

**Company Registration Number: 5556536**

**Charity No: 1113010**

**MORECAMBE WINTER GARDENS  
PRESERVATION TRUST LIMITED  
(COMPANY LIMITED BY GUARANTEE)**

**CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 MARCH 2021**

**John Potter & Harrison  
Chartered Accountants and Statutory Auditor  
112/114 Whitegate Drive  
Blackpool  
Lancashire  
FY3 9XH**

**MORECAMBE WINTER GARDENS PRESERVATION TRUST LIMITED**  
**(COMPANY LIMITED BY GUARANTEE)**

**FINANCIAL STATEMENTS**  
**YEAR ENDED 30 MARCH 2021**

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**MORECAMBE WINTER GARDENS PRESERVATION TRUST LIMITED  
(COMPANY LIMITED BY GUARANTEE)**

**MEMBERS OF THE BOARD AND PROFESSIONAL ADVISERS**

**Registered charity name:** Morecambe Winter Gardens Preservation Trust Limited

**Charity number:** 1113010

**Company registration number:** 5556536

**Registered office:** 209 Marine Road West  
Morecambe  
Lancashire  
LA4 4BU

**Trustees:** Mr Paul Anderton  
Mr M J Shenton  
Professor V Toulmin  
Mr R Ryan (appointed 1 October 2020)  
Mr S Matthews (appointed 1 October 2020)  
Mr M D O'Neil (appointed 1 October 2020)

**Auditor:** John Potter & Harrison  
Chartered Accountants and Statutory Auditor  
112/114 Whitegate Drive  
Blackpool  
Lancashire  
FY3 9XH

**Bankers:** Santander  
28 Penny Street  
Lancaster  
Lancashire  
LA1 1UA

**MORECAMBE WINTER GARDENS PRESERVATION TRUST LIMITED**  
**(COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' ANNUAL REPORT**  
**YEAR ENDED 30 MARCH 2021**

The Trustees, who are also directors for the purposes of company law, have pleasure in presenting their report and the financial statements of the charity for the year ended 30 March 2021.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, 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 (FRS102)

**Reference and administrative details**

Reference and administrative details are shown in the schedule of members of the board and professional advisers on page 1 of the financial statements.

**Trustees**

The Trustees who served the company during the period and subsequently were as follows:

Mr Paul Anderton  
Mr M J Shenton  
Professor V Toulmin  
Mr R Ryan (appointed 1 October 2020)  
Mr S Matthews (appointed 1 October 2020)  
Mr M D O'Neil (appointed 1 October 2020)

**Structure, governance and management:**

**Company organisation**

The company is a charitable company limited by guarantee and does not have a share capital. It was incorporated on 7 September 2005 and registered as a charity on 16 February 2006. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.

**Appointment of trustees**

The Trust appointed three new Trustees in this period following the implementation of the Governance Review which had been delayed due to the pandemic restrictions. The resignation of Susan Lomax occurred in March 2019 and in October 2020 new Trustees were appointed with Professor Vanessa Toulmin continuing to act as Chair.

**MORECAMBE WINTER GARDENS PRESERVATION TRUST LIMITED**  
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**TRUSTEES' ANNUAL REPORT**  
**YEAR ENDED 30 MARCH 2021**  
**(continued)**

**Structure, governance and management (continued):**

**Organisational structure**

The board of trustees administers the charity. The trustees hold meetings once a month to discuss the operation with Professor Vanessa Toulmin appointed Chair for five years with an option for a further two if required. Due to the new lockdown restrictions and following the Governance Review the former interim Advisory Board was disbanded and regular zoom meetings of the Trustees took place. The Trustees wish to thank the Advisory Board for their help and support in this period and the input they gave to the Governance Review. The priority for the Trustees facing financial instability was to prioritise the following

1. Trustee meetings to consider and review the risks the charity may face under the current pandemic situation in particular financial insolvency
2. Systems and procedures to mitigate those risks identified.
3. The implementation of procedures designed to minimise any potential impact on the charity should any of those risks materialise.

The main aspects of the Governance Review that need completing is to redraw the second part of its charitable objective from April 2020 in light of the dissolution of the Friends of the Victoria Pavilion (outlined further) as (2) to support the charitable work of The Friends of the Victoria Pavilion, Morecambe, registered charity number 1064127 and to ensure that if not already covered are incorporated.

**Related parties**

The charity had a close relationship with The Friends of the Winter Gardens and in this financial period the implementation of the Governance Review resulting in the dissolution of the Friends as a separate charity was complete and detailed later in the report.

Morecambe Winter Gardens Limited was incorporated on 20 February 2013 as a trading company. The share capital of the company is owned entirely by Morecambe Winter Gardens Preservation Trust Limited.

