

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 2023

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## TRUSTEES' ANNUAL REPORT (INCLUDING DIRECTOR'S REPORT AND STRATEGIC REPORT)

### INTRODUCTION

The 2022/23 Financial Year was our first full year of trading with both theatres fully open since the national lockdowns heavily impacted activity during the Covid pandemic. Suba Das joined as Creative Director at the artistic helm of the organisation. Suba formally worked at Leicester Curve and had most recently been the CEO of Hightide, a writer-centred theatre company based in the East of England.

During the year we were also successful in our application to Arts Council England (ACE) to receive recurrent funding as a National Portfolio Organisation (NPO). This was a significant achievement following four years outside NPO funding as we strengthened the organisation's leadership and financial resilience. We'd like to thank all staff and Trustees for their continued dedication and commitment to the theatres and contributing to our successful bid to re-enter the NPO on 1 April 2023. We would like to particularly thank our departing Trustees Bren Hutchinson and Caroline Roberts-Cherry for the immense contribution they have made during their time on the Board.

Given the previous financial year was heavily impacted by Covid-related closures, we have seen an increase in audience numbers during the year with attendances up by 57%. While still not quite back at pre-Covid attendance levels, we were pleased to see that audience confidence is returning, especially between November and January which saw the most successful Christmas season to date with the *Rock n' Roll Panto Red Riding Hood*, at the Everyman and *SIX* at the Playhouse.

We were delighted to continue our commitment to new work, premiering *Corrina, Corrina*, *Our Town Needs a Nandos*, *A Billion Times I Love You*, *Red Riding Hood* and *The Beekeeper of Aleppo* during the year. This was only made possible through our investment of time and resources in new work development over the past five years and we would like to specifically thank Dr Francesca Peschier, our former New Works Associate, for her phenomenal work in this area.

We continue to partner with a wide range of organisations to realise the work on our stages and we would like to thank 20 Stories High, Bristol Old Vic, Bolton Octagon, Cardboard Citizens, Graeae, Headlong Homotopia, New Earth, New Step Theatre, Nottingham Playhouse, Paperwork, Talawa and Theatre by the Lake for their talent and inspiration. Our visiting work is gaining momentum post-Covid with a wonderful array of companies at both theatres throughout the year. While we are still to see the scale of shows that used to tour pre-Covid, confidence is definitely improving in the sector and we look forward to continuing our role as Liverpool's only mid-scale touring venue.

Our commitment to Equity, Diversity and Inclusion continued, with our Diversity Action Group meeting regularly. The Group has now widened its focus to include accessibility. We played an integral role in developing the newly adopted Liverpool Arts & Culture Race Equality Manifesto which over 30 organisations have now signed up to. We also project-led Amal's visit to Liverpool (Amal is a 3-metre-high puppet of a refugee girl), working with a number of Liverpool cultural organisations including the Tate, NML and SOLA. This, coupled with our co-production of *The Beekeeper of Aleppo*, provided an important focus on the plight of refugees in our city and country.

Finally, we send enormous thanks to ACE, LCC and all our donors for their ongoing support of our activities, particularly in these challenging times. We continue more than ever to be committed to the transformational impact of theatre on people in our region and the positive social change it can deliver.



**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 2023.

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).

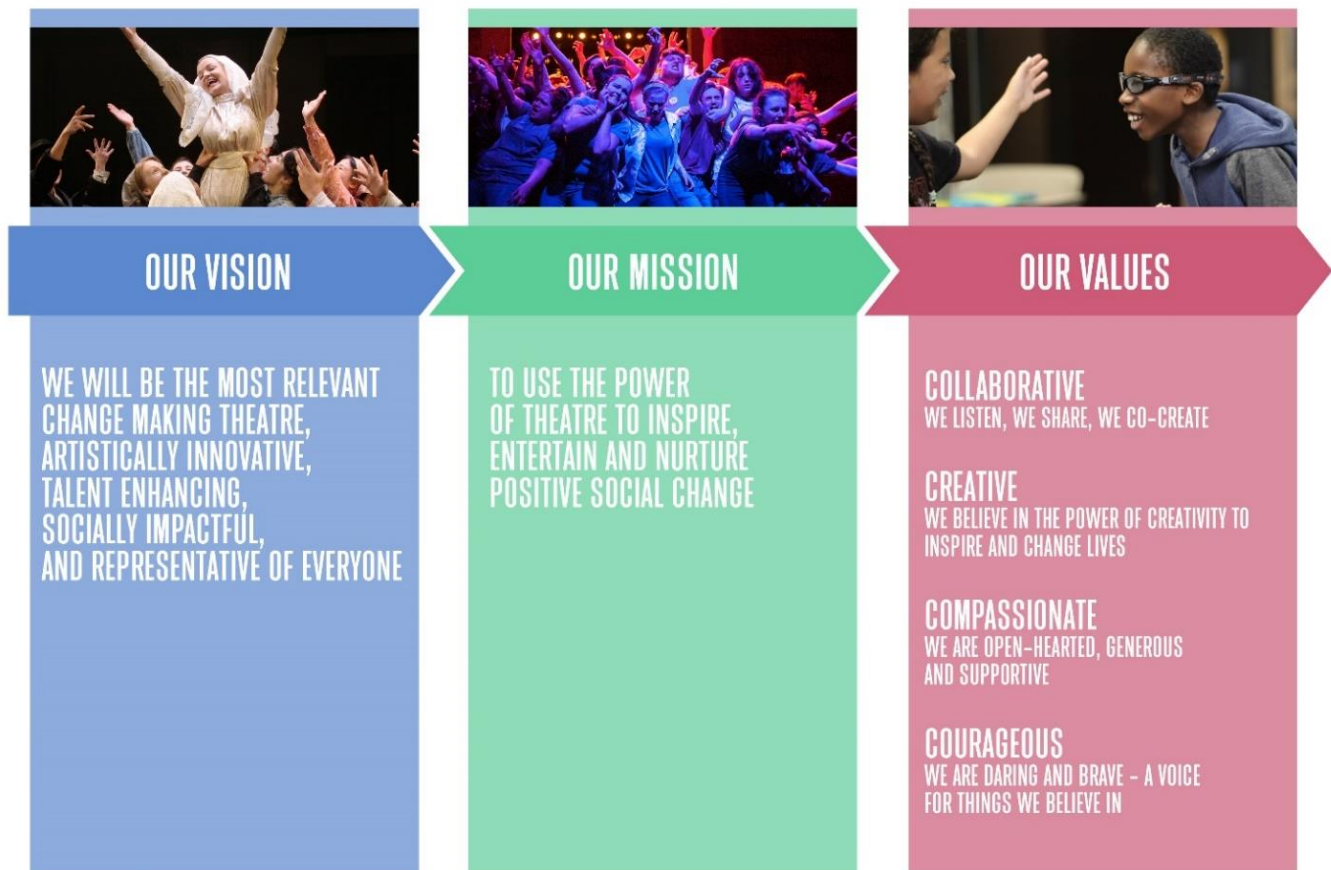
The financial statements have been prepared in accordance with the accounting policies set out in notes 1 to the financial statements and comply with the Charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

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 of quality and range, both in partnership and on our own
- 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

A key strategic ambition for the year was to transition to a new artistic leadership model under Creative Director Suba Das. Suba took up post on 1 April 2022 and oversaw the full programme of artistic delivery including directing both *Red Riding Hood* and *Top Girls* during the year. Suba was supported in this work by the producing and production teams, who did a fantastic job in ensuring both theatres were back up to full speed after the period of Covid closures.

