory meeting with the Company Secretary. All Trustees undertake a programme of induction upon commencement and Trustee training is provided on relevant topics at various times in the year. All Trustees are covered by the Charity's directors and officers insurance.



**Andrea Nixon**

Chair

DATE: 2 December 2021



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LIVERPOOL AND MERSEYSIDE THEATRES TRUST LIMITED

### Opinion

We have audited the financial statements of The Liverpool and Merseyside Theatres Trust Limited (the 'parent charitable company') for the year ended 31st March 2021 which comprise the Consolidated Statement of Financial Activities (including Consolidated Income and Expenditure Account), the Group and Company Balance Sheet, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and parent charitable company's affairs as at 31 March 2021 and of the Group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.
- 

### 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 parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including 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.

### 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 or 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

## REVIEW OF ACTIVITIES

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.

## 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 directors' report and the strategic report prepared for company law purposes, 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 has been prepared in accordance with applicable legal requirements.
- 

## Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report including the strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, 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
- 

## 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 purposes 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 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 parent charitable company or to cease operations, or have no realistic alternative but to do so.

## REVIEW OF ACTIVITIES

### 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.

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:

### Capability of the audit in detecting irregularities, including fraud

Based on our discussions with the Group and parent charitable company's management and the Trustees, we identified that the following laws and regulations are significant to the Group and parent charitable company:

- Those laws and regulations considered to have a direct effect on the financial statements include UK financial reporting standards and Charity Law.
- Those laws and regulations for which non-compliance may be fundamental to the operating aspects of the Group and parent charitable company and therefore may have a material effect on the financial statements include compliance with the charitable objectives, public benefit, fundraising regulations, safeguarding and health and safety legislation.

These matters were discussed amongst the engagement team at the planning stage and the team remained alert to non-compliance throughout the audit.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and the Trustees as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; review of Trustee

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### 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.

**Andrew Moss BA FCA (Senior Statutory Auditor)**



For and on behalf of DSG Chartered Accountants, Statutory Auditor

Castle Chambers

43 Castle Street

Liverpool

L2 9TL

2 December 2021

## REVIEW OF ACTIVITIES

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(INCLUDING CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT)

For the year ended 31<sup>st</sup> March 2021

	Note	Unrestricted funds £'000	Restricted funds £'000	Total funds 2021 £'000	Total funds 2020 £'000
<b>INCOME</b>					
Donations and Legacies		147	-	147	133
Charitable Activities	2,4	3,455	843	4,298	5,216
Other Trading Activities	2,6	69	-	69	703
Investments		-	-	-	-
<b>TOTAL INCOME</b>		<u>3,671</u>	<u>843</u>	<u>4,514</u>	<u>6,052</u>
<b>EXPENDITURE</b>					
Raising Funds	7	(69)	-	(69)	(563)
Charitable Activities	8	(3,044)	(1,074)	(4,118)	(5,947)
<b>TOTAL EXPENDITURE</b>		<u>(3,113)</u>	<u>(1,074)</u>	<u>(4,187)</u>	<u>(6,510)</u>
<b>NET INCOME / (EXPENDITURE)</b>		<u>558</u>	<u>(231)</u>	<u>327</u>	<u>(458)</u>
<b>TRANSFERS BETWEEN FUNDS</b>	18	110	(110)	-	-
<b>NET MOVEMENT IN FUNDS</b>		<u>668</u>	<u>(341)</u>	<u>327</u>	<u>(458)</u>
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward	18	555	20,478	21,033	21,491
Net Income / (Expenditure)		558	(231)	327	(458)
Transfer Between Funds		110	(110)	-	-
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>1,223</u>	<u>20,137</u>	<u>21,360</u>	<u>21,033</u>

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

All income and expenditure derive from continuing activities.

The notes on pages 30 to 50 form part of these financial statements.

## GROUP AND COMPANY BALANCE SHEET

AS AT 31<sup>ST</sup> MARCH 2021

		Group		Company	
	Note	2021 £'000	2020 £'000	2021 £'000	2020 £'000
<b>FIXED ASSETS</b>					
Tangible assets	12	19,985	20,588	19,985	20,588
Investments	13, 26	-	-	-	-
		<u>19,985</u>	<u>20,588</u>	<u>19,985</u>	<u>20,588</u>
<b>CURRENT ASSETS</b>					
Stocks	14	8	3	-	-
Debtors- due in less than one year	15	576	353	570	370
Cash in bank and in hand		<u>1,673</u>	<u>1,106</u>	<u>1,659</u>	<u>1,028</u>
		<u>2,257</u>	<u>1,462</u>	<u>2,229</u>	<u>1,398</u>
<b>CURRENT LIABILITIES</b>					
Creditors: amounts falling due within one year	16	<u>(882)</u>	<u>(1,017)</u>	<u>(870)</u>	<u>(972)</u>
		<u>(882)</u>	<u>(1,017)</u>	<u>(870)</u>	<u>(972)</u>
<b>NET CURRENT ASSETS</b>		<u>1,375</u>	<u>445</u>	<u>1,359</u>	<u>426</u>
<b>NET ASSETS</b>		<u><b>21,360</b></u>	<u><b>21,033</b></u>	<u><b>21,344</b></u>	<u><b>21,014</b></u>
<b>FINANCED BY:</b>					
Unrestricted funds: Operating	18	570	555	554	536
Unrestricted funds: Designated	18	<u>653</u>	<u>-</u>	<u>653</u>	<u>-</u>
<b>TOTAL UNRESTRICTED FUNDS</b>	18	<u>1,223</u>	<u>555</u>	<u>1,207</u>	<u>536</u>
Restricted funds	18	<u>20,137</u>	<u>20,478</u>	<u>20,137</u>	<u>20,478</u>
<b>TOTAL FUNDS</b>		<u><b>21,360</b></u>	<u><b>21,033</b></u>	<u><b>21,344</b></u>	<u><b>21,014</b></u>