**Objectives and activities for the public benefit**

The main object of the charity is the ownership, restoration and operation of The Morecambe Winter Gardens, a grade II\* Listed Building

The Winter Gardens operates as both a performance venue and also an historic building and is open through private hire or weekends when it is operated by the Friends as a café/historic venue for tours and visitors for fundraising purposes through agreement with the Preservation Trust Limited.

**MORECAMBE WINTER GARDENS PRESERVATION TRUST LIMITED  
(COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' ANNUAL REPORT  
YEAR ENDED 30 MARCH 2021  
(continued)**

**Developments and achievements**

**Covid-19**

The Winter Gardens in line with all venues in the United Kingdom was put into lockdown on 9 March and an emergency meeting of the Trustees followed. It was agreed to implement a Covid Response plan and to anticipate the following

- Financial implications for the costs of the building
- Liaise with national bodies to ensure any government support that may be available that we meet the criteria
- Implement weekly meetings of the Friends and the Trust to plan and mitigate any impact on both Trusts and the ongoing work we are undertaking
- Prepare Covid Management Plans for capacity and work with the Lancaster City Council on changing national legislation

**Financial**

To stabilise the financial security of the Trust in light of income reduction the Trust applied for the various Govt support packages and received funding emergency funding of £10,000 from Lancaster Council and successfully applied for a Coronavirus Bounce Back Loan of £21,000 repayable over 5 years. The Friends of the Winter Gardens also made a one off donation of £5,000 to help the Trustees plan a forecast from April to whatever period of lockdown would be implemented. We were also aware the income from the rental shops would be reduced or in arrears during this period and only two of the three units were let. Alongside this we have, like other entertainment venues in the country, had to face the ongoing financial worries of not being able to open and to pay our monthly operating costs. During the summer months we had opened at weekends but were not allowed to hire the theatre for events and the lack of income necessitated us taking out a Covid-19 Bounce Back loan to cover the emergency situation to add to the wonderful fundraising work of the Friends at weekends throughout this period.

In August 2020, our application to Lancaster City Council for a community business loan of £103,000 was successful and we paid off the debt on the Charities Bank and borrowed an additional £30,000 to enable us match funding required for applications to the Historic England Building at Risk with an additional sum of £38,430 approved for the Project Development phase of our grant in October 2020.

Working with the Business Advisors and Accountants Waters and Atkinson that the Theatres Trust had funded we were able to produce financial modelling plans and forecasts to demonstrate and to aid in submitting applications to the Culture Recovery Fund for Heritage through the HLF. The help and support of this business advice supported by the original Theatres Trust was essential in submitting financial planning forecasts for emergency funding. In October 2020 we were awarded Culture Recovery Funds for Heritage and received £21,600 of funding from Heritage Lottery Fund and Historic England to cover our monthly running costs (£3,600) from the period October 2020 to March 2021. This support was essential as we had been closed as a theatre for over a year with a loss of income in the region of £50,000 in fees and revenue from our bar and café.

New ways of income generation has seen us launch our Online Virtual Tour with a grant from Marketing Lancashire and we have come through the past 12 months a stronger and more resilient organisation. With the second lockdown from October onwards we also received a monthly grant of just over £2000 a month from Lancaster City Council via the Government Covid Emergency Business Continuity Grants.

**MORECAMBE WINTER GARDENS PRESERVATION TRUST LIMITED**  
**(COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' ANNUAL REPORT**  
**YEAR ENDED 30 MARCH 2021**  
**(continued)**

**Stakeholder Engagement**

The Trust continues to have regular meetings with Historic England, Architectural Heritage Fund, Lancaster City Council and David Morris MP for Lunesdale. We have received significant support from Tom Brown in the Council's Regeneration Department and also great support from David James in the Conservation Team. The Trust has also engaged with the local creative ecology and cultural groups via Lancashire Arts Partnership and has met with local community artists, local heritage groups in Morecambe and Lancaster and further afield. We welcomed Lord Mendoza into the building in October 2020 when the Cultural Recovery Funds were announced. We have very positive relations from both Lancaster City Council and Morecambe Town Council and welcomed the support of Peter Middleton on behalf of the Architectural Heritage Fund and the ongoing support of the Theatres Trust.

**Fundraising.**

The past year has been seen a period of great change for the Winter Gardens Theatre with the news of funding from Historic England's Buildings at Risk Fund for our historic fibrous plaster ceiling and of course the installation of the new heating system. The heating system reached its fundraising target with a further £50,000 required to add to the grant from the Coastal Communities Fund in 2019. A grant from the Architectural Heritage Fund of £25,000 was awarded in September 2020 and this matched the total raised on our Crowdfunder campaign initiated in July 2020 which resulted in £27,000 donated by over 420 supporters from around the world. Donations were received from Morecambe, Lancaster, Sheffield, Manchester, London and many other parts of the United Kingdom but also from Europe, Australia, United States and Canada.

