

Charity Registration No. 1129007

Company Registration No. 05988546 (England and Wales)

**ROYAL COURT LIVERPOOL TRUST LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

# ROYAL COURT LIVERPOOL TRUST LIMITED

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Mr J M Falkingham Mr M P Featherstone-Witty Mr M J Best Councillor W A Simon Professor N P Weatherill (Chair) Miss H E Summers Mr M R W Bessman Mr K E Dunn Mr L D Heseltine Ms J Bird Ms J Hargreaves
<b>Secretary</b>	Miss G I Miller
<b>Charity number</b>	1129007
<b>Company number</b>	05988546
<b>Registered office</b>	Royal Court Theatre 1 Roe Street Liverpool L1 1HL
<b>Auditor</b>	DSG Castle Chambers 43 Castle Street Liverpool L2 9TL

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# ROYAL COURT LIVERPOOL TRUST LIMITED

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# ROYAL COURT LIVERPOOL TRUST LIMITED

## TRUSTEES REPORT (INCLUDING DIRECTOR'S REPORT) FOR THE YEAR ENDED 31 MARCH 2021

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

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Trust'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)".

### **Objectives and activities**

The Trust's objectives are:

-To conserve and preserve historic buildings and other structures for the benefit of the public, without prejudice to the generality of the foregoing in particular the Royal Court Theatre in Liverpool.

-To advance the education of the public in the arts, including but not exclusively theatre and the performing arts.

-To promote for the benefit of the inhabitants of Merseyside and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have the need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants and members of the general public in drama, opera, music and other arts.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Trust should undertake.

### **Achievements and performance**

#### ***Chief Executive's Introduction***

2020-2021 was unprecedented with the pandemic creating an environment we have never experienced before. Our survival has been thanks to support from the DCMS Culture Recovery Fund programme administered through Arts Council England. The theatre was forced to close to the public at the end of March 2020 due to the Coronavirus pandemic. Lockdown 1 lasted until the end of October 2020 with a further lockdown at the end of December 2020 lasting until June 2021.

During closure all staff were retained through the CJRS government scheme. Participatory activities including the youth theatre and choir moved online. When restrictions eased in Summer 2020, youth theatre activity took place in a socially distanced manner in the theatre using the auditorium, studio and other public areas to keep groups separate. Vulnerable participants were contacted regularly by freelance staff by phone and email. Box office staff worked throughout rearranging tickets, refunding people for shows that were cancelled or re-scheduled for future months and making sure audiences were kept informed. Box office staff and volunteers phoned more elderly audience members on a regular basis to see how they were coping with the pandemic.

Our head Chef volunteered his time to cook for the local community centre throughout the pandemic to support the most vulnerable people in our neighbouring community of Everton.

Staff were supported with back to work interviews and counselling sessions where required.

The theatre was able to open in early December 2020 for three weeks to present The Royal Court Selection Box. The show employed two separate casts and crew to keep all as safe as possible. The theatre was forced to close again in December 2020 as the government announced a second national lockdown.

# ROYAL COURT LIVERPOOL TRUST LIMITED

## TRUSTEES REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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Throughout the period 1 April 2020 – 31 March 2021 we delivered:

### **Youth Theatre**

Sessions - 136  
Masterclasses - 39  
Theatre Visits - 1  
Theatre Visit Participants - 22  
One to One Work - 817  
Mentoring Participants – 45  
Youth theatre participants – 2,236  
Summer school sessions – 144  
Summer school participants – 66  
Summer school Engagements – 2,160

### **Choir**

Choir sessions – 48  
Performances - 2  
No. of theatre visits/dress – 1  
Theatre Visit Participants – 60  
Participants -5,301

Performances – 18  
Tickets Sold – 4,788  
YouTube views – 48,334  
Website pages viewed – 251,256

Other activities during this period included running regular Liverpool City Region What Next Sessions for all involved in the cultural sector. These sessions are free to access and in 2020-2021 focussed on the issues arising from the Black Lives Matter movement, the response from the cultural sector and discussions around equality and diversity throughout the sector.