As permitted by Section 408 of the Companies Act 2006, a separate statement of financial activities for The Liverpool and Merseyside Theatres Trust Limited is not presented. The unrestricted fund surplus for the financial period of the Company was £671k. The restricted fund loss for the period (including depreciation) was £341k. Therefore, the combined gain for the financial period of the Company was £330k (31 March 2020: £458k loss),

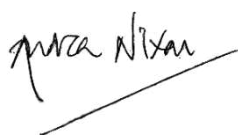
The notes on pages 30 to 50 form part of these financial statements.

These financial statements on pages 27 to 50 were approved and authorised for issue by the board of Directors on 2 December 2021.

Signed on behalf of the Trustees



**P Bibby**  
Director



**A Nixon**  
Chair

## REVIEW OF ACTIVITIES

## CONSOLIDATED STATEMENT OF CASHFLOWS

For the year ended 31<sup>st</sup> March 2021

	Note	2021 £'000	2020 £'000
<b>NET CASH FROM OPERATING ACTIVITIES</b>	24	<u>640</u>	<u>531</u>
<b>INVESTING ACTIVITIES</b>			
Purchase of tangible fixed assets		(73)	-
		<u>-</u>	<u>-</u>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<u>(73)</u>	<u>-</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>		567	531
Cash and cash equivalents at beginning of year		1,106	575
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		<b>1,673</b>	<b>1,106</b>
<b>Cash and cash equivalents consist of:</b>			
Cash at bank and in hand		<u>1,673</u>	<u>1,106</u>
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>		<u><b>1,673</b></u>	<u><b>1,106</b></u>



## NOTES TO THE FINANCIAL STATEMENTS

## 1. ACCOUNTING POLICIES

## General information

The Liverpool and Merseyside Theatres Trust Limited (“the Company”, “the Charity” or “LMTT”) was incorporated on 8<sup>th</sup> July 1999 (Company Registration No. 03802476). It is a private company limited by guarantee and it is governed by its Memorandum of Association dated 17<sup>th</sup> June 1999 (and as amended 22<sup>nd</sup> September 2011, 10<sup>th</sup> November 2005, 23<sup>rd</sup> February 2005). LMTT is a registered charity (No.1081229) and is domiciled and incorporated in England and Wales.

The address of the Company’s registered office is included on page 22 and its principal place of business is at this address with a secondary place of business at the Playhouse Theatre, Williamson Square, Liverpool, L1 1EL.

The Group consists of Liverpool and Merseyside Theatres Trust Limited, Liverpool Everyman and Playhouse Productions Limited and Liverpool Everyman and Playhouse Trading Limited.

## Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) (effective 1<sup>st</sup> January 2015) – (Charities SORP) (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Company meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

A summary of the more important Group accounting policies, which have been applied consistently throughout the current and prior financial periods, is set out below.

## Going Concern

We have concluded this financial year (2020/21) in a reasonably strong position as our focus on sustained financial recovery continues. LMTT has been fortunate in gaining support from both the Cultural Recovery Fund and Garfield Weston Foundation. Successful applications to date have allowed us to continue to produce work digitally, outdoors and to socially distanced audiences during the pandemic. We have invested in digital equipment and technology, and recently were able to safely reopen our theatres to larger capacity audiences. To date we have received:

- Cultural Recovery Round 1 - £389k
- Cultural Recovery Round 2 - £384k
- Garfield Weston Foundation - £390k

## NOTES TO THE FINANCIAL STATEMENTS

The key assumptions we've made for the 2022/23 year are a return to a full season of work at both houses. We have projected activity from Commercial Trading in line with the artistic programme, but applied prudence to the levels of contribution this generates. We are confident that through a continued focus on financial efficiency and cost control, we can conclude the 2022/23 financial year with the planned £15k unrestricted surplus that we set out in our business plan.

### Current Situation ACE

In March 2020, Arts Council England (ACE), confirmed a multi-year grant of £3.33m in support of the LMTT Business Plan for the period 1 April 2020 to 31 March 2022. LMTT has recently submitted its indicative 2022/23 Business Plan and Budget to ACE to release funding for an additional extension year through to 31 March 2023. While this will not be approved until December 2021, ACE have responded positively following receipt of the Business Plan and Budget. It is expected that LMTT will start an NPO application process for 2023-26 in March 2022.

### Current Situation LCC

LMTT continues to be supported in 2021/22 with £589k of grant funding from Liverpool City Council (LCC) via Culture Liverpool. This funding is through a Cultural Arts Investment Programme grant. While the grant has awarded on a recurring basis, LCC Cabinet still confirms grant funding annually in March. LCC has indicated that there is not likely to be a grant reduction for 2022/23.