In addition to the heating installation, further funding from Historic England was awarded in late December 2020 when the full appraisal and condition report of the historic fibrous plaster in the building was received. An initial grant had enabled cleaning and inspection to be carried out and the full cost of the work was estimated at a further £280,000. In January this year we were awarded the further £350,000 funds required to repair both the auditorium ceiling and the plaster work over the Grand Staircase leading up to the Circle and the Gods area. The Winter Gardens has one of the largest expanses of fibrous plaster ceilings of any building in the United Kingdom and when it opened in 1897 it claimed to be the largest. The original work was carried out by Dean and Co of Birmingham under the architectural design of Magnall and Littlewood of Manchester. Water egress and fire damage in many areas of the building over the years going back to 1947 had not been repaired and major damage to the plaster work in the Gods had not been replaced despite the work done on the Theatre in 1991. Hayles and Howe one of the leading conservation plaster companies in the United Kingdom started work on the ceiling and removed over 450kg of dirt and detritus (half a ton) from the roof spaces. The ceiling Ales have been removed, new mouldings taken and we now in the process of repairing and reinstalling large plaster casts of the ceiling. With the two grants from Historic England (£480,000 in total) and the Heating Campaign (£157,000), and the removal of residual asbestos on levels two and three (£16,000) and other works ongoing, the Preservation Trust has spent over £600,000 on essential works and restoration on the theatre. This is the largest investment in the theatre since the formation of the Winter Gardens Preservation Trust in 2006 and is just the start of our ambition to restore and bring back the theatre. In addition the Friends continued to raise money via Take Your Seat Campaign and the impressive contribution of Mr Garry Owen for running this campaign and all the social media campaigns of the Winter Gardens must be acknowledged. The Friends continued to contribute a monthly donation of £750 to the Trust and after their dissolution they donated the outstanding amount of £13,058.29 to the Preservation Trust.

**MORECAMBE WINTER GARDENS PRESERVATION TRUST LIMITED  
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**TRUSTEES' ANNUAL REPORT  
YEAR ENDED 30 MARCH 2021  
(continued)**

**Building Management.**

- Fire assessments and training instigated, health and safety review of the building with specific areas boarded off at the recommendation of the Fire Officers from LCC. Asbestos contained or removed in areas of the building where the restoration and heating installation would be taking place. This was done by Lancashire County Council from the period January 2020.
- Thomasons, Conservation Engineers were appointed to oversee the first part of the work by Hayles and Howe on the inspection of the ceiling in the summer of 2020 and then the subsequent repair and restoration of the fibrous plaster ceiling on which the work commenced in January 2021. This work is still continuing and due to lockdown restrictions is delayed but it is anticipated that provisional certification will be given by reopening in May/June 2021 and when complete.
- With the funding secure for the heating installation, work started on the system in late autumn 2020 with support from Lancaster City Council and Historic England to ensure all listed building consents were followed. Following a successful application for planning consent for the new flue, work commenced in January 2021 with the successful tender for work awarded to Bay Builders. Cast Iron radiators were installed throughout the main auditorium with additional pipes and blow heaters around the Horseshoe. This work was completed but additional fire regulations required building regulations and six new fire doors to be installed with this work due to be complete in the next financial year.
- The wonderful support of our Restoration and Maintenance Team under the leadership of Malcolm O'Neil must be mentioned as they have supported the work of Bay Builders, Thomasons, Hayles and Howe and the other numerous contractors who have been working in the Winter Gardens over this past year. Their skills and voluntary contributions have saved the Trust many thousands of pounds with their continuous work during this period which is still ongoing and an essential part of our success in maintaining the infrastructure.

**Event Management.**

No formal external hires or events took place in this period due to ongoing restrictions from the pandemic. A number of events were cancelled or postponed and no further bookings were taken until further details were clearer regarding restrictions, social distancing and live performances including singing and staging theatrical shows. The decision was taken to concentrate on re-opening the venue as a heritage asset through the help of the Friends of the Winter Gardens. The Winter Gardens was closed to the public from March 2020 to July 2021 when the first lockdown was implemented under government guidance. The Winter Gardens opened again in July and we had over 5,175 visitors at the weekend and we closed to the public on the end of October. The café was open new volunteers were recruited and the Friends of the Winter Gardens operated the weekend venue and tours were undertaken by the Friends. Covid-19 restrictions were in place throughout the building and the Winter Gardens successfully were awarded a Covid-19 Venue certificate from Lancaster City Council with all Risk Assessments and government procedures on social distancing, track and trace and venue QR code successfully implemented. The Friends Board with the support of the Trust successfully continued to operate as a heritage venue during this period but not as live music or performance venue due to restrictions. At the end of October, with the second government lockdown announced the building was closed to the public for the remainder of 2020 and all events and private hires were postponed or cancelled.