Our commitment to new work continued with five of the seven works produced on the main stage being new writing. We also strengthened our artistic partnerships with a number of organisations to deliver new work. This included 20 Stories High in supporting both *TOUCH + ANTHOLOGY* and *LOOPS* during the year. We also enabled Paperwork Theatre's first mainstage show, *Deep Blue*, as well as celebrating the writing of Patrick Maguire, Homotopia Playwrighting Award Winner, with a production of *A Billion Times I Love You* at the Everyman.

While the touring theatre circuit has been slow to rebuild after Covid, we have been pleased to offer a diverse programme at the Playhouse. Highlights included *Fantastically Great Women Who Changed the World*, *Funeral Flowers*, *The Meaning of Zong*, *Othello*, *The Importance of Being Earnest* and *Noughts and Crosses*. We also received *SIX* the musical over the Christmas period which led to the most financially successful Christmas over the two theatres that the Trust has ever had.

Alongside the work on our stages, we continue to support creative talent through our Playhouse Studio and other performance spaces, a real highlight being *DOGS*, a new work from New Step Theatre (Joe Ward Munrow and Nathan Powell). Our work with young people and in our local communities continues and we were delighted to appoint Hayley Lindley-Thornhill as our new Head of Young People and Community to head up these areas.



## REVIEW OF ACTIVITIES

### STRATEGIC REPORT

The description under the headings "Achievements and performance" and "Financial review" meet the company law requirements for the trustees to present a strategic report.

### ACHIEVEMENTS AND PERFORMANCE

A full list of the work we produced, received and supported:

#### In-House Work

##### ***Corrina, Corrina***

A co-production with Headlong

17 May to 4 June 2022, Everyman

Written by Chloë Moss

Directed by Holly Race Roughan

Cast included James Bradwell, David Crellin,  
Laura Elsworth, Mike Noble, Angelo Paragoso,  
Martin Sarreal



★★★★★ *"You won't see a better piece of theatre"* Liverpool Echo

★★★★★ *"Holly Race Roughan's production has a balletic intensity"* The Stage

##### ***Our Town Needs A Nandos***

23 June to 2 July 2022, Everyman

Written by Samantha O'Rourke

Directed by Ameera Conrad

Cast included Nadia Anim, Chloe Hughes,  
Mali O'Donnell, Kalli Tant, Jada-Li Warrican



★★★★★ *"A funny, touching and riotous showcase of what it's like to be a teenager"* Liverpool Echo

★★★★★ *"Exciting emerging talent"* The Stage

## REVIEW OF ACTIVITIES

### ***One Man, Two Guvnors***

A co-production with Bolton Octagon and Theatre By The Lake

29 June to 16 July 2022, Playhouse

Written by Richard Bean

Directed by Lotte Wakeham

Cast included Siobhan Athwal, Alexander Bean, Matthew Ganley, Laurie Jamieson, Polly Lister, Qasim Mahmood, Rodney Matthew, Javier Marzan, Jordan Pearson, Karl Seth, Lauren Sturgess



★★★★★ *"An absolute riot"* Arts City Liverpool

★★★★★ *"Full-throated belly laughs from beginning to end"* The Stage

### ***A Billion Times I Love You***

27 September to 8 October 2022, Everyman

Written by Patrick Maguire

Directed by Jessica Meade

Cast included Mary Higgins, Melissa Lowe



★★★★★ *"This is certainly a story for everyone, but telling it from the perspective of these two women is of huge importance"* Good News Liverpool

★★★ *"Maguire's writing has plenty of relatable moments and some great comic lines"* The Stage

### ***Red Riding Hood***

25 November 2022 to 14 January 2023, Everyman

Written by Peter Rowe

Directed by Suba Das

Cast included Aminita Francis, Keaton Guimaraes-Tolley, Jennifer Hynes, Damien James, Rebecca Levy, Robert Penny, Adam Keast, Paislie Reid, Ben Welch



★★★★★ *"Christmas in Liverpool just isn't Christmas without the Rock 'n' Roll panto"* The Guide ★★★★★  
*"Joyfully communal, entirely daft fun"* The Stage

## REVIEW OF ACTIVITIES

### ***The Beekeeper of Aleppo***

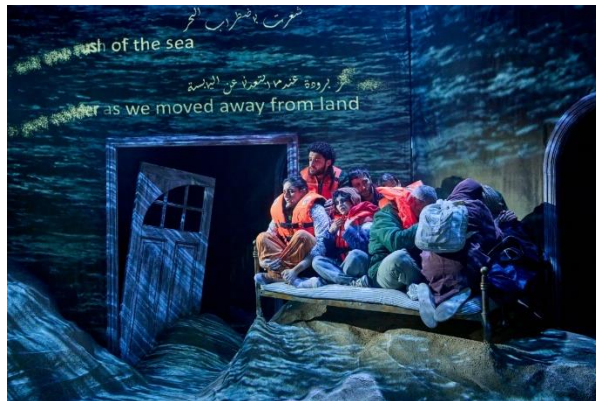
A co-production with Nottingham Playhouse and UK Productions Ltd

1 to 11 March 2022, Playhouse

Adapted for the stage by Nesrin Alrefaai and Matthew Spangler

From the acclaimed novel by Christy Lefteri

Cast included Alfred Clay, Lily Demir, Roxy Faridany, Daphne Kouma, Josphe Long, Elham Mahyoub, Aram Mardourian, Nadia Williams, Fanos Xenofós



★★★★★ *"A truly eye-opening must-see production"* The Reviews Hub

★★★★★ *"Sparklingly assured"* The Telegraph

### ***Top Girls***

3 to 25 March 2023, Everyman

Written by Caryl Churchill

Directed by Suba Das

Cast included Nadia Anim, Saffron Dey, Alicya Eyo, Sky Frances, Tal Gouveia, Alisa Joy, Lauren Lane, Natalie Thomas



★★★★★ *"delivered with top-notch timing from the nine strong ensemble cast"* St Helen's Star

★★★★★ *"Caryl Churchill's feminist classic still packs a punch"* The Daily Telegraph



## REVIEW OF ACTIVITIES

### Supported Work

#### ***Footsteps to Change: Abolition & Activism***

12 to 14 May 2022

Walking Tour commissioned in support of  
*The Meaning of Zong*, visiting the Playhouse  
from Bristol Old Vic