In light of the uncertainty presented by the COVID-19 pandemic, the Trustees have carefully considered the financial projections to March 2023 to satisfy themselves of the financial resilience of the organisation, with no material uncertainty existing over that period. The Trustees have considered ongoing support from Arts Council England (ACE) and Liverpool City Council (LCC), together with the level of funds held, and the expected level of income, expenditure and projected cash flows over this period. ACE and LCC have indicated that a continued funding commitment is likely into the next financial year. The Trustees have considered these matters and have concluded that the level of reserves and liquidity for the Group and Charity are sufficient to enable the organisation to continue trading for a period of at least 12 months from the date of approving the financial statements, and Trustees do not believe there is a material uncertainty in regards of going concern. Therefore, the financial statements have been prepared on a going concern basis.

### Reduced disclosures

In accordance with FRS 102, the Company has taken advantage of the exemptions from the following disclosure requirements;

- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in the statement of financial activities, and
- Section 33 'Related Party Disclosures' – Compensation for key management personnel

### Basis of consolidation

The consolidated financial statements incorporate those of The Liverpool and Merseyside Theatres Trust Limited and all of its subsidiaries (i.e. entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits). All financial statements are made up to 31<sup>st</sup> March 2021.

All intra-group transactions, balances and unrealised gains on transactions between Group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

## NOTES TO THE FINANCIAL STATEMENTS

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

### Functional and presentational currencies

The consolidated financial statements are presented in sterling which is also the functional currency of the Company and the Group.

### Income

Income is recognised when the 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. Ticket income relating to shows is recognised in the financial period the show closes, and is held within advanced sales until that time.

Income is measured at the fair value of consideration receivable, less any discounts and VAT deductions.

### Donations and legacies

Donations and legacies are recognised as income when the Charity is entitled to the income, the receipt of economic benefit from the use by the Charity of the item is probable and that economic benefit can be measured reliably.

### Grants received

Income from government and other grants, whether 'capital' or 'revenue' grants, is recognised when the Charity has entitlement to the funds and has met any performance conditions attached to the grant. And where it is probable that the income will be received and the amount can be measured reliably.

In some instances, multi-year funding agreements which result in funds being paid over two years or longer are procured. Provided no conditions attach to the receipt of contributions scheduled to be received in future years, the charity SORP requires the Charity to recognise income from restricted grants in the period in which they are secured rather than the period they are received. If conditions do attach, the charity recognises the income in the year it is received. Grants held within restricted revenue reserves are released against expenditure in the period or periods that grant restrictions are met, including requirements for defrayment.

### Investment income

Investment income comprises bank interest. Interest income is accrued on a time apportioned basis by reference to the principal invested at the effective interest rate.

### Expenditure

Expenditure net of associated theatre tax credits is charged on an accruals basis and is allocated between:

- expenditure incurred directly in the fulfilment of the Charity's objectives
- expenditure incurred in support costs

Expenditure net of associated theatre tax credits in respect of productions is held within debtors and is released to the income and expenditure account in the year in which the performances closes.

### Support costs

Support costs are those functions that assist the work of the Charity but do not directly undertake charitable activities, and include building running costs, fundraising and administration costs.

**NOTES TO THE FINANCIAL STATEMENTS**

Governance costs include expenditure on administration of the Charity and its subsidiaries and compliance with constitutional and statutory requirements.

**Co-production income and costs**

For productions which are undertaken as co-productions with other theatre companies, where set-up costs are shared, production costs which are wholly incurred by the Charity may be recharged to the co-producing company depending on the nature of the specific agreement. Any recharged costs are recognised as income related to the production.

**Operating leases**

Rentals paid under operating leases are charged to the statement of financial activities on a straight-line basis over the period of the lease.

**Pension costs**

The pension costs charged to the Statement of Financial Activities represent the amount of the contributions payable to defined contribution schemes in respect of the accounting period.

**Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of a production where the final performances falls in the following financial year or are capitalised as a tangible fixed asset.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received. Termination benefits are recognised immediately as an expense when the Group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

## NOTES TO THE FINANCIAL STATEMENTS

### Tangible fixed assets

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

- Freehold and long leasehold buildings, and building improvements at the rate of 2% - 10% per annum;
- Vehicles and production, office and computer equipment at rates varying between 10% and 25% per annum;
- Fixtures and fittings at 10%.

Residual value is calculated using prices prevailing at the reporting date, after estimated cost of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

### Impairments of fixed assets

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the Group estimates the recoverable amount of the asset.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. All other impairment losses are recognised in the statement of financial activities.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in the statement of financial activities. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

### Fixed asset investments

In the separate accounts of the Company, interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

Interests in subsidiaries are assessed for impairment at each reporting date. Any impairments losses or reversals of impairment losses are recognised immediately in the statement of financial activities.

### Stock

Stock is included at the lower of cost or selling price less costs to complete and sell. Net realisable value is based upon estimated selling price less further costs expected to be incurred to completion and disposal. Provision is made for obsolete and slow-moving items.

At each reporting date, the Group assesses whether stocks are impaired or if an impairment loss recognised in prior periods has reversed. Any excess of the carrying amount of stock over its estimated selling price less costs to complete and sell is recognised as an impairment loss in the statement of financial activities.

Reversals of impairment losses are also recognised in the statement of financial activities.

## NOTES TO THE FINANCIAL STATEMENTS

### Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments that are immediately accessible, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

### Financial instruments

The charity only has financial assets and 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.

### Restricted Funds

Restricted funds relate to grants and other incoming resources which must be expended on specific activities of the Charity, including the acquisition of tangible fixed assets, as laid down by the donors of the funds.