A notable event for the theatre was an online show, The Happiness Show, to mark a new initiative for the city, Doddy Day in memory of the late Sir Ken Dodd. Comedians, performers and musicians from all over the country paid tribute to Sir Ken while celebrating the need for happiness throughout the city in these difficult times. The Happiness Show will be repeated in future years and will help the city to celebrate happiness in all its wide forms across all communities and ages. This event was delivered in partnership with The Comedy Trust, Sir Ken Dodd Charitable Foundation and Knotty Ash Productions.

### **Financial review**

The Trust had total incoming resources in the sum of £1,198,178 (2020: £577,454) and expended £1,107,198 (2020: £576,380) resulting in net income for the year of £90,980 (2020: £1,074).

At the period end the trust had net assets of £7,800,552 (2020: £7,709,572) of which £24,505 (2020: £Nil) was held within restricted funds and £7,209,727 (2020: £7,364,771) within designated funds. The designated fund reflects the net book value of the tangible fixed assets used operationally by the charity.

Activities during the period are in line with expectations.

It is the aim of the Trust that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The Trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the Trust's current activities while consideration is given to ways in which additional funds may be raised.

Revenue and capital grants remain the principle sources of funding.

# ROYAL COURT LIVERPOOL TRUST LIMITED

## TRUSTEES REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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The Trustees have assessed the major risks to which the Trust is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Our risk register is reviewed on a regular basis by the Trustees and senior management. Mitigating actions are taken to minimise the likelihood and impact of all risks. The following are the key risks and uncertainties facing the charity :-

- Funding reductions from our principle sources of income
- Capital development costs exceeding budget
- Unexpected major repair costs
- Non-financial risks arising from fire, health and safety of artists and audience
- Loss of key senior staff and consultants
- The continued impact of the Covid-19 pandemic

### Plans for future periods

The theatre continues to work with other theatres in the region to develop a more strategic approach to the theatre ecology in the region.

Work has continued to develop the key capital projects for the theatre with an update to The Everton Workshop pre-investment study in light of the Covid pandemic. The study concluded that there was more need for a joint theatres resource in the region which will respond to issues of unemployment created by the pandemic, skills shortages and transport issues caused by Brexit and help to reduce the carbon footprint for theatres across the region with a centralised set building facility. A renewed fundraising campaign to raise the £3.5m required to deliver the newly named Everton Mint project will be launched in 2022.

We are still waiting on planning permission for Act V – the extension of theatre back of house facilities over the existing Courtyard structure to join this to the theatre building. Additional backstage facilities including dressing rooms, technical area and staff rooms will enable to the theatre to attract larger touring work to the city. Liverpool City Council Planning Department are experiencing long delays as a result of the Caller Report in May 2021 which made several key recommendations about how the department functioned. It is expected that planning permission will be granted in 2022.

Both capital schemes address recent theatre reviews commissioned by Arts Council England and Liverpool City Council which encourage theatres to work more closely and efficiently to enhance theatre provision across the region.

Throughout 2019/20 the Trust continued to work closely with Liverpool Theatre Management and a report was produced by auditors DSG as to how the two companies might restructure to best serve the theatre going forward to produce a more stable and sustainable business model. The recommendations were agreed by the Board in May 2021 and work continues to restructure the companies. The new company structure will be in place by April 2022.

We plan to continue to develop all of our theatre productions and participation activities going forward and to recover from the effects of the pandemic as best we can. The theatre re-opened in July 2022 with social distancing and has remained open since reverting to full capacity in August 2021. Audience number have been good although not yet back to pre-pandemic levels. A second and third DCMS Culture Recovery grant have been achieved which will help to sustain the theatre through the continuing pandemic.

We continue to be extremely proud of all Board, staff, creatives and audiences involved in the theatre who have worked hard to ensure that the theatre survives and that the local communities it serves are supported during this time of need and uncertainty. We hope to be able to return to full operation during 2022 and beyond.