#### ***Swing Sister Swing***

By Natasha Brown

10 to 11 June 2022, Everyman



#### ***DOGS***

Created by New Step Theatre

12 to 15 October 2022, Playhouse Studio



## REVIEW OF ACTIVITIES

### ***Deep Blue***

Created by Paperwork

20 to 22 October 2022, Everyman



### ***TOUCHY + ANTHOLOGY***

Created by 20 Stories High

3 to 4 November 2022, Everyman



### ***Queercore Showcase: Try Something New***

Collaboration with Homotopia

5 November 2022, Playhouse Studio



### ***LOOPS***

Created by 20 Stories High

February 2023, toured schools and community settings



## REVIEW OF ACTIVITIES

## Visiting Work

<i>Fantastically Great Women Who Changed the World</i>	25 March to 3 April 2022	Playhouse
<i>Sheila's Island</i>	5 to 9 April 2022	Playhouse
<i>The Tiger Who Came to Tea</i>	12 to 16 April 2022	Playhouse
<i>Funeral Flowers</i>	13 to 14 April 2022	Everyman
<i>John Shuttleworth is Back</i>	20 April 2022	Playhouse
<i>Lou Saunders: One Word: WOW</i>	23 April 2022	Playhouse
<i>Animal Farm</i>	26 to 30 April 2022	Playhouse
<i>Count Arthur Strong</i>	4 May 2022	Playhouse
<i>Craig Revel Horwood</i>	5 May 2022	Playhouse
<i>The Meaning of Zong</i>	10 to 14 May 2022	Playhouse
<i>The Rise and Fall of Little Voice</i>	16 to 21 May 2022	Playhouse
<i>As You Like It</i>	24 to 28 May 2022	Playhouse
<i>Zog and the Flying Doctors</i>	2 to 4 June 2022	Playhouse
<i>A Lovely Word Poetry Festival</i>	5 to 9 July 2022	Everyman
<i>The Choir With No Name: The Big Gig</i>	9 September 2022	Everyman
<i>Drunk Women Solving Crime</i>	10 September 2022	Everyman
<i>Melanie C In Conversation</i>	14 September 2022	Everyman
<i>Russell Brand: 33</i>	6 to 7 October 2022	Playhouse
<i>Joanne Mc Nally: Prosecco Express</i>	22 October 2022	Playhouse
<i>The King of Reggae</i>	16 September 2022	Playhouse
<i>Kiri Pritchard McLean: Home Truths</i>	17 September 2022	Playhouse
<i>Jarvis Cocker: Good Pop, Bad Pop</i>	30 September 2022	Playhouse
<i>Othello</i>	4 to 8 October 2022	Playhouse
<i>The Importance of Being Earnest</i>	11 to 15 October 2022	Playhouse
<i>The Smartest Giant in Town</i>	25 to 29 October 2022	Playhouse
<i>An Audience with The Scaffold</i>	29 October 2022	Everyman
<i>Brown Girls Do It Too</i>	4 November 2022	Playhouse
<i>David O'Doherty: whoa is me</i>	11 November 2022	Playhouse
<i>Flo &amp; Joan: Sweet Release</i>	12 November 2022	Playhouse
<i>Mark Thomas: Black and White</i>	16 to 17 November 2022	Playhouse
<i>Les Dawson: Flying High</i>	18 to 19 November 2022	Playhouse
<i>Noughts and Crosses</i>	22 to 26 November 2022	Playhouse
<i>SIX The Musical</i>	6 December 2022 to 8 January 2023	Playhouse
<i>Guz Kahn Live</i>	28 January 2023	Playhouse
<i>Death Drop: Back in the Habit</i>	7 to 11 February 2023	Playhouse
<i>The Very Hungry Caterpillar</i>	14 to 18 February 2023	Playhouse
<i>Danny Beard LIVE</i>	23 February 2023	Playhouse
<i>Magical Bones: Soulful Magic</i>	17 March 2023	Playhouse
<i>The One Like Judi Love</i>	18 March 2023	Playhouse
<i>The Best Exotic Marigold Hotel</i>	21 to 25 March 2023	Playhouse

## REVIEW OF ACTIVITIES

### Young Everyman & Playhouse (YEP)

#### *Save the Night* devised by the YEP company

13 to 14 April 2022, Everyman



#### *YEP Directors Festival 2022*

4 to 14 July 2022, Everyman



### YEP Graduate Projects

#### *Silent Cicada*

28 to 29 October 2022

#### *Sorry You're Not A Winner*

11 to 12 November 2022

#### *Service: That week with the Rats* Screening

25 November 2022

Playhouse Studio



#### **SERVICE**

Writer: Moshyn Jones

Director: Martyna Puciatto

Producer: Bethany Howells



## REVIEW OF ACTIVITIES

### Young Everyman Playhouse (YEP)

Our Young Everyman Playhouse (YEP) had another busy year with activity running across six strands: Acting, Directing, Marketing, Producing, Technical and Writing. A real feature of the year was the engagement of external creative practitioners to assist with the delivery of the YEP strands including:

- Hannah Aspinall
- Luke Barnes
- Hayleg Greggs
- Rob Green
- Jonathan Larkin
- Kath McGurk
- Danielle McLauren
- Sean McLoughlin
- Lizzie Nunnery
- Julia Samuels
- Chris Sonnex
- Ugly Bucket Theatre Company
- Harriet Warnock



YEP's proud tradition of staging a large, devised show continued with *Save the Night* – an offbeat cabaret celebration with moments of real poignancy, heart and political resonance. Our commitment to providing opportunities for YEP members to work on main stage shows also continued with Mel Ratcliffe being employed as second director on *Our Town Needs a Nando's*, her first professional directing credit. Our Producers brought us *FEMME*, a studio project with a fresh take on some of classical literature's scorned heroines. Former YEP Technician Kieran Singh now leads our Base Techs alongside YEP Mentor Robert Awork, in supporting YEP activities throughout the year.



Over the summer period we led four weeks of Summer School which ran at capacity with four groups in total. This was followed by two 2nd year productions in the Playhouse Studio – *Silent Cicada*, written and directed by Lorna McCoid and *Sorry, You're not a Winner* directed by Mel Ratcliffe.

Alongside the successful appointment of Hayley Lindley-Thornhill as our new Head of Young People and Community, we also have a newly appointed Young People & Community Producer, Helen Webster. Hayley had most recently worked in the community department at Storyhouse and Helen has worked for the theatres since 2013 in a variety of roles. With YEP in such demand, partly due to the fact that it is free to join, Hayley and Helen are taking time to consider how best to ensure YEP is reaching those young people with the greatest need. They are also ensuring that YEP is joined up with the other areas of the theatre and provides as many opportunities for young people as possible.

## REVIEW OF ACTIVITIES

### Attendances

2022/23 saw attendances increase by 57% compared to 2021/22 with 112,043 seats sold compared to 71,343 in the previous year. This is however only 81% of pre pandemic sales for 2019/20. Despite some further cancelled shows and projects due to COVID, there was an increase in audience confidence with a 58% increase in bookers compared to 2021/22. This remains 8% lower than pre-pandemic levels and was driven by a very strong performing Christmas at the Playhouse which attracted a significant number of new bookers, and visitors from outside the Liverpool City Region. New bookers at the Playhouse were 38% and at the Everyman 35% of overall audiences, while bookers from outside Liverpool City Region were 24% at the Everyman and 35% at the Playhouse; higher than the 2021/22 figure of 28%.

Average ticket yield increased by 13% from £16.92 in 2021/22 to £19.19. We continued to offer discounted tickets to schools and education groups (6,707 tickets), with 1,161 tickets to Young Everyman Playhouse members, 1,232 tickets to community groups and 2,183 to support accessibility. Thanks to our partnership with Edge Hill University, we were once again able to share the Rock 'n' Roll panto *Red Riding Hood* digitally to patients, families and staff at Alder Hey Children's Hospital.