### Unrestricted Funds

The unrestricted fund represents the funds to provide, at the discretion of the Trustees, for the working capital of the Charity and for the purchase of tangible fixed assets which are not funded by restricted funds.

### Designated Funds

Designated Funds are unrestricted funds that have been set aside by the Trustees for specific purposes. More details are found in note 18 to the financial statements.

### Judgments and key sources of estimation uncertainty

In the application of the Group's accounting policies, the Trustees are required to make judgments, 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, 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.



## NOTES TO THE FINANCIAL STATEMENTS

## 2. INCOME

	Unrestricted funds £'000	Restricted funds £'000	2021 £'000	Unrestricted funds £'000	Restricted funds £'000	2020 £'000
Donations and Legacies	147	-	147	133	-	133
Charitable Activities	3,455	843	4,298	4,610	606	5,216
Other Trading Activities	69	-	69	703	-	703
	<u>3,671</u>	<u>843</u>	<u>4,514</u>	<u>5,446</u>	<u>606</u>	<u>6,052</u>

## 3. EXPENDITURE ON ACTIVITIES

	Unrestricted funds £'000	Restricted funds £'000	2021 £'000	Unrestricted funds £'000	Restricted funds £'000	2020 £'000
Raising Funds	(69)	-	(69)	(563)	-	(563)
Charitable Activities	(3,044)	(1,074)	(4,118)	(4,875)	(1,072)	(5,947)
	<u>(3,113)</u>	<u>(1,074)</u>	<u>(4,187)</u>	<u>(5,438)</u>	<u>(1,072)</u>	<u>(6,510)</u>

## 4. INCOME FROM CHARITABLE ACTIVITIES

	2021 £'000	2020 £'000
<b>Unrestricted</b>		
Box office income	121	2,157
Income from co-productions	-	134
Education and literary income	3	25
Membership	4	11
	<u>128</u>	<u>2,327</u>
<b>Restricted and Unrestricted</b>		
Grant income (note 5)	<u>4,170</u>	<u>2,889</u>
	<u>4,298</u>	<u>5,216</u>

## NOTES TO THE FINANCIAL STATEMENTS

## 5. GRANTS RECEIVABLE

	2021 £'000	2020 £'000
<b>Unrestricted</b>		
Arts Council England	1,680	1,650
Liverpool City Council	589	633
Other	1,058	-
	<u>3,327</u>	<u>2,283</u>
<b>Restricted</b>		
Capital	-	-
Revenue	843	606
	<u>843</u>	<u>606</u>
<b>Total grants receivable</b>	<u>4,170</u>	<u>2,889</u>

Other unrestricted grants receivable includes £1,022k of support received through the Coronavirus Job Retention Scheme, with the corresponding expenditure in unrestricted expenditure on charitable activities.

## 6. OTHER TRADING ACTIVITIES

	2021 £'000	2020 £'000
<b>Unrestricted</b>		
Catering, events and bars	69	673
LMTT Retail	-	30
<b>Total trading activities income</b>	<u>69</u>	<u>703</u>

The 2021 catering, events and bars income of £69k includes £17k in business support grants and £33k from the Coronavirus Job Retention Scheme that were both transacted through the trading subsidiary to offset catering, events and bars costs.

## 7. RAISING FUNDS

	2021 £'000	2020 £'000
<b>Unrestricted</b>		
Catering, events and bars	(69)	(546)
LMTT Retail	-	(17)
	<u>(69)</u>	<u>(563)</u>

## NOTES TO THE FINANCIAL STATEMENTS

## 8. COSTS OF CHARITABLE ACTIVITIES

	Unrestricted £'000	Restricted £'000	2021 £'000	Unrestricted £'000	Restricted £'000	2020 £'000
<b>Activities undertaken directly</b>						
Artistic	402	424	826	1,511	399	1,910
Technical	646	-	646	882	-	882
Theatre Tax Credits	(69)	-	(69)	(255)	-	(255)
	<u>979</u>	<u>424</u>	<u>1,403</u>	<u>2,407</u>	<u>2,407</u>	<u>2,407</u>
<b>Support costs</b>						
Operations & commercial	1,254	-	1,254	916	-	916
Administrative & building expenses	339	-	339	1,004	-	1,004
Marketing & sales	423	-	423	658	-	658
Depreciation & Impairment	26	650	676	132	673	805
	<u>2,042</u>	<u>650</u>	<u>2,692</u>	<u>2,539</u>	<u>2,539</u>	<u>2,539</u>
<b>Governance Costs</b>						
Audit fees	20	-	20	24	-	24
Other fees to auditors	3	-	3	3	-	3
	<u>23</u>	<u>-</u>	<u>23</u>	<u>27</u>	<u>-</u>	<u>27</u>
	<u>3,044</u>	<u>1,074</u>	<u>4,118</u>	<u>4,875</u>	<u>1,072</u>	<u>5,947</u>

## 9. EMPLOYEE INFORMATION

	2021 £'000	2020 £'000
Wages and salaries	2,354	2,589
Social security costs	165	203
Other pension costs	42	45
	<u>2,561</u>	<u>2,837</u>

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

	2021	2020
Theatre activities	137	169
Engagement, Training & Artistic Development	10	11
Catering	23	41
	<u>170</u>	<u>221</u>

Note: Should the number of casual staff be reflected using period worked in year, the headcount staff number would be 100 (2019: 110)

## NOTES TO THE FINANCIAL STATEMENTS

The average number of full time equivalent employees during the period was as follows:

	2021	2020
Theatre activities	67	83
Engagement, Training & Artistic Development	8	10
Catering	10	13
	<u>85</u>	<u>106</u>

The following table shows remuneration bands of senior employees:

	2021	2020
£60k - £70k	1	2
£70k - £80k	1	-
£80k - £90k	-	1
£90k - £100k	1	-
£100k - £110k	-	-
£110k - £120k	-	1
	<u>3</u>	<u>4</u>

Pension contributions totalling £5,063 were paid in respect to these staff into a defined contribution scheme (2020: £2,493).