**MORECAMBE WINTER GARDENS PRESERVATION TRUST LIMITED**  
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**TRUSTEES' ANNUAL REPORT**  
**YEAR ENDED 30 MARCH 2021**  
**(continued)**

**Governance and Relationship with the Friends**

At the official recommendations of the Governance Review by Laura Norris, the Friends organised an Extraordinary General Meeting of the Friends of the Morecambe Winter Gardens on the 31<sup>st</sup> October 2020. Numbers were limited to 100 due to Lockdown restrictions. THE RESOLUTION To dissolve the charity *Friends of the Morecambe Winter Gardens (Victoria Pavilion)*, registered charity number 1064127. A vote was taken and the resolution was carried unanimously in favour of the motion to dissolve the Friends. The resolution having been carried, in March 2021 the Friends were officially dissolved as a Charity and the outstanding amount raised £13,058.29 was donated to the Preservation Trust.

**Reserves policy, risk management and going concern**

The Trust does not have staff and so the need for reserves is minimal and building focused. The main object of the charity is the ownership and upkeep of the Morecambe Winter Gardens. As the building has been empty for some time the interior, prior to the ownership of the Trust, had fallen into a state of disrepair. As outlined in last year's report under the ownership of the Trust the building has been made more secure and the Restoration and Maintenance Team established to keep up to date with all repairs that under the listing they can continue to do. Governance and structure of the Trusts were a major concern and these have been alleviated through the grant from Theatres Trust and ensured a complete robust review of both the governance and also a robust business plan. The risks identified in the operational model we inherited have now been reviewed and fire assessments, health and safety documents and event policies have been reviewed and will continued to be updated in line with current legislations and incorporated into any future activities planned for the building. The volunteers and all Trustees involved in the building have now signed up for the Code of Conduct, and all inductions necessary for working with the Charity. All individuals who did not or will not comply will no longer be associated with the Charity and we have now implemented the following procedures and safeguards.

- Trustee meetings to consider and review the risks the charity may face.
- Written Systems and procedures to mitigate those risks identified.
- The implementation of procedures designed to minimise any potential impact on the charity should any of those risks materialise.

We have now identified all the main risks with the current operational model of the Charity with particular reference to the governance, the business plan especially in relation to events and also the lack of transparency and operational relationship between the Friends and the Preservation Trust. These have all been dealt with and procedures implemented through the Governance Review and are detailed in the report. The major achievement over the past twelve months is to continue to operate as a charity and carry out its charitable objectives to restore and regenerate the Winter Gardens and continue to pay the monthly costs of £4,000 (variable due to fluctuating utility costs).

**MORECAMBE WINTER GARDENS PRESERVATION TRUST LIMITED**  
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**TRUSTEES' ANNUAL REPORT**  
**YEAR ENDED 30 MARCH 2021**  
**(continued)**

**Purpose of the charity's funds**

The charity operates two types of funds:-

- i. **The Unrestricted Fund** is used for operating the charity.  
Some of the unrestricted fund can be allocated by the trustees for specific purposes. The trustees have set up a designated fixed asset fund to match the book value of fixed assets less loans secured on them.
- ii. **Restricted Funds** are set up for specific purposes and monies received may only be used for that purpose. Funds may typically be generated from sponsorships, donations and lottery grants.

**Plans for future periods**

All ongoing plans for the Winter Gardens are now being reconsidered in the light of the second lockdown introduced by the government at the end of October and we hope that the Winter Gardens will be able to open after April 2021. Whilst the building is closed we have continued to work on the heritage infrastructure continue with the heating installation and are prepared and ready to open as a performance space and heritage attraction when legally allowed. We are currently closed as a venue with all plans and events being considered in light of local and national restrictions on performance venues and historic buildings. The plan for the next 12 months will consider the following:

1. To open the building safely and successful when government restrictions are lifted and to work with our volunteers to operate the building
2. To fundraise to continue the operational and monthly running costs of the building during the period of lockdown and to submit a feasibility application to the Architectural Heritage Fund and other funders to continue both the historic restoration work but also incorporated new usages for the building.
3. To work with the national and local bodies to build a fully robust and effective management and business model to encourage further government funding
4. To finalise and fully implement the recommendations of the governance review and putting in place the infrastructure to operate as one charitable body.

**Responsibilities of the trustees**

The trustees (who are also the directors of Morecambe Winter Gardens Preservation Trust Limited for the purposes of company law) are responsible for preparing the Trustees Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

**MORECAMBE WINTER GARDENS PRESERVATION TRUST LIMITED  
(COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' ANNUAL REPORT  
YEAR ENDED 30 MARCH 2021  
(continued)**

**Responsibilities of the trustees (continued)**

Company law and law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the Charities Act 2011. The trustees are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Trust is currently recruiting two additional Trustees in line with the ongoing governance review that commenced from September 2019 and are currently reviewing the interim recommendations put forward by Laura Norris of Long Eaton Consultancy. In so far as the trustees are aware at the time of approving our trustees' annual report:

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

**Auditors**

A resolution to re-appoint John Potter & Harrison as auditors for the ensuing year will be proposed at the annual general meeting in accordance with Section 487(2) of the Companies Act 2006.