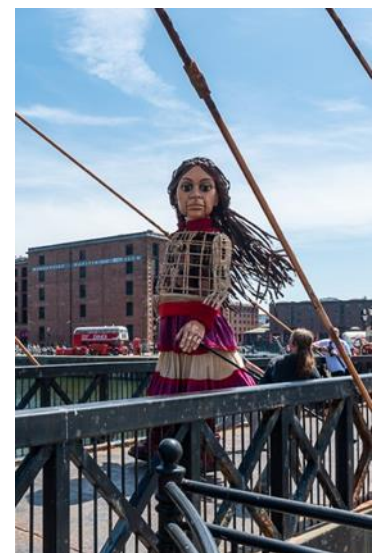
We hosted regular free and paid events downstairs at the Everyman which included Drag Cabaret, A Lovely Word, DBY Murder Mysteries, Mellowtone music nights and Reel Tours Movie Quiz. We tested film screenings at the Playhouse, working with Reel Tours, showing *Hocus Pocus* and *Encanto* for families, and cult movies *The Blues Brothers* and *John Carpenter's The Fog*.

### Community

Under the oversight of our new Head of Young People and Community, we have been rethinking the way the Everyman and Playhouse works with its communities, seeking to build on our successful partnerships with established grassroots organisations. It was encouraging to see the return of some of our community audiences (i.e. those eligible to buy a community rate ticket) to productions post-Covid, with 698 tickets booked through our community links for the Rock 'n' Roll Panto *Red Riding Hood*.

Activities included:

- Continuing to work with MerseyCare's Life Rooms initiative, using our front of house spaces to offer creative workshops for their clients with mental health needs. While MerseyCare will be looking to relocate this activity to the Central Library, we will still provide Confidence Through Drama and Creative Writing face to face sessions.
- Employing a relationship manager to work with Sola Arts and deliver family arts sessions with newly arrived refugee families from the Ukraine, Syria, El Salvador. We welcomed over 100 supported young people and their families to see shows throughout the year and provided a range of associated activities. We also worked closely with Sola Arts to bring Amal, a three-metre-high puppet of a refugee girl, to Liverpool. As well as visiting the docks, Amal spent time with children in one of the local schools we work with regularly.
- Delivering sessions on devising plays with Harmonize Academy, who provide alternative education to young people who have struggled in mainstream school.



## REVIEW OF ACTIVITIES

- Working with Tiber young people and Tate Liverpool on a family fun day event on Lodge Lane in the summer. The Tiber Young Event Producers group continued their sessions and produced a Christmas event for the public in Tiber Square in Liverpool 8. They had a series of Grottos with elves, Father Christmas and a “Scrooge” section which over 300 local residents and families were able to enjoy.
- Working with young patients at Alder Hey Childrens’ Hospital, exploring different art forms and creative play. Alder Hey Dewi Jones unit brought a group to visit the Everyman for a tour. The group is comprised of young people who are in alternate education provision and their support workers. The group have devised and written a short scene that was performed in Ev1 at the end of February.
- Welcoming Hope University performing arts and education students for a teambuilding day, with tours, workshops and access to rehearsals. We worked with Hope University throughout the year on the development of their community outreach work, leading up to the Angel Fields Festival.
- Launching Rise Music Education Mini Maestros in the street café on Saturdays. A family music session for which we reserve 5 free spaces at each session for families we work with who may not usually be able to engage or pay for this activity.
- Working with PSS to run weekly drama sessions for adults with learning disabilities and delivering sessions with Wilful Misfits for neurodiverse young people.
- Distributing new work, *Thirst Trap*, to carers through ‘My Time,’ an organisation that works to offer breaks and retreats to those who care for loved ones. *Thirst Trap* is delivered in a box to audiences which they experience in their own time, in their own home.
- Working with Barnardo’s Young Adult Carers to offer young adults an opportunity for some “me time” in a safe, neutral, welcoming environment.
- Delivering Weekly play readings with adults over 50 online, with the oldest member of the group having turned 90 this year. She says its “the highlight of her week”. She and several members of the group are donors, others attend plays at the theatres and one member has taken up acting semi-professionally and has appeared on stage and in a film.
- Working with Collective Encounters to support a women’s writing group as well as sessions with looked after children



## REVIEW OF ACTIVITIES

### Our Commitment to Equity, Diversity & Inclusion

We strive to be an organisation that understands what it means to be a welcoming and safe space for all. We aim to reflect the diversity of our communities through the work on our stages, our workforce, those we partner with, our engagement activities and by ensuring our buildings are as accessible as they can be.

We have listened to our freelance community, practitioners and ex-staff members as they have generously shared their past experiences of working with us. Through these conversations we are aware that we hadn't done enough in the past and are committed to listening, learning and acting, both now and in the future. We currently have a particular focus on ethnic diversity, 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 have acknowledged the impact of institutional racism in our sector and are working hard to ensure that we are an anti-racist organisation and that our initiatives do not perpetuate inequality.

Our established Diversity Action Group (DAG) made up of staff, board members and paid external co-opted members to agree measurable targets in the short, medium and long-term and monitor our progress on the journey. We have adopted the Anti-Racism Touring Rider and implemented our own code of conduct and safes spaces charter. We have also signed up to the Liverpool Arts & Culture Race Equality Manifesto alongside 30 other cultural organisations.

We truly want everyone who comes through our doors to feel welcome and safe, regardless of their background or means. We are taking some immediate positive actions but are committed to profound ongoing change.

### 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:

- 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 – Reduce, Reuse, and Recycle
- Taking positive steps to reduce our energy and water use
- Monitoring and evaluating our impacts, contributing 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 and taking practical steps to implement the recommendations of the Theatre Green Book





## REVIEW OF ACTIVITIES

### FINANCIAL REVIEW

The financial results for the year are set out from page 27 onwards. Our financial result for the year, after depreciation, was a deficit of £685k (2022: £562k deficit). Our in-year depreciation costs were £676k (2022: £678k). The result for the year prior to the depreciation charge was a deficit of £9k (2022: £116k surplus). The total deficit for the year after depreciation of £685k comprised a deficit on restricted funds of £623k and a deficit on unrestricted funds of £62k. The unrestricted funds deficit is made up of a surplus on operating funds of £15k after budgeted expenditure of £77k from designated funds. Prior to the depreciation charge, the deficit for the year of £9k comprised a surplus on restricted funds of £31k and a deficit on unrestricted funds of £40k.

This closing position and fund balance itemised below is key to underpinning our financial resilience as we face continuing box office uncertainty and the rising costs of living.

### Reserves policy

The Trustees 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 (2023: £612k 2022: £604k, 2021: £570k) and 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 during uncertain inflationary times

The value of designated funds at 31 March 2023 was £987k (2022: £1,064k) made up of:

- a £650k Risk Fund to protect against the monthly financial run rate, which traditionally sees month on month losses early in the financial year, with a return to financial balance during the Christmas season. The fund is also held to offset future ticket income risks associated with current challenges in the economy and the risk of audience's reduced spend on Theatre visits.
- a £128k Building Fund to fund future improvements to the Playhouse.
- a £209k Artistic Innovation Fund to support the future ambition of our business plans.

In the current economic climate, the Trustees recognise that should the need arise, the £650k 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 2023 was £303k (2022: £317k). 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:

## REVIEW OF ACTIVITIES

	2023 £'000	2022 £'000
Unrestricted funds: Operating	619	604
Unrestricted Fixed Assets	(316)	(287)
<b>Free Reserves</b>	<b>303</b>	<b>317</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 deposit (no more than three months' fixed-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, confirming that systems have been established to mitigate and lessen these risks. A risk register is closely monitored and formally reviewed by Trustees 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, with 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 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.