One employee was a Trustee during the current year and continued to receive their usual salary payments. See note 23 for further information.

The key management personnel of the parent Charity and of the Group is defined as the Trustees together with a Management Group, led by the Executive. The total employee benefits of the key management personnel of the trust were £636k (2020: £575k). Representation at the Management Group was expanded during 2021 to include two additional staff that had previously not been included in the membership. Other than the Chief Executive as explained in note 23, no other Trustee received any remuneration or expenses.

## 10. ANALYSIS OF EXPENDITURE

	2021 £'000	2020 £'000
Depreciation - owned assets	676	738
Fixed asset Impairment	-	67
Hire of plant and machinery under operating leases	-	-
Hire of other assets under operating leases	<u>23</u>	<u>20</u>
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	20	24
Fees payable to the Group's auditor for the audit of the Subsidiaries annual financial statements	-	-
Fees payable to the Group's auditors for non-audit services:		
- taxation services	<u>3</u>	<u>3</u>
Total non-audit fees	<u>3</u>	<u>3</u>

## NOTES TO THE FINANCIAL STATEMENTS

Fees payable to the company's auditor for the audit of the company's financial statements include an amount that covers the subsidiaries, thus the subsidiaries audit fees are paid for by the parent.

## 11. TAX ON PROFIT ON ORDINARY ACTIVITIES

No provision is made for taxation as the Charity is entitled to the various exemptions afforded by the Corporation Tax Act 2010.

## 12. TANGIBLE FIXED ASSETS

	Freehold land and buildings £'000	Long- leasehold land and buildings & Improvem'ts £'000	Fixtures and fittings £'000	Vehicles and production office and computer equipment £'000	Total £'000
<b>Group and Company</b>					
<b>Cost</b>					
At 1 April 2020	20,769	3,500	840	1,984	27,093
Additions	-	-	-	73	73
Disposals	-	-	-	-	-
At 31 March 2021	<u>20,769</u>	<u>3,500</u>	<u>840</u>	<u>2,057</u>	<u>27,166</u>
<b>Depreciation</b>					
At 1 April 2020	2,922	1,384	623	1,576	6,505
Eliminated on disposal	-	-	-	-	-
Impairment	-	-	-	-	-
Charge for the period	<u>416</u>	<u>96</u>	<u>54</u>	<u>110</u>	<u>676</u>
At 31 March 2021	<u>3,338</u>	<u>1,480</u>	<u>677</u>	<u>1,686</u>	<u>7,181</u>
<b>Net book value</b>					
At 31 March 2021	<u>17,431</u>	<u>2,020</u>	<u>163</u>	<u>371</u>	<u>19,985</u>
At 31 March 2020	<u>17,847</u>	<u>2,116</u>	<u>217</u>	<u>408</u>	<u>20,588</u>

Freehold land and buildings consists of the land and building at the Everyman Theatre, 5-11 Hope Street, Liverpool.

Leasehold buildings is in respect of the Playhouse Theatre, Williamson Square, Liverpool.

## NOTES TO THE FINANCIAL STATEMENTS

## 13. FIXED ASSET INVESTMENTS

	Company	
	2021	2020
	£	£
<b>Cost and net book amount:</b>		
Subsidiary undertakings	<u>2</u>	<u>2</u>

Details of investments of the Company in its principal subsidiary undertakings at 31 March 2021 are given in note 26.

## 14. STOCKS

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Consumables	<u>8</u>	<u>3</u>	<u>-</u>	<u>-</u>

At 31 March 2021, the total amount of stock recognised as an expense was £6k (2020: £232k).

## 15. DEBTORS

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
<b>Amounts falling due within one year:</b>				
Trade debtors	6	38	5	30
Other debtors	193	74	172	52
Amounts owed by Group undertakings	-	-	256	222
Prepayments	79	66	79	65
Social Security and Other Taxes	<u>298</u>	<u>175</u>	<u>58</u>	<u>1</u>
	<u>576</u>	<u>353</u>	<u>570</u>	<u>370</u>

Other debtors include Liverpool City Council's final instalment of £59k (2020: £63k), £70k relating to Arts Council England (2020: £0k), and £77k relating to income associated with the Coronavirus Job Retention Scheme (2020: £35k). This is partially offset by net a bad debt provision of £13k (2020: £24k).



## NOTES TO THE FINANCIAL STATEMENTS

## 16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Trade creditors	199	165	198	153
Taxation and social security	49	64	49	46
Accruals	349	381	346	379
Deferred income	285	407	277	394
	<u>882</u>	<u>1,017</u>	<u>870</u>	<u>972</u>

Deferred income relates to advanced ticket sales income received in one year which relates to performances that will take place in the following year. Ticket sales relating to a number of shows paid for in 2020 have been rescheduled to the 2021/22 financial year, and therefore remain within deferred income.