**Signed on behalf of the trustees**

*Vanessa Toulmin*

**Professor V Toulmin  
Chairperson**

**Registered Office:  
209 Marine Road West  
Morecambe  
Lancashire  
LA4 4BU**

**MORECAMBE WINTER GARDENS PRESERVATION TRUST LIMITED  
(COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
MORECAMBE WINTER GARDENS PRESERVATION TRUST LIMITED**

**Opinion**

We have audited the financial statements of Morecambe Winter Gardens Preservation Trust for the year ended 30 March 2021 which comprise the group statement of financial activities, the group and parent company statement of financial position and the 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 (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, subject to the matters reported on by exception below, the financial statements:

- give a true and fair view of the state of the group's and of the Charitable company's affairs as at 30 March 2021 and of its incoming resources and application of resources for the period 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 applicable law and International Standards on Auditing (UK) (ISAs (UK)). 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 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 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. 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.

**MORECAMBE WINTER GARDENS PRESERVATION TRUST LIMITED  
(COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
MORECAMBE WINTER GARDENS PRESERVATION TRUST LIMITED  
(continued)**

**Other information (continued)**

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- 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 our knowledge and understanding of the group charitable company and its environment obtained in the course of the audit, we have not identified misstatements in the trustees' 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 group 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement (set out on pages 7-8), 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 group 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

**MORECAMBE WINTER GARDENS PRESERVATION TRUST LIMITED  
(COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
MORECAMBE WINTER GARDENS PRESERVATION TRUST LIMITED  
(continued)**

**Auditor's responsibilities for the audit of the financial statements**

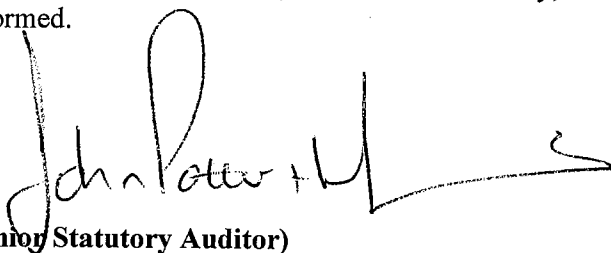
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Report Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://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.



**Ian Riding F.C.A. (Senior Statutory Auditor)**

**For and on behalf of**

**John Potter & Harrison**

**Chartered Accountants & Statutory Auditor**

**112/114 Whitegate Drive**

**Blackpool**

**Lancashire**

**FY3 9XH**

**Date:** 20/12/21

**MORECAMBE WINTER GARDENS PRESERVATION TRUST LIMITED**  
**(COMPANY LIMITED BY GUARANTEE)**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**(INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)**  
**YEAR ENDED 30 MARCH 2021**

	Note	Unrestricted fund £	Restricted fund £	Total Funds 2021 £	Total Funds 2020 £
<b>Income:</b>					
Donations and legacies	4	38,493	27,019	65,512	18,091
Income from charitable activities:					
Operation of a theatre	6	52,550	443,293	495,843	26,460
Income from other trading activities:					
Commercial trading operation	5	217	-	217	4,571
<b>Total incoming resources</b>		<u>91,260</u>	<u>470,312</u>	<u>561,572</u>	<u>49,122</u>
<b>Expenditure:</b>					
Costs of raising funds:					
Commercial trading operation	5	(876)	-	(876)	(5,242)
Expenditure on charitable activities:					
Operation of a theatre	7	(34,922)	(22,336)	(57,258)	(40,925)
<b>Total resources expended</b>		<u>(35,798)</u>	<u>(22,336)</u>	<u>(58,134)</u>	<u>(46,167)</u>
<b>Net ingoing/(outgoing) resources before transfers</b>		<u>55,462</u>	<u>447,976</u>	<u>503,438</u>	<u>2,955</u>
Transfer between funds		-	-	-	-
<b>Net income/(expended) resources for the period</b>		<u>55,462</u>	<u>447,976</u>	<u>503,438</u>	<u>2,955</u>
Total funds brought forward		<u>289,297</u>	<u>-</u>	<u>289,297</u>	<u>286,342</u>
<b>Total funds carried forward</b>		<u><u>344,759</u></u>	<u><u>447,976</u></u>	<u><u>792,735</u></u>	<u><u>289,297</u></u>

The statement of Financial Activities includes all gains and losses in the period and therefore a statement of total recognised gains and losses has not been prepared.

All the above amounts relate to continuing activities.