## REVIEW OF ACTIVITIES

The principal risks and uncertainties faced by LMTT (as identified in the current risk register) are:

Risk Category	Risk
<b>External</b>	External factors adversely impact organisation's ability to operate (e.g. pace of post-COVID economic recovery, Ukraine invasion, audience confidence, cost of living and energy increases)
<b>Operational</b>	Retention/recruitment of key staff, inability to recruit core capabilities following staff departures or long-term sick leave. Loss of institutional knowledge, low staff morale.
<b>Financial</b>	Insufficient reserves to ensure long-term future viability of the organisation and its Going Concern status
<b>Financial</b>	Retain LCC level of funding; fulfil the terms required by ACE and LCC funding agreements; or meet fundraising budgetary targets
<b>Operational</b>	A critical part of the Playhouse or Everyman building infrastructure, or piece of equipment, fails which needs urgent and costly repair/replacement

Arts Council England (ACE) are currently providing funding as a member of their NPO portfolio for 2023-26. We have secured Liverpool City Council (LCC) funding through the Culture and Arts Investment Programme through to 2026, 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 poses a continued threat and it is hard to predict how long it will take consumer confidence to return. 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 to March 2024 aims to carefully balance the risks we have identified and build back audience confidence in returning to our theatres.

## REVIEW OF ACTIVITIES

### The Future

Our application to re-join Arts Council England's National Portfolio of arts organisations was successful, providing certainty of funding through to 2026. Our business plan now fully incorporates ACE's Investment Principles and sets out how we will continue to fulfil our charitable objectives and deliver to the outcomes of ACE's *Let's Create* and the Liverpool City Council's Cultural Strategy. Through the active management of costs and planned application of funds, our future planning is underpinned by a financial strategy that recognises the rising costs of inflation and risk still inherent in the current operating climate.

Suba Das stepped down from his position as Creative Director in August 2023 and the Board are working with ACE and LCC to assess our artistic leadership model going forwards whilst we work with a number of artistic advisors and associate companies. Any future model will continue to grow our partnerships with other creative organisations, who align with our values, to work together in delivering to the communities we serve and achieving the aims of our Business Plan and the outcomes of our charitable objectives and those of our funders.

We will continue to develop our Diversity Action Group, with its widened remit to focus on other areas of inclusion, informed by the protected characteristics defined in the Equalities Act 2010. We will also continue to support a Youth Advisory Group to inform our practice and initiatives with Young People.

While it is still very hard to predict audience patterns following Covid, which in turn make it difficult to programme and budget with certainty, we will continue being a creative beacon for our city, region and country. We thank ACE and LCC for their ongoing support.

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

On 1 April 2020, our 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.

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

- Liverpool Everyman & Playhouse Trading Limited (LEPT) manages the trading activities for the Everyman and Playhouse Theatres
- Liverpool Everyman & Playhouse Productions Limited (LEPP) through which productions are commissioned in the previous year

The Trust decided to wind down LEPP Production company and TTR claims will be made in future through the parent Charity's accounts. LEPP was dormant in the period.

### 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.



## REVIEW OF ACTIVITIES

### Fundraising Standards

The Charity contracts fundraising professionals to manage the relationships with education partners, corporate sponsors and individual givers and donors. They 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.

## 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, Trustees hope to both improve the transparency and breadth of reporting and demonstrate exemplary leadership and governance on behalf of staff, stakeholders and supporters.

### 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)	P Evans
P Bibby (Vice Chair)	P Fahey (appointed 17 May 2023)
J Bierman (appointed 22 November 2022)	J Jones
H Blakeman	C Mankabady
A Causley	N M Russell
M Clarke	C Sanger-Davies
M Da Vanzo	A Smith

#### Former Directors/Trustees

B Hutchinson (retired 22 November 2022)	C Roberts-Cherry (resigned 29 March 2022)
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## REVIEW OF ACTIVITIES

### Board Composition

Trustees' service is for 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. All appointments are publicly advertised and 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.

### Company Secretary

M Da Vanzo

### Reference and Administrative Details

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

## 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 Strategic report, the report of the Trustees and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the trustees must prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable Company and 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;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable Company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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.

#### Auditor

In accordance with the company's articles, a resolution proposing that DSG be reappointed as auditor of the company will be put at a General Meeting.

### 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.

The trustees' report, including the strategic report, was approved by the Board of Trustees on 23 November 2023.



**Andrea Nixon**  
Chair

## REVIEW OF ACTIVITIES

## 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 2023 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 2023 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 conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the

## REVIEW OF ACTIVITIES

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.

## 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



## REVIEW OF ACTIVITIES

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

23 November 2023



## REVIEW OF ACTIVITIES

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(INCLUDING CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT)

For the year ended 31<sup>st</sup> March 2023

		Unrestricted funds £'000	Restricted funds £'000	Total funds 2023 £'000	Total funds 2022 £'000
	Note				
<b>INCOME</b>					
Donations and Legacies		125	-	125	126
Charitable Activities	2,4	4,995	137	5,132	4,495
Other Trading Activities	2,6	541	-	541	290
Investments		-	-	-	-
<b>TOTAL INCOME</b>		<u>5,661</u>	<u>137</u>	<u>5,798</u>	<u>4,911</u>
<b>EXPENDITURE</b>					
Raising Funds	7	(437)	-	(437)	(203)
Charitable Activities	8	(5,286)	(760)	(6,046)	(5,270)
<b>TOTAL EXPENDITURE</b>		<u>(5,723)</u>	<u>(760)</u>	<u>(6,483)</u>	<u>(5,473)</u>
<b>NET INCOME / (EXPENDITURE)</b>		<u>(62)</u>	<u>(623)</u>	<u>(685)</u>	<u>(562)</u>
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward	18	1,668	19,130	20,798	21,360
Net Income / (Expenditure)		(62)	(623)	(685)	(562)
Transfer Between Funds		-	-	-	-
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>1,606</u>	<u>18,507</u>	<u>20,113</u>	<u>20,798</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

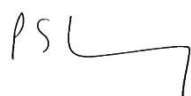
AS AT 31<sup>ST</sup> MARCH 2023

		Group		Company	
		2023	2022	2023	2022
	Note	£'000	£'000	£'000	£'000
<b>FIXED ASSETS</b>					
Tangible assets	12	18,686	19,314	18,686	19,314
Investments	13, 26	-	-	-	-
		<u>18,686</u>	<u>19,314</u>	<u>18,686</u>	<u>19,314</u>
<b>CURRENT ASSETS</b>					
Stocks	14	19	19	-	-
Debtors- due in less than one year	15	1,086	704	1,012	703
Cash in bank and in hand		1,541	2,018	1,543	1,963
		<u>2,646</u>	<u>2,741</u>	<u>2,555</u>	<u>2,666</u>
<b>CURRENT LIABILITIES</b>					
Creditors: falling due within one year	16	(1,219)	(1,257)	(1,219)	(1,250)
		<u>(1,219)</u>	<u>(1,257)</u>	<u>(1,219)</u>	<u>(1,250)</u>
<b>NET CURRENT ASSETS</b>		<u>1,427</u>	<u>1,484</u>	<u>1,336</u>	<u>1,416</u>
<b>NET ASSETS</b>		<u><b>20,113</b></u>	<u><b>20,798</b></u>	<u><b>20,022</b></u>	<u><b>20,730</b></u>
<b>FINANCED BY:</b>					
Unrestricted funds: Operating	18	619	604	528	536
Unrestricted funds: Designated	18	987	1,064	987	1,064
<b>TOTAL UNRESTRICTED FUNDS</b>	18	<u>1,606</u>	<u>1,668</u>	<u>1,515</u>	<u>1,600</u>
Restricted funds	18	18,507	19,130	18,507	19,130
<b>TOTAL FUNDS</b>		<u><b>20,113</b></u>	<u><b>20,798</b></u>	<u><b>20,022</b></u>	<u><b>20,730</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 loss for the financial period of the Company was £85k. The restricted fund loss for the period (including depreciation) was £623k. Therefore, the combined loss for the financial period of the Company was £708k (31 March 2022: £614k loss).