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Deferred production income brought forward	407	345	394	307
Amounts deferred in year	58	407	63	394
Amounts released from previous years	(180)	(345)	(180)	(307)
Deferred production income carried forward	<u>285</u>	<u>407</u>	<u>277</u>	<u>394</u>

## 17. FINANCIAL INSTRUMENTS

The carrying amounts of financial instruments at 31 March 2021 were:

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
The carrying amounts of financial instruments at 31 March 2020 were:				
<b>Financial assets:</b>				
Debt instruments measured at amortised cost	<u>199</u>	<u>112</u>	<u>433</u>	<u>304</u>
<b>Financial liabilities:</b>				
Measured at amortised cost	<u>548</u>	<u>546</u>	<u>544</u>	<u>532</u>

Financial assets consist of trade and other debtors. Financial liabilities consist of trade creditors and accruals.

## NOTES TO THE FINANCIAL STATEMENTS

## 18. MOVEMENT IN FUNDS

Group	As at 1 April 2020 £'000	Income £'000	Expenditure £'000	Transfer / Gift Aid £'000	As at 31 March 2021 £'000
<b>Unrestricted funds: Operating</b>	555	3,671	(3,113)	(543)	570
<b>Unrestricted funds: Designated</b>	-	-	-	653	653
<b>Total unrestricted funds</b>	555	3,671	(3,113)	110	1,223
<b>Capital grants</b>					
Playhouse refurbishment (LCC/ERDF)	866		(28)	-	838
Playhouse refurb (English Partnership)	226		(7)	-	219
Playhouse Acquisition (LCC)	273		(9)	-	264
Everyman Redevelopment	15,715		(509)	-	15,206
11 Hope street (Art council)	940		(25)	-	915
5-9 Hope Street (ACE/NWDA)	1,733		(44)	-	1,689
Playhouse refurbishment (LCC)	507		(27)	-	480
Production Equipment (CRF)	-		-	73	73
	20,260	-	(649)	73	19,684
<b>Revenue grants</b>	218	843	(425)	(183)	453
<b>Total restricted funds</b>	20,478	843	(1,074)	(110)	20,137
<b>Total funds</b>	21,033	4,514	(4,187)	-	21,360
<b>Comprising:</b>					
LMTT	21,014	4,447	(4,117)	-	21,344
LEPP (see note 26)	-	653	(653)	-	-
LEPT (see note 26)	19	67	(70)	-	16
Elimination of consolidation entries	-	(653)	653	-	-
	21,033	4,514	(4,187)	-	21,360

## NOTES TO THE FINANCIAL STATEMENTS

## MOVEMENT IN FUNDS (CONTINUED)

Group	As at 1 April 2019 £'000	Income £'000	Expenditure £'000	Transfer / Gift Aid £'000	As at 31 March 2020 £'000
<b>Unrestricted funds: Operating</b>	547	5,446	(5,438)	-	555
<b>Unrestricted funds: Designated</b>	-	-	-	-	-
<b>Total unrestricted funds</b>	547	5,446	(5,438)	-	555
<b>Capital grants</b>					
Playhouse refurbishment (LCC/ERDF)	894	-	(28)	-	866
Playhouse refurb (English Partnership)	233	-	(7)	-	226
Playhouse Acquisition (LCC)	282	-	(9)	-	273
Everyman Redevelopment	16,248	-	(533)	-	15,715
11 Hope street (Art council)	965	-	(25)	-	940
5-9 Hope Street (ACE/NWDA)	1,777	-	(44)	-	1,733
Playhouse refurbishment (LCC)	534	-	(27)	-	507
	20,933	-	(673)	-	20,260
<b>Revenue grants</b>	11	606	(399)	-	218
<b>Total restricted funds</b>	20,944	606	(1,072)	-	20,478
<b>Total funds</b>	21,491	6,052	(6,510)	-	21,033
<b>Comprising:</b>					
LMTT	21,480	5,513	(5,979)	-	21,014
LEPP (see note 26)	-	2,199	(2,199)	-	-
LEPT (see note 26)	11	569	(561)	-	19
Elimination of consolidation entries	-	(2,229)	2,229	-	-
	21,491	6,052	(6,510)	-	21,033

## NOTES TO THE FINANCIAL STATEMENTS

## MOVEMENT IN FUNDS

Company	As at 1 April 2020 £'000	Income £'000	Expenditure £'000	Transfer / Gift Aid £'000	As at 31 March 2021 £'000
<b>Unrestricted funds: Operating</b>	536	3,605	(3,044)	(543)	554
<b>Unrestricted funds: Designated</b>	-	-	-	653	653
<b>Total unrestricted funds</b>	536	3,605	(3,044)	110	1,207
<b>Capital grants</b>					
Playhouse refurbishment (LCC/ERDF)	866		(28)	-	838
Playhouse refurb (English Partnership)	226		(7)	-	219
Playhouse Acquisition (LCC)	273		(9)	-	264
Everyman Redevelopment	15,715		(509)	-	15,206
11 Hope street (Art council)	940		(25)	-	915
5-9 Hope Street (ACE/NWDA)	1,733		(44)	-	1,689
Playhouse refurbishment (LCC)	507		(27)	-	480
Production Equipment (CRF)	-		-	73	73
	20,260	-	(649)	73	19,684
<b>Revenue grants</b>	218	843	(425)	(183)	453
<b>Total restricted funds</b>	20,478	843	(1,074)	(110)	20,137
<b>Total funds</b>	21,014	4,448	(4,118)	-	21,344