### Structure, governance and management

The Trust is a company limited by guarantee and a registered charity. Its governing document is its Memorandum and Articles of Association as amended by special resolution dated 19 March 2008.

# ROYAL COURT LIVERPOOL TRUST LIMITED

## TRUSTEES REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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The Trustees, who are also the directors for the purpose of company law, and who served during the year were:

Mr J M Falkingham

Mr M P Featherstone-Witty

Mr M J Best

Councillor W A Simon

Professor N P Weatherill (Chair)

Miss H E Summers

Mr M R W Bessman

Mr K E Dunn

Mr L D Heseltine

Ms J Bird

Ms J Hargreaves

The Board of Trustees govern the policy of the charity. All trustees give of their time freely and no remuneration was paid in the year. The management of the charity is delegated to the Chief Executive Officer, G Miller who is responsible to the board of Trustees for all aspects of the operation of the charity.

New Trustees are elected at a meeting of the board of Trustees and are appointed on merit for their standing in the community and particular skills and success in their own field of work and in relation to the aims and objectives of the Trust.

None of the Trustees has any beneficial interest in the company. All of the Trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

The Trustees have responsibility for setting the pay and remuneration of the charity's key personnel and this is done on an annual basis, including a formal cost of living review. Salaries are benchmarked with other similar organisations across the sector.

Mr K J Fearon is Chief Executive of Liverpool Theatres Management and Royal Court Limited (not a director), a director of Liverpool Food Company Limited, Simply Tickets Limited and Sightlines Limited, and the husband of G Miller, Chief Executive of the Royal Court Liverpool Trust Limited. Transactions and balances with these entities are disclosed in the notes to the accounts.

### **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.

### **Disclosure of information to auditor**

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Trustees report was approved by the Board of Trustees.



Mr M J Best

**Trustee**

24 January 2022

# ROYAL COURT LIVERPOOL TRUST LIMITED

## STATEMENT OF TRUSTEES RESPONSIBILITIES

### *FOR THE YEAR ENDED 31 MARCH 2021*

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The Trustees, who are also the directors of Royal Court Liverpool Trust Limited for the purpose of company law, are responsible for preparing the Trustees Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in operation.

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



# ROYAL COURT LIVERPOOL TRUST LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE TRUSTEES OF ROYAL COURT LIVERPOOL TRUST LIMITED

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#### Opinion

We have audited the financial statements of Royal Court Liverpool Trust Limited (the 'Trust') for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, 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 Trust 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 Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

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

# ROYAL COURT LIVERPOOL TRUST LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF ROYAL COURT LIVERPOOL TRUST LIMITED

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

In the light of the knowledge and understanding of the Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within 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 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 statement of Trustees responsibilities, the Trustees, who are also the directors of the Trust for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Trustees are responsible for assessing the Trust'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 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 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.

# ROYAL COURT LIVERPOOL TRUST LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF ROYAL COURT LIVERPOOL TRUST LIMITED

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

Based on our discussions with the charity's management and the Trustees, we identified that the following laws and regulations are significant to the entity:

- 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 charity 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 meeting minutes; testing the appropriateness of journal entries; and the performance of analytical review to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

A further description of our responsibilities is available 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 auditors' 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