**The notes on pages 16 to 24 form part of these financial statements**

**MORECAMBE WINTER GARDENS PRESERVATION TRUST LIMITED**  
**(COMPANY LIMITED BY GUARANTEE)**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 30 MARCH 2021**

		£	2021 £	2020 £
	Note			
<b>Fixed assets</b>				
Tangible assets	10		656,007	355,388
<b>Current assets</b>				
Stock on hand		-		559
Debtors	12	48,147		1,985
Cash at bank		214,973		46,259
<b>Creditors: Amounts falling due within one year</b>	13	263,120		48,803
		11,085		114,894
<b>Net current assets</b>			252,035	(66,091)
<b>Total assets less current liabilities</b>			908,042	289,297
<b>Creditors: Amounts falling due after one year</b>	14		(115,307)	-
<b>Net assets</b>			792,735	289,297
<b>Funds</b>				
Morecambe Winter Gardens Limited			(1,324)	(665)
Restricted income funds	15		447,976	-
Unrestricted income funds	16		346,083	289,962
<b>Total funds</b>	17		792,735	289,297

The trustees have prepared group accounts in accordance with Section 398 of the Companies Act 2006 and Section 138 of the Charities Act 2011. These accounts are prepared in accordance with the special provisions of part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The financial statements were approved by the members of the committee on 6 Dec 2021 and are signed on their behalf by:

*Vanessa Toulmin*

Professor V Toulmin – Chairperson

Company Registration Number: 5556536

The notes on pages 16 to 24 form part of these financial statements



**MORECAMBE WINTER GARDENS PRESERVATION TRUST LIMITED**  
**(COMPANY LIMITED BY GUARANTEE)**

**BALANCE SHEET**  
**AS AT 30 MARCH 2021**

		£	2021 £	2020 £
<b>Fixed assets</b>	<b>Note</b>			
Tangible assets	10		656,007	355,388
Investments	11		100	100
			<u>656,107</u>	<u>355,488</u>
<b>Current assets</b>				
Debtors		50,241		4,296
Cash at bank		214,103		45,072
		<u>264,344</u>		<u>49,368</u>
<b>Creditors: Amounts falling due within one year</b>		<u>(11,085)</u>		<u>(114,894)</u>
<b>Net current assets</b>			<u>253,259</u>	<u>(65,526)</u>
<b>Total assets less current liabilities</b>			909,366	289,962
<b>Creditors: Amounts falling due after one year</b>			(115,307)	-
<b>Net assets</b>			<u>794,059</u>	<u>289,962</u>
<b>Funds</b>				
Restricted income funds			447,976	-
Unrestricted income funds			346,083	289,962
<b>Total funds</b>			<u>794,059</u>	<u>289,962</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small company regime and in accordance with FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

The financial statements were approved by the members of the committee on ...6. Dec. 2021 and are signed on their behalf by:

*Vanessa Toulmin*

Professor V Toulmin – Chairperson

Company Registration Number: 5556536

The notes on pages 16 to 24 form part of these financial statements

**MORECAMBE WINTER GARDENS PRESERVATION TRUST LIMITED  
(COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 30 MARCH 2021**

**1. Accounting policies**

**Basis of preparation**

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 Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

Morecambe Winter Gardens Preservation Trust Limited meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

**Group financial statements**

The financial statements consolidate the results of the Charity and its wholly owned subsidiary Morecambe Winter Gardens Limited on a line by line basis. A separate statement of financial activities and income and expenditure account for the Charity has not been presented because the Charity has taken advantage of the exemption afforded by Section 408 of the Companies Act 2006.

**Cash flow statement**

The trustees have taken advantage of the exemption in FRS102 from including a cash flow statement in the financial statements on the grounds that the company is small.

**Donations and grants**

Income from donations and grants, including capital grants, is included in incoming resources when these are receivable.

**Fund accounting**

Funds held by the charity are either:

Unrestricted Funds – these are funds which can be used in accordance with the charitable objects at the discretion of the directors/trustees.

Restricted Funds – these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for specific restricted purposes.

Further explanation of the nature and purpose of each funds is included in the notes to the accounts.

**MORECAMBE WINTER GARDENS PRESERVATION TRUST LIMITED  
(COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
YEAR ENDED 30 MARCH 2021**

**1. Accounting policies (continued)**

**Resources expended**

Resources expended are included in the Statement of Financial Activities on an accruals basis.

Charitable expenditure includes all expenses within the charity's objects.

**Fixed assets**

All fixed assets are initially recorded at cost.

**Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures, fittings and equipment – 25% p.a. reducing balance

Freehold property – no depreciation is provided for upon freehold land and buildings.

It is the policy of the trust to improve and maintain these assets and accordingly in the opinion of the trustees the lives of those assets are so long and the residual value so high that their depreciation is not significant.

**Stock**

Stock consists of purchased goods for resale. Stocks are valued at the lower of cost and net realisable value.

**Debtors**

Other debtors are recognised at the settlement amount due.