## NOTES TO THE FINANCIAL STATEMENTS

## MOVEMENT IN FUNDS (CONTINUED)

Company	As at 1 April 2019 £'000	Income £'000	Expenditure £'000	Transfer / Gift Aid £'000	As at 31 March 2020 £'000
<b>Unrestricted funds: Operating</b>	536	4,907	(4,907)	-	536
<b>Unrestricted funds: Designated</b>	-	-	-	-	-
<b>Total unrestricted funds</b>	536	4,907	(4,907)	-	536
<b>Capital grants</b>					
Playhouse refurbishment (LCC/ERDF)	894	-	(28)	-	866
Playhouse refurb (English Partnership)	233	-	(7)	-	226
Playhouse Acquisition (LCC)	282	-	(9)	-	273
Everyman Redevelopment	16,248	-	(533)	-	15,715
11 Hope street (Art council)	965	-	(25)	-	940
5-9 Hope Street (ACE/NWDA)	1,777	-	(44)	-	1,733
Playhouse refurbishment (LCC)	534	-	(27)	-	507
	20,933	-	(673)	-	20,260
<b>Revenue grants</b>	11	606	(399)	-	218
<b>Total restricted funds</b>	20,944	606	(1,072)	-	20,478
<b>Total funds</b>	21,480	5,513	(5,979)	-	21,014

Previously capital grants have been received from a number of funders including Arts Council England, Liverpool City Council, English Partnerships, North West Development Agency and ERDF, for a number of refurbishment and redevelopment projects at the Charity's two theatres in Liverpool: the Everyman Theatre and the Liverpool Playhouse. Capital grants are treated as incoming resources in the year of receipt.

Capital grants expenditure includes £650k (2020: £673k) in relation to depreciation of tangible fixed assets acquired with restricted funds in prior years.

Restricted revenue grants of £843k were recognised in the year from, Garfield Weston Foundation, Arts Council England, Cultural Recovery Fund, Backstage Trust, Liverpool City Council and Idlewild Trust to support specific activity undertaken by the Theatres. Restrictions vary by funder and targeted areas such as operating during the Covid pandemic, the support of YEP and various engagement work. The closing £453k of restricted revenue funds, is represented by £383k cash and £70k Debtors. During the year £73k of digital equipment was purchased from funds secured under the Cultural Recovery Fund. As this expenditure was accounted for as expenditure on fixed assets, a transfer between restricted revenue funds and restricted capital grants was made. Future depreciation of these assets will be accounted for as capital grant expenditure as with other fixed assets acquired with restricted funds. A transfer of £110k has also been made from restricted funds to designated funds in respect of support received under the Cultural Recovery Fund, which allowed for an unrestricted funds reflation for any unused ticket income contingency contained within the bid. This fund is being held within a designated risk fund to recognise the continual level of uncertainty presented by the pandemic.

## NOTES TO THE FINANCIAL STATEMENTS

## 19. ANALYSIS OF CONSOLIDATED NET ASSETS BETWEEN FUNDS

Fund balances at 31 March 2021 are represented by:

	Restricted funds £'000	Unrestricted funds £'000	2021 £'000	Restricted funds £'000	Unrestricted funds £'000	2020 £'000
<b>Group</b>						
Tangible fixed assets	19,684	301	19,985	20,260	328	20,588
Cash at bank and in hand	383	1,290	1,673	198	908	1,106
Grants within other debtors	70	66	136	20	7	27
Other current assets	-	448	448	-	329	329
Current liabilities	-	(882)	(882)	-	(1,017)	(1,017)
	<u>20,137</u>	<u>1,223</u>	<u>21,360</u>	<u>20,478</u>	<u>555</u>	<u>21,033</u>
<b>Company</b>						
Tangible fixed assets	19,684	301	19,985	20,260	328	20,588
Cash at bank and in hand	383	1,276	1,659	198	830	1,028
Grants within other debtors	70	66	136	20	7	27
Other current assets	-	434	434	-	343	343
Current liabilities	-	(870)	(870)	-	(972)	(972)
	<u>20,137</u>	<u>1,207</u>	<u>21,344</u>	<u>20,478</u>	<u>536</u>	<u>21,014</u>

## 20. OTHER FINANCIAL COMMITMENTS

The total future minimum lease payments under non-cancellable operating leases of the Group are as follows:

	Land and buildings 2021 £'000	Other 2021 £'000	Total 2021 £'000	Land and buildings 2020 £'000	Other 2020 £'000	Total 2020 £'000
<b>Group and Company</b>						
Amounts due:						
- within one year	9	8	17	9	-	9
- between two and five years	28	15	43	28	-	28
- over five years	544	-	544	544	-	544
	<u>581</u>	<u>23</u>	<u>604</u>	<u>581</u>	<u>-</u>	<u>581</u>

The lease payments due over five years of £544k relate to the long term lease of the Playhouse Theatre, Williamson Square, Liverpool, due to expire 2126.