24 January 2022

**Chartered Accountants**  
**Statutory Auditor**

Castle Chambers  
43 Castle Street  
Liverpool  
L2 9TL

# ROYAL COURT LIVERPOOL TRUST LIMITED

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

		Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Notes							
<b>Income and endowments from:</b>							
Donations and legacies	3	400,887	760,225	1,161,112	410,275	6,465	416,740
Charitable activities	4	37,000	-	37,000	143,001	-	143,001
Other trading activities	5	-	-	-	15,000	-	15,000
Investments	6	66	-	66	213	-	213
Other income	7	-	-	-	2,500	-	2,500
<b>Total income</b>		<b>437,953</b>	<b>760,225</b>	<b>1,198,178</b>	<b>570,989</b>	<b>6,465</b>	<b>577,454</b>
<b>Expenditure on:</b>							
Charitable activities	8	398,002	709,149	1,107,151	534,733	41,465	576,198
Other	12	47	-	47	182	-	182
<b>Total resources expended</b>		<b>398,049</b>	<b>709,149</b>	<b>1,107,198</b>	<b>534,915</b>	<b>41,465</b>	<b>576,380</b>
<b>Net incoming resources before transfers</b>		<b>39,904</b>	<b>51,076</b>	<b>90,980</b>	<b>36,074</b>	<b>(35,000)</b>	<b>1,074</b>
Gross transfers between funds		26,571	(26,571)	-	-	-	-
<b>Net income for the year/ Net movement in funds</b>		<b>66,475</b>	<b>24,505</b>	<b>90,980</b>	<b>36,074</b>	<b>(35,000)</b>	<b>1,074</b>
Fund balances at 1 April 2020		7,709,572	-	7,709,572	7,673,498	35,000	7,708,498
<b>Fund balances at 31 March 2021</b>		<b>7,776,047</b>	<b>24,505</b>	<b>7,800,552</b>	<b>7,709,572</b>	<b>-</b>	<b>7,709,572</b>

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

# ROYAL COURT LIVERPOOL TRUST LIMITED

## BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	13		7,209,727		7,364,771
<b>Current assets</b>					
Debtors	14	578,556		340,327	
Cash at bank and in hand		863,409		192,103	
		<u>1,441,965</u>		<u>532,430</u>	
<b>Creditors: amounts falling due within one year</b>	15	<u>(851,140)</u>		<u>(187,629)</u>	
Net current assets			590,825		344,801
<b>Total assets less current liabilities</b>			<u>7,800,552</u>		<u>7,709,572</u>
<b>Income funds</b>					
Restricted funds	16		24,505		-
<u>Unrestricted funds</u>					
Designated funds	17	7,209,727		7,364,771	
General unrestricted funds		<u>566,320</u>		<u>344,801</u>	
			7,776,047		7,709,572
			<u>7,800,552</u>		<u>7,709,572</u>

The financial statements were approved by the Trustees on 24 January 2022

*Martyn Best*

Mr M J Best  
Trustee

Company Registration No. 05988546

# ROYAL COURT LIVERPOOL TRUST LIMITED

## STATEMENT OF CASH FLOWS

**FOR THE YEAR ENDED 31 MARCH 2021**

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	Notes	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Cash generated from/(absorbed by) operations	22		709,577		(12,679)
<b>Investing activities</b>					
Purchase of tangible fixed assets		(38,337)		(65,305)	
Investment income received		66		213	
		<hr/>		<hr/>	
<b>Net cash used in investing activities</b>			(38,271)		(65,092)
<b>Net cash used in financing activities</b>			<hr/> -		<hr/> -
<b>Net increase/(decrease) in cash and cash equivalents</b>			671,306		(77,771)
Cash and cash equivalents at beginning of year			<hr/> 192,103		<hr/> 269,874
<b>Cash and cash equivalents at end of year</b>			<hr/> <hr/> 863,409		<hr/> <hr/> 192,103

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# ROYAL COURT LIVERPOOL TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 MARCH 2021**

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### **1 Accounting policies**

#### **Charity information**

Royal Court Liverpool Trust Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Royal Court Theatre, 1 Roe Street, Liverpool, L1 1HL.

#### **1.1 Accounting convention**

The financial statements have been prepared in accordance with the Trust'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)". The Trust is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the Trust. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### **1.2 Going concern**

As part of assessing the potential impact of the ongoing COVID 19 virus situation management have prepared revised financial forecasts for the charitable company. These forecasts indicate that the charitable company will continue to generate cash over the period considered by them in their assessment of the appropriateness of adopting the going concern basis in the preparation of these financial statements. Management has also considered the impact of potential operational challenges posed by COVID 19 and have concluded that any operational pressures caused directly by the COVID 19 situation are unlikely to have a material impact on the charitable company. On this basis the trustees consider it appropriate to prepare these financial statements on a going concern basis.