**Cash at bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments.

**Creditors**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discount due.

**MORECAMBE WINTER GARDENS PRESERVATION TRUST LIMITED**  
**(COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**YEAR ENDED 30 MARCH 2021**

**2. Company limited by guarantee**

Morecambe Winter Gardens Preservation Trust Limited is a company limited by guarantee and accordingly does not have a share capital. The Trustees (who are also directors) are named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

**3. Turnover**

Turnover comprises the amounts receivable from donations, ticket sales, events, rents, theatre hire and other fundraising activities during the period, after deduction of VAT where applicable.

In the opinion of the trustees, none of the turnover of the company is attributable to geographical markets outside the UK.

**4. Donations and legacies**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Total Funds 2020 £
<b>Donations:</b>				
Friends of the Winter Gardens	35,429	-	35,429	13,040
Crowd funding	-	27,019	27,019	-
Other donations	3,064	-	3,064	5,051
	<hr/> 38,493	<hr/> 27,019	<hr/> 65,512	<hr/> 18,091

**MORECAMBE WINTER GARDENS PRESERVATION TRUST LIMITED**  
**(COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**YEAR ENDED 30 MARCH 2021**

**5. Commercial trading operations**

The commercial trading company is Morecambe Winter Gardens Limited who operate the bar and catering facilities within the theatre.

A summary of its trading results is shown below:-

	2021 £	2020 £
Bar income	-	4,571
Fund raising	217	-
	<u>217</u>	<u>-</u>
	217	4,571
	<u>217</u>	<u>4,571</u>
Cost of sales	(559)	(4,433)
Bank charges	(317)	(809)
	<u>(876)</u>	<u>(5,242)</u>
	(659)	(671)
Amount gifted to company	-	-
	<u>(659)</u>	<u>(671)</u>
	<u>(659)</u>	<u>(671)</u>
The assets and liabilities of the subsidiary company were:-		
Current assets	870	2,386
Creditors: amounts falling due within one year	(2,094)	(2,951)
	<u>1,224</u>	<u>(565)</u>
	<u>1,224</u>	<u>(565)</u>
Aggregate share capital and reserves	<u>(1,224)</u>	<u>(565)</u>

**MORECAMBE WINTER GARDENS PRESERVATION TRUST LIMITED**  
**(COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**YEAR ENDED 30 MARCH 2021**

**6. Operation of a theatre**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Total Funds 2020 £
Grants:				
Theatres Trust	-	17,600	17,600	4,400
National Heritage	18,720	-	18,720	-
Historic England	-	380,604	380,604	-
Business Interruption grant	21,003	-	21,003	-
Coastal Communities Fund	-	40,153	40,153	-
Kick Start Tourism grant	-	4,936	4,936	-
Theatre ticket sales performances	-	-	-	827
Rents receivable	12,827	-	12,827	11,546
Hire of theatre	-	-	-	9,687
	<u>52,550</u>	<u>443,293</u>	<u>495,843</u>	<u>26,460</u>

**7. Analysis of expenditure on charitable activities**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Total Funds 2020 £
Repairs and maintenance	2,846	-	2,846	4,750
Premises costs	22,159	-	22,159	17,078
Insurance excess	-	-	-	5,000
Office costs	2,364	4,936	7,300	1,289
Accountancy fees	1,400	-	1,400	1,400
Audit fees	600	-	600	600
Governance review	-	8,050	8,050	4,400
Sundry expenses	974	-	974	183
Bank charges	-	-	-	30
Loan interest	2,868	-	2,868	5,022
Depreciation	880	-	880	1,173
Legal fees	831	-	831	-
Business plan	-	9,350	9,350	-
	<u>34,922</u>	<u>22,336</u>	<u>57,258</u>	<u>40,925</u>

**MORECAMBE WINTER GARDENS PRESERVATION TRUST LIMITED**  
**(COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**YEAR ENDED 30 MARCH 2021**

**8. Net incoming resources for the period**

This is stated after charging:	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Depreciation	880	1,173
Bank loan interest	2,868	5,022
Auditors' remuneration:		
- accountancy	1,400	1,400
- audit of the financial statements	600	600
	<u>          </u>	<u>          </u>

**9. Corporation tax**

No provision for taxation is made in these accounts as the company, being a registered charity, is exempt from UK corporation tax.