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

These financial statements were approved and authorised for issue by the board of Directors on 23 November 2023.  
Signed on behalf of the Trustees



**P Bibby**  
Director



**A Nixon**  
Chair

## CONSOLIDATED STATEMENT OF CASHFLOWS

For the year ended 31<sup>st</sup> March 2023

	Note	2023 £'000	2022 £'000
<b>NET CASH FROM OPERATING ACTIVITIES</b>	24	<b>(429)</b>	<b>352</b>
<b>INVESTING ACTIVITIES</b>			
Purchase of tangible fixed assets		(48)	(7)
		-	-
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(48)</b>	<b>(7)</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>		<b>(477)</b>	<b>345</b>
Cash and cash equivalents at beginning of year		2,018	1,673
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		<b>1,541</b>	<b>2,018</b>
<b>Cash and cash equivalents consist of:</b>			
Cash at bank and in hand		1,541	2,018
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>		<b>1,541</b>	<b>2,018</b>

## 1. ACCOUNTING POLICIES

### General information

The Liverpool and Merseyside Theatres Trust Limited (“the Company”, “the Charity” or “LMTT”) was incorporated on 8th July 1999 (Company Registration No. 03802476). It is a private company limited by guarantee and it is governed by its Memorandum of Association dated 17th June 1999 (and as amended 22nd September 2011, 10th November 2005, 23rd 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 1st 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 concluded 2022/23 in a reasonably strong position, including a favourable post year-end adjustment of £56k relating to our TTR claim. During the 2023/24 year, we have been able to programme a full season of work at both houses. Despite experiencing a difficult start to 2023/24 with two shows underperforming at Box Office and the departure of our Creative Director and associated unbudgeted costs, we are confident that through a continued focus on cost control and prudent use of designated reserves, we will be able to effectively mitigate the position and still deliver a small surplus.

Looking forward to the 2024/25 financial year, we are reassured by our recurrent funding as a National Portfolio Organisation (NPO) of Arts Council England (ACE) alongside ongoing revenue funding from the Liverpool City Council (LCC) through their Cultural Arts Investment Programme (CAIP).

### Current Situation ACE

In November 2022, Arts Council England (ACE), confirmed a three-year grant of £5.4m in support of the LMTT’s activities for the period 1 April 2023 to 31 March 2026.



### Current Situation LCC

In February 2023, LCC notified us that our application for CAIP funding for the period 2023-26 had been successful and confirmed £500k of funding for 2023/24. While the grant has been awarded on a recurring basis, LCC Cabinet still confirms grant funding annually in March of each year.

In light of the uncertainty presented by the current economic climate, the Trustees have carefully considered the financial projection and reserves position 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 cash reserves and level funds held, the expected level of income, expenditure, and projected cash flows over this period. ACE and LCC have confirmed 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 the 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 31st March 2022.

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.

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 funds 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.

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.

### 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.

## 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.

## 2. INCOME

	Unrestricted funds £'000	Restricted funds £'000	2023 £'000	Unrestricted funds £'000	Restricted funds £'000	2022 £'000
Donations and Legacies	125	-	125	126	-	126
Charitable Activities	4,995	137	5,132	3,727	768	4,495
Other Trading Activities	541	-	541	290	-	290
	<u>5,661</u>	<u>137</u>	<u>5,798</u>	<u>4,143</u>	<u>768</u>	<u>4,911</u>

## 3. EXPENDITURE ON ACTIVITIES

	Unrestricted funds £'000	Restricted funds £'000	2023 £'000	Unrestricted funds £'000	Restricted funds £'000	2022 £'000
Raising Funds	(437)	-	(437)	(203)	-	(203)
Charitable Activities	(5,338)	(708)	(6,046)	(3,495)	(1,775)	(5,270)
	<u>(5,775)</u>	<u>(708)</u>	<u>(6,483)</u>	<u>(3,698)</u>	<u>(1,775)</u>	<u>(5,473)</u>

## 4. INCOME FROM CHARITABLE ACTIVITIES

	2023 £'000	2022 £'000
<b>Unrestricted</b>		
Box office income	735	1,269
Income from co-productions	1,947	45
Education and literary income	30	12
Membership	<u>5</u>	<u>5</u>
	<u>2,717</u>	<u>1,331</u>
<b>Restricted and Unrestricted</b>		
Grant income (note 5)	<u>2,415</u>	<u>3,164</u>
	<u>5,132</u>	<u>4,495</u>



## 5. GRANTS RECEIVABLE

	2023 £'000	2022 £'000
<b>Unrestricted</b>		
Arts Council England	1,680	1,680
Liverpool City Council	589	589
Other	9	127
	<u>2,278</u>	<u>2,396</u>
<b>Restricted</b>		
Capital	-	-
Revenue	137	768
	<u>137</u>	<u>768</u>
<b>Total grants receivable</b>	<u><b>2,415</b></u>	<u><b>3,164</b></u>

In 2022 Other unrestricted grants include £78k of support received through the Coronavirus Job Retention Scheme, with the corresponding expenditure in unrestricted expenditure on charitable activities.

## 6. OTHER TRADING ACTIVITIES

	2023 £'000	2022 £'000
<b>Unrestricted</b>		
Catering, events and bars	541	280
LMTT Retail	-	10
<b>Total trading activities income</b>	<u>541</u>	<u>290</u>

## 7. RAISING FUNDS

	2023 £'000	2022 £'000
<b>Unrestricted</b>		
Catering, events and bars	(437)	(202)
LMTT Retail	-	(1)
	<u>(437)</u>	<u>(203)</u>

## 8. COSTS OF CHARITABLE ACTIVITIES

	Unrestricted £'000	Restricted £'000	2023 £'000	Unrestricted £'000	Restricted £'000	2022 £'000
<b>Activities undertaken directly</b>						
Artistic	2,404	106	2,510	1,129	1,118	2,247
Technical	924	-	924	892	-	892
Theatre Tax Credits	(434)	-	(434)	(278)	-	(278)
	<u>2,894</u>	<u>106</u>	<u>3,000</u>	<u>1,743</u>	<u>1,118</u>	<u>2,861</u>
<b>Support costs</b>						
Operations & commercial	1,169	-	1,169	1,156	-	1,156
Administrative & building						
expenses	576	-	576	25	-	25
Marketing & sales	600	-	600	527	-	527
Depreciation & Impairment	22	654	676	21	657	678
	<u>2,367</u>	<u>654</u>	<u>3,021</u>	<u>1,729</u>	<u>657</u>	<u>2,386</u>
<b>Governance Costs</b>						
Audit fees	22	-	22	20	-	20
Other fees to auditors	3	-	3	3	-	3
	<u>25</u>	<u>-</u>	<u>25</u>	<u>23</u>	<u>-</u>	<u>23</u>
	<u>5,286</u>	<u>760</u>	<u>6,046</u>	<u>3,495</u>	<u>1,775</u>	<u>5,270</u>