#### **1.3 Charitable funds**

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

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

#### **1.4 Income**

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

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

Income from Government and other grants, whether capital grants or revenue grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. In respect of the furlough grant; all conditions, with respect to the eligible costs being claimed, need to be met.

#### **1.5 Expenditure**

Expenditure is accounted for on an accruals basis.

# ROYAL COURT LIVERPOOL TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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### 1 Accounting policies

(Continued)

#### 1.6 Tangible fixed assets

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

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

Land and buildings	2% straight line
Leasehold improvements	2% straight line
Fixtures, fittings, equipment & computers	3 years and 10 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

Depreciation is not charged on assets under construction.

#### 1.7 Impairment of fixed assets

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

#### 1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.9 Financial instruments

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

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

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

#### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.



# ROYAL COURT LIVERPOOL TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

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#### 1 Accounting policies

(Continued)

##### ***Impairment of financial assets***

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

##### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Trust transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### ***Basic financial liabilities***

Basic financial liabilities, including creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### ***Derecognition of financial liabilities***

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

#### 1.10 Employee benefits

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 Trust is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

# ROYAL COURT LIVERPOOL TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 2 Critical accounting estimates and judgements

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

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

### 3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2021 £	2021 £	2021 £	2020 £	2020 £	2020 £
Donations and gifts	23,904	1,000	24,904	137,675	3,500	141,175
Grant income	376,983	759,225	1,136,208	272,600	2,965	275,565
	<u>400,887</u>	<u>760,225</u>	<u>1,161,112</u>	<u>410,275</u>	<u>6,465</u>	<u>416,740</u>
<b>Donations and gifts</b>						
£1 Ticket levy	-	-	-	133,728	-	133,728
Lady Anne Dodd	20,000	-	20,000	-	-	-
Other	3,904	1,000	4,904	3,947	3,500	7,447
	<u>23,904</u>	<u>1,000</u>	<u>24,904</u>	<u>137,675</u>	<u>3,500</u>	<u>141,175</u>
<b>Grants receivable for core activities</b>						
Arts Council England - Revenue Funding	224,140	-	224,140	245,000	-	245,000
Liverpool City Council - Core funding	28,980	-	28,980	27,600	-	27,600
Liverpool City Council - Covid related funding	104,755	-	104,755	-	-	-
Culture Recovery Fund	-	729,915	729,915	-	-	-
National Lottery Community Fund	-	8,470	8,470	-	-	-
Difference Matters - "Cured"	-	15,840	15,840	-	-	-
Charities Trust	-	5,000	5,000	-	-	-
CJRS	19,108	-	19,108	-	-	-
Other	-	-	-	-	2,965	2,965
	<u>376,983</u>	<u>759,225</u>	<u>1,136,208</u>	<u>272,600</u>	<u>2,965</u>	<u>275,565</u>

# ROYAL COURT LIVERPOOL TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

### 3 Donations and legacies (Continued)

### 4 Charitable activities

	2021 £	2020 £
Sales within charitable activities	7,000	81,001
Charitable rental income	30,000	62,000
	<u>37,000</u>	<u>143,001</u>

### 5 Other trading activities

	Total	Unrestricted funds
	2021 £	2020 £
Sponsorships and social lotteries	-	15,000
	<u>-</u>	<u>15,000</u>

### 6 Investments

	Unrestricted funds	Unrestricted funds
	2021 £	2020 £
Interest receivable	66	213
	<u>66</u>	<u>213</u>

### 7 Other income

	Total	Unrestricted funds
	2021 £	2020 £
Other income	-	2,500
	<u>-</u>	<u>2,500</u>