## 21. CONTINGENT LIABILITIES

## Company

A condition of grants received of £6.2m for the purchase of numbers 5 – 11 Hope Street is made up of fixed and floating charges on the property. In addition, certain grants from the Arts Council and NWDA are repayable in the event of the sale of the property or the liquidation of the Company. The Everyman Theatre redevelopment was part-funded by £5.9m grant from ERDF. A proportion of this grant could become repayable should there be a change in the proportion of the building used for commercial activity.



## NOTES TO THE FINANCIAL STATEMENTS

## 22. CAPITAL COMMITMENTS

	2021 £'000	2020 £'000
Group and Company		
Contracted but not provided for in the financial statements	-	-

## 23. RELATED PARTY DISCLOSURES

## Transactions involving directors

On 1 April 2020 M Da Vanzo was appointed to the board as Chief Executive, as Interim Chief Executive F Gibson stepped down. They received salary payments and reclaimed approved expenses in their roles as employees, including reimbursement of travel and hospitality costs. There were no balances outstanding at the end of the year. G Bodinetz resigned from the Board in May 2019, but continued to be paid as an employee until March 2021.

	2021		
	M Da Vanzo Executive Director	G Bodinetz, Artistic Director	F Gibson Executive Director
Transactions during the period	£	£	£
Gross salary	75,000	-	-
Employer pension contributions	3,750	-	-
Reimbursement of expenses	-	-	-
<b>Balance at end of period 31st March 2021</b>	<b>-</b>	<b>-</b>	<b>-</b>

	2020		
	M Da Vanzo Executive Director	G Bodinetz, Artistic Director	F Gibson Executive Director
Transactions during the period	£	£	£
Gross salary	-	82,400	116,198
Employer pension contributions	-	1,316	-
Reimbursement of expenses	-	0	480
<b>Balance at end of period 31st March 2020</b>	<b>-</b>	<b>-</b>	<b>-</b>

A Nixon, Chair of the Board, received payment for consulting services to the Trust in the Year ended 31st March 2020, but not in 2021. This expenditure was preapproved by the Board:

	2021 £	2020 £
Consulting Services	-	9,800
Reimbursement of expenses	-	-
<b>Balance at end of period 31st March 2021 (2020)</b>	<b>-</b>	<b>-</b>

## NOTES TO THE FINANCIAL STATEMENTS

Helen Blakeman Trustee received payment for a commission of new writing. This expenditure was preapproved by the Board:

	2021	2020
	£	£
New Writing Commission	5,168	-
<b>Balance at end of period 31st March 2021 (2020)</b>	<b>-</b>	<b>-</b>

## Transactions and Balances with Trading Subsidiaries

	2021	2020
	£'000	£'000
<b>Transactions during the period</b>		
<b><i>Liverpool Everyman and Playhouse Productions Limited</i></b>		
Production services provided to LMTT	654	2,199
Production services provided by LMTT	(723)	(2,395)
<b><i>Liverpool Everyman and Playhouse Trading Limited</i></b>		
Donation to LMTT	-	-
Payroll recharges from LMTT	(56)	(301)
Service and overhead charges from LMTT	-	(30)
Recharge of cost of sales from LMTT	-	-
<b>Balances at end of period</b>		
Liverpool Everyman and Playhouse Productions Limited	258	197
Liverpool Everyman and Playhouse Trading Limited	(2)	26

## 24. RECONCILIATION OF NET OUTGOING RESOURCES TO NET CASH USED IN OPERATIONS

	2021	2020
	£'000	£'000
Net expenditure	327	(458)
<b><i>Adjustments for:</i></b>		
Depreciation	676	739
Impairment	-	66
Increase in stocks	(5)	11
Increase in debtors	(223)	195
Decrease in creditors	(135)	(22)
Cash generated from operations	640	531

## NOTES TO THE FINANCIAL STATEMENTS

## 25. RETIREMENT BENEFITS

The Company contributes to defined contribution pension schemes for the benefit of the employees. The assets of the scheme are administered by Trustees in funds independent from those of the Charity.

Pension costs are allocated to activities according to where the related staffing costs have been incurred.

The employer's contribution made to the scheme for 2021 was £42k (2020: £45k). Outstanding contributions at year end were £15k (2020: £9k).

## 26. SUBSIDIARY UNDERTAKINGS

The subsidiary undertakings consolidated at 31<sup>st</sup> March 2021 were as follows:

Name of undertaking	Principle activity	Registered office	Shareholding and voting rights	Class of shares	Country of incorporation
Liverpool Everyman and Playhouse Trading Limited ('LEPT')	Management of commercial activities for the Charity	5-11 Hope Street Liverpool L1 9BH	100%	Ordinary	Great Britain
Liverpool Everyman and Playhouse Productions Limited ('LEPP')	Provision of production services for the Charity	5-11 Hope Street Liverpool L1 9BH	100%	Ordinary	Great Britain

In the year ended 31<sup>st</sup> March 2021, the cumulative profits of LEPT have been retained by LEPT to support the trading arm during COVID-19. In the year ended 31<sup>st</sup> March 2021, LEPP made neither profit nor loss. The trading results and net assets of LEPP and LEPT for the year ended 31<sup>st</sup> March 2021 were as follows:

	LEPP		LEPT	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Turnover	654	2,199	66	569
Operating expenses	(723)	(2,396)	(69)	(561)
Operating profit	(69)	(197)	(3)	8
Tax credit on ordinary activities	69	197	-	-
Profit for the financial period	-	-	(3)	8
Net assets	-	-	16	19

LEPP Company Registration Number: 09231907

LEPT Company Registration Number: 08287910