## 9. EMPLOYEE INFORMATION

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Wages and salaries	2,422	2,127
Social security costs	200	172
Other pension costs	45	42
	<u>2,667</u>	<u>2,341</u>

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

	<b>2023</b>	<b>2022</b>
Theatre activities	229	210
Engagement, Training & Artistic Development	8	8
Catering	14	27
	<u>251</u>	<u>245</u>

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

	<b>2023</b>	<b>2022</b>
Theatre activities	76	70
Engagement, Training & Artistic Development	5	5
Catering	6	6
	<u>87</u>	<u>81</u>

The following table shows remuneration bands of senior employees:

	<b>2023</b>	<b>2022</b>
£60k - £70k	1	1
£70k - £80k	2	1
£80k - £90k	-	-
£90k - £100k	-	-
	<u>3</u>	<u>2</u>

Pension contributions totalling £4,611 were paid in respect to these staff into a defined contribution scheme (2022: £3,799).

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 £540k (2022: £447k). Other than the Chief Executive as explained in note 23, no other Trustee received any remuneration or expenses.

## 10. ANALYSIS OF EXPENDITURE

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Depreciation - owned assets	676	678
Fixed asset Impairment		
Hire of plant and machinery under operating leases		
Hire of other assets under operating leases	<u>2</u>	<u>8</u>
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	22	20
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>

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 2022	20,769	3,500	840	2,064	27,173
Additions			16	32	48
At 31 March 2023	<u>20,769</u>	<u>3,500</u>	<u>856</u>	<u>2,096</u>	<u>27,221</u>
<b>Depreciation</b>					
At 1 April 2022	3,753	1,567	729	1,810	7,859
Charge for the period	415	87	53	121	676
At 31 March 2023	<u>4,168</u>	<u>1,654</u>	<u>782</u>	<u>1,931</u>	<u>8,535</u>
<b>Net book value</b>					
At 31 March 2023	<u>16,601</u>	<u>1,846</u>	<u>74</u>	<u>165</u>	<u>18,686</u>
At 31 March 2022	<u>17,016</u>	<u>1,933</u>	<u>111</u>	<u>254</u>	<u>19,314</u>

Freehold land and buildings consist 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.

## 13. FIXED ASSET INVESTMENTS

	2023 £	2022 £
<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 2023 are given in note 26.



## 14. STOCKS

	Group		Company	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Consumables	19	19	-	-

## 15. DEBTORS

	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
<b>Amounts falling due within one year:</b>				
Trade debtors	26	31	26	31
Other debtors	261	224	261	224
Amounts owed by Group undertakings	-	-	(74)	345
Prepayments	226	74	226	74
Social Security and Other Taxes	573	375	573	29
	<u>1,086</u>	<u>704</u>	<u>1,012</u>	<u>703</u>

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

	Group		Company	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Trade creditors	155	292	155	292
Taxation and social security	48	47	48	47
Accruals	744	443	744	440
Deferred income	272	475	272	471
	<u>1,219</u>	<u>1,257</u>	<u>1,219</u>	<u>1,250</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.

	Group		Company	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Deferred production income brought forward	475	285	471	277
Amounts deferred in year	(23)	331	(19)	331
Amounts released from previous years	(180)	(141)	(180)	(137)
Deferred production income carried forward	<u>272</u>	<u>475</u>	<u>272</u>	<u>471</u>

## 17. FINANCIAL INSTRUMENTS

The carrying amounts of financial instruments as at 31 March 2023 were:

	Group		Company	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
The carrying amounts of financial instruments at 31 March were:				
<b>Financial assets:</b>				
Debt instruments measured at amortised cost	<u>287</u>	<u>255</u>	<u>213</u>	<u>600</u>
<b>Financial liabilities:</b>				
Measured at amortised cost	<u>899</u>	<u>735</u>	<u>899</u>	<u>732</u>

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

## 18. MOVEMENT IN FUNDS

Group	As at 1 April 2022 £'000	Income £'000	Expenditure £'000	Transfer / Gift Aid £'000	As at 31 March 2023 £'000
<b>Unrestricted funds: Operating</b>	604	5,661	(5,646)		619
<b>Unrestricted funds: Designated</b>	1,064		(77)		987
<b>Total unrestricted funds</b>	1,668	5,661	(5,723)	-	1,606
<b>Capital grants</b>					
Playhouse refurbishment (LCC/ERDF)	810		(28)		782
Playhouse refurb (English Partnership)	212		(7)		205
Playhouse Acquisition (LCC)	255		(9)		246
Everyman Redevelopment	14,708		(498)		14,210
11 Hope street (Art council)	890		(25)		865
5-9 Hope Street (ACE/NWDA)	1,645		(44)		1,601
Playhouse refurbishment (LCC)	452		(28)		424
Production Equipment (CRF)	55		(18)		37
	19,027	-	(657)	-	18,370
<b>Revenue grants</b>	103	137	(103)		137
<b>Total restricted funds</b>	19,130	137	(760)	-	18,507
<b>Total funds</b>	20,798	5,798	(6,483)	-	20,113
<b>Comprising:</b>					
LMTT	20,730	5,266	(5,975)	-	20,021
LEPP (see note 26)	-	-	-	-	-
LEPT (see note 26)	68	532	(508)	-	92
Elimination of consolidation entries	-	-	-	-	-
	20,798	5,798	(6,483)	-	20,113

## MOVEMENT IN FUNDS (CONTINUED)

Group	As at 1 April 2021 £'000	Income £'000	Expenditure £'000	Transfer / Gift Aid £'000	As at 31 March 2022 £'000
<b>Unrestricted funds: Operating</b>	570	4,143	(3,957)	(152)	604
<b>Unrestricted funds: Designated</b>	653			411	1,064
<b>Total unrestricted funds</b>	1,223	4,143	(3,957)	259	1,668
<b>Capital grants</b>					
Playhouse refurbishment (LCC/ERDF)	838		(28)		810
Playhouse refurb (English Partnership)	219		(7)		212
Playhouse Acquisition (LCC)	264		(9)		255
Everyman Redevelopment	15,206		(498)		14,708
11 Hope street (Art council)	915		(25)		890
5-9 Hope Street (ACE/NWDA)	1,689		(44)		1,645
Playhouse refurbishment (LCC)	480		(28)		452
Production Equipment (CRF)	73		(18)		55
	19,684	-	(657)	-	19,027
<b>Revenue grants</b>	453	768	(859)	(259)	103
<b>Total restricted funds</b>	20,137	768	(1,516)	(259)	19,130
<b>Total funds</b>	21,360	4,911	(5,473)	-	20,798
<b>Comprising:</b>					
LMTT	21,344	4,621	(5,235)	-	20,730
LEPP (see note 26)	-	1,959	(1,959)	-	-
LEPT (see note 26)	16	290	(238)	-	68
Elimination of consolidation entries	-	(1,959)	1,959	-	-
	21,360	4,911	(5,473)	-	20,798