**10. Tangible fixed assets**

	<b>Freehold Property £</b>	<b>Acquisition Costs £</b>	<b>Fixtures Fittings &amp; Equipment £</b>	<b>Total £</b>
<b>Cost</b>				
At 31 March 2020	348,689	3,178	12,906	364,773
Additions	301,499	-	-	301,499
Disposals	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>At 30 March 2021</b>	<b>650,188</b>	<b>3,178</b>	<b>12,906</b>	<b>666,272</b>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Depreciation</b>				
At 31 March 2020	-	-	9,385	9,385
Charge for the period	-	-	880	880
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>At 30 March 2021</b>	<b>-</b>	<b>-</b>	<b>10,265</b>	<b>10,265</b>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Net book value</b>				
<b>At 30 March 2021</b>	<b>650,188</b>	<b>3,178</b>	<b>2,641</b>	<b>656,007</b>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Net book value of restricted assets</b>	<b>301,499</b>	<b>-</b>	<b>-</b>	<b>301,499</b>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>At 30 March 2020</b>	<b>348,689</b>	<b>3,178</b>	<b>3,521</b>	<b>355,388</b>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**MORECAMBE WINTER GARDENS PRESERVATION TRUST LIMITED**  
**(COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**YEAR ENDED 30 MARCH 2021**

**11. Investments**

	2021	2020
	£	£
Shares held in Morecambe Winter Gardens Limited	100	100
	<u>100</u>	<u>100</u>

The charity holds 100 ordinary shares of £1 each in its wholly owned trading subsidiary company Morecambe Winter Gardens Limited which was incorporated in the United Kingdom on 20 February 2013. The principal activity of Morecambe Winter Gardens Limited is the provision of fund raising facilities for Morecambe Winter Gardens which is operated by Morecambe Winter Gardens Preservation Trust Limited.

**12. Debtors**

	2021	2020
	£	£
Other debtors	48,147	1,985
	<u>48,147</u>	<u>1,985</u>

**13. Creditors: Amounts falling due within one year**

	2021	2020
	£	£
Other taxes and social security costs	-	110
Loan: Charity Bank	-	74,028
Lancaster City Council	4,152	-
Santander	4,600	-
Accruals	2,333	9,280
Deferred income		
Historic England	-	20,376
Theatres Trust	-	11,100
	<u>11,085</u>	<u>114,894</u>

The loan from Lancaster City Council is secured by a first fixed legal charge with full title guarantee over the freehold interest in the property.



**MORECAMBE WINTER GARDENS PRESERVATION TRUST LIMITED**  
**(COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**YEAR ENDED 30 MARCH 2021**

**14. Creditors: Amounts falling due after one year**

	2021 £	2020 £
Unsecured bank loan (falling due in less than 5 years)	18,400	-
Secured bank loan (falling due in less than 5 years)	16,608	-
Secured bank loan (falling due after 5 years)	80,299	-
	<u>115,307</u>	<u>-</u>

**15. Restricted income funds**

	Balance at 31.03.20 £	Incoming resources £	Outgoing expended £	Balance at 30.03.21 £
Theatres Trust	-	17,600	(17,400)	200
Historic England	-	380,604	-	380,604
Coastal Communities Fund	-	40,153	-	40,153
Kick Start Tourism Grant	-	4,936	(4,936)	-
Crowd Funding	-	27,019	-	27,019
	<u>-</u>	<u>470,312</u>	<u>(22,336)</u>	<u>447,976</u>

**16. Unrestricted income funds**

	Balance at 31.03.20 £	Incoming resources £	Outgoing expended £	Transfers £	Balance at 30.03.21 £
Fixed asset fund	281,360	-	-	(27,911)	253,449
General funds	8,602	91,043	(7,011)	-	92,634
	<u>289,962</u>	<u>91,043</u>	<u>(7,011)</u>	<u>(27,911)</u>	<u>346,083</u>

The fixed asset fund represents the net book value of tangible fixed assets not held in restricted funds less any loans secured on the assets. Each year an amount is transferred to or from the fund to reflect the movements of the tangible fixed assets not held in restricted funds at the year end.

**MORECAMBE WINTER GARDENS PRESERVATION TRUST LIMITED**  
**(COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**YEAR ENDED 30 MARCH 2021**

**17. Analysis of net assets between funds**

	<b>Tangible fixed assets £</b>	<b>Net Current assets/ (liabilities) £</b>	<b>Total £</b>
<b>Restricted income funds:</b>			
Theatres Trust	-	200	200
Historic England	235,547	145,057	380,604
Coastal Communities fund	40,153	-	40,153
Crowd Funding	25,799	1,220	27,019
	<u>301,499</u>	<u>146,477</u>	<u>447,976</u>
<b>Unrestricted income funds:</b>			
Morecambe Winter Gardens Limited	-	(1,324)	(1,324)
Designated funds	253,449	-	253,449
General funds	-	92,634	92,634
	<u>253,449</u>	<u>91,310</u>	<u>344,759</u>
<b>Total funds</b>	<u><u>554,948</u></u>	<u><u>237,787</u></u>	<u><u>792,735</u></u>

**18. Capital commitments**

There are no capital commitments at the year end.

**19. Related party transactions**

The Friends of Victoria Pavilion Morecambe established the company, Morecambe Winter Gardens Preservation Trust Limited, to purchase and restore the Winter Gardens. During the period the Friends donated £35,429 (2020: £13,040) to the Trust.