## MOVEMENT IN FUNDS

Company	As at 1 April 2022 £'000	Income £'000	Expenditure £'000	Transfer / Gift Aid £'000	As at 31 March 2023 £'000
<b>Unrestricted funds: Operating</b>	536	5,661	(5,669)		528
<b>Unrestricted funds: Designated</b>	1,064		(77)		987
<b>Total unrestricted funds</b>	1,600	5,661	(5,746)	-	1,515
<b>Capital grants</b>					
Playhouse refurbishment (LCC/ERDF)	810		(28)		782
Playhouse refurb (English Partnership)	212		(7)		205
Playhouse Acquisition (LCC)	255		(9)		246
Everyman Redevelopment	14,708		(498)		14,210
11 Hope street (Art council)	890		(25)		865
5-9 Hope Street (ACE/NWDA)	1,645		(44)		1,601
Playhouse refurbishment (LCC)	452		(28)		424
Production Equipment (CRF)	55		(18)		37
	19,027	-	(657)	-	18,370
<b>Revenue grants</b>	103	137	(103)		137
<b>Total restricted funds</b>	19,130	137	(760)	-	18,507
<b>Total funds</b>	20,730	5,798	(6,506)	-	20,022

## MOVEMENT IN FUNDS (CONTINUED)

Company	As at 1 April 2021 £'000	Income £'000	Expenditure £'000	Transfer / Gift Aid £'000	As at 31 March 2022 £'000
<b>Unrestricted funds: Operating</b>	554	3,853	(3,719)	(152)	536
<b>Unrestricted funds: Designated</b>	653			411	1,064
<b>Total unrestricted funds</b>	1,207	3,853	(3,719)	259	1,600
<b>Capital grants</b>					
Playhouse refurbishment (LCC/ERDF)	838		(28)		810
Playhouse refurb (English Partnership)	219		(7)		212
Playhouse Acquisition (LCC)	264		(9)		255
Everyman Redevelopment	15,206		(498)		14,708
11 Hope street (Art council)	915		(25)		890
5-9 Hope Street (ACE/NWDA)	1,689		(44)		1,645
Playhouse refurbishment (LCC)	480		(28)		452
Production Equipment (CRF)	73		(18)		55
	19,684	-	(657)	-	19,027
<b>Revenue grants</b>	453	768	(859)	(259)	103
<b>Total restricted funds</b>	20,137	768	(1,516)	(259)	19,130
<b>Total funds</b>	21,344	4,621	(5,235)	-	20,730

Previously capital grants have been received from a number of funders including Arts Council England, Liverpool City Council, English Partnerships, Northwest 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 £657k (2022: £657k) in relation to depreciation of tangible fixed assets acquired with restricted funds in prior years.

Restricted revenue grants of £137k were recognised in the year from various funders including Garfield Weston, The Foil Foundation and The Ken Dodd Foundation 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 £137k of restricted revenue funds, is represented by £137k cash.

## 19. ANALYSIS OF CONSOLIDATED NET ASSETS BETWEEN FUNDS

Fund balances at 31 March 2023 are represented by:

	Restricted funds £'000	Unrestricted funds £'000	2023 £'000	Restricted funds £'000	Unrestricted funds £'000	2022 £'000
<b>Group</b>						
Tangible fixed assets	18,370	316	18,686	19,027	287	19,314
Cash at bank and in hand	137	1,404	1,541	103	1,915	2,018
Grants within other debtors	-	210	210	-	210	210
Other current assets	-	895	895	-	512	513
Current liabilities	-	(1,219)	(1,219)	-	(1,257)	(1,257)
	<u>18,507</u>	<u>1,606</u>	<u>20,113</u>	<u>19,130</u>	<u>1,667</u>	<u>20,798</u>
<b>Company</b>						
Tangible fixed assets	18,372	314	18,686	19,027	287	19,314
Cash at bank and in hand	138	1,405	1,543	103	1,860	1,963
Grants within other debtors	-	210	210	-	210	210
Other current assets	-	802	802	-	492	493
Current liabilities	-	(1,219)	(1,219)	-	(1,250)	(1,250)
	<u>18,510</u>	<u>1,512</u>	<u>20,022</u>	<u>19,130</u>	<u>1,599</u>	<u>20,730</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 2023 £'000	Other 2023 £'000	Total 2023 £'000	Land and buildings 2022 £'000	Other 2022 £'000	Total 2022 £'000
<b>Group and Company</b>						
Amounts due:						
- within one year	27	7	34	22	7	29
- between two and five years	84	2	86	102	9	112
- over five years	559	-	559	539	-	539
	<u>670</u>	<u>9</u>	<u>679</u>	<u>663</u>	<u>16</u>	<u>680</u>

The lease payments due over five years of £559k 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.



## 22. CAPITAL COMMITMENTS

	2023 £'000	2022 £'000
<b>Group and Company</b>		
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. He 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.

	2023 M Da Vanzo Executive Director £	2022 M Da Vanzo Executive Director £
<b>Transactions during the period</b>		
Gross salary	78,795	76,500
Employer pension contributions	3,621	3,799
Reimbursement of expenses	-	521
<b>Balance at end of period 31st March 2023</b>	-	-

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

	2023 £	2022 £
New Writing Commission	-	2,350
<b>Balance at end of period 31st March 2023</b>	-	-

## Transactions and Balances with Trading Subsidiaries

	2023 £'000	2022 £'000
<b>Transactions during the period</b>		
<b><i>Liverpool Everyman and Playhouse Productions Limited</i></b>		
Production services provided to LMTT	-	1,681
Production services provided by LMTT	-	(1,959)
<b><i>Liverpool Everyman and Playhouse Trading Limited</i></b>		
Donation to LMTT		-
Payroll recharges from LMTT	(192)	(79)
Service and overhead charges from LMTT	(144)	(18)
Recharge of cost of sales from LMTT	(172)	-
<b>Balances at end of period</b>		
Liverpool Everyman and Playhouse Productions Limited	-	(346)
Liverpool Everyman and Playhouse Trading Limited	(74)	(1)

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

	2023 £'000	2022 £'000
Net Expenditure	(685)	(562)
<b><i>Adjustments for:</i></b>		
Depreciation	676	678
Increase in stocks	-	(11)
Increase in debtors	(382)	(128)
Increase/(Decrease) in creditors	(38)	375
Cash absorbed by operations	(429)	352

## 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.

## 26. SUBSIDIARY UNDERTAKINGS

The subsidiary undertakings consolidated at 31<sup>st</sup> March 2023 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 2023, the cumulative profits of LEPT have been retained by LEPT to support the trading arm should the Covid pandemic impact profitability in 2023/24.

In the year ended 31<sup>st</sup> March 2023, 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 2023 were as follows:

	LEPP		LEPT	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Turnover	-	1,681	532	290
Operating expenses	-	(1,959)	(508)	(238)
Operating profit	-	(278)	24	52
Tax credit on ordinary activities	-	278	-	-
Profit for the financial period	-	-	24	52
Net assets	-	-	92	68

LEPP Company Registration Number: 09231907

LEPT Company Registration Number: 08287910