# ROYAL COURT LIVERPOOL TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

### 8 Charitable activities

	2021 £	2020 £
Staff costs	59,279	64,007
Depreciation and impairment	193,381	189,920
Marketing and publicity	10,191	16,240
Rent, rates and utilities	36,404	31,385
Insurance	26,966	26,189
Workshops	70	3,438
Sundry expenses, hospitality and travel	18,527	16,669
Programme delivery	163,307	-
Printing, postage and stationery	378	398
Youth Theatre	41,336	141,959
Repairs and renewals	41,878	6,147
Legal, professional and consultancy	39,347	24,036
Chief Executive fees	50,000	50,000
Operating support costs	420,787	-
	<u>1,101,851</u>	<u>570,388</u>
Share of governance costs (see note 9)	5,300	5,810
	<u>1,107,151</u>	<u>576,198</u>
<b>Analysis by fund</b>		
Unrestricted funds	398,002	534,733
Restricted funds	709,149	41,465
	<u>1,107,151</u>	<u>576,198</u>

### 9 Support costs

	Support costs £	Governance costs £	2021 £	Support costs £	Governance costs £	2020 £
Audit fees	-	5,300	5,300	-	5,810	5,810
	<u>-</u>	<u>5,300</u>	<u>5,300</u>	<u>-</u>	<u>5,810</u>	<u>5,810</u>
Analysed between						
Charitable activities	-	5,300	5,300	-	5,810	5,810
	<u>-</u>	<u>5,300</u>	<u>5,300</u>	<u>-</u>	<u>5,810</u>	<u>5,810</u>

Governance costs include payments to the auditors of £5,275 (2020: £5,075) in respect of audit fees.

# ROYAL COURT LIVERPOOL TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

### 10 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the Trust during the year.

### 11 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
	2	2
	<u>2</u>	<u>2</u>
<b>Employment costs</b>	<b>2021</b>	<b>2020</b>
	£	£
Wages and salaries	57,485	61,669
Social security costs	895	1,529
Other pension costs	899	809
	<u>59,279</u>	<u>64,007</u>
	<u>59,279</u>	<u>64,007</u>

No employees receive total employee benefit of over £60,000.

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

### 12 Other

	Unrestricted funds	Unrestricted funds
	2021	2020
Financing costs	47	182
	<u>47</u>	<u>182</u>
	<u>47</u>	<u>182</u>

# ROYAL COURT LIVERPOOL TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 13 Tangible fixed assets

	Land and buildings	Leasehold improvements	Fixtures, fittings, equipment & computers	Total
	£	£	£	£
<b>Cost</b>				
At 1 April 2020	1,212,773	6,758,701	315,810	8,287,284
Additions	-	-	38,337	38,337
At 31 March 2021	1,212,773	6,758,701	354,147	8,325,621
<b>Depreciation and impairment</b>				
At 1 April 2020	80,851	734,905	106,757	922,513
Depreciation charged in the year	24,255	135,174	33,952	193,381
At 31 March 2021	105,106	870,079	140,709	1,115,894
<b>Carrying amount</b>				
At 31 March 2021	1,107,667	5,888,622	213,438	7,209,727
At 31 March 2020	1,131,922	6,023,796	209,053	7,364,771

Liverpool City Council and The Arts Council of England have a legal charges over the goodwill, property and all other assets of the charity.

### 14 Debtors

	2021 £	2020 £
<b>Amounts falling due within one year:</b>		
Trade debtors	113,577	116,577
Other debtors	108,615	-
Prepayments and accrued income	356,364	223,750
	578,556	340,327

### 15 Creditors: amounts falling due within one year

	2021 £	2020 £
Other taxation and social security	2,097	6,436
Trade creditors	26,202	11,074
Other creditors	676,581	32,262
Accruals and deferred income	146,260	137,857
	851,140	187,629

# ROYAL COURT LIVERPOOL TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2021**

### 16 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Movement in funds			
	Balance at 1 December 2016	Incoming resources	Resources expended	Balance at 1 April 2020	Incoming resources	Resources expended	Transfers
	£	£	£	£	£	£	£
National Lottery Community Fund	-	-	-	-	8,470	-	-
Difference Matters	-	-	-	-	15,840	(5,805)	-
Charities Trust	-	-	-	-	5,000	-	-
Hemby Trust	-	-	-	-	1,000	-	-
Duchy of Lancaster	10,000	-	(10,000)	-	-	-	-
Public Health England	-	1,000	(1,000)	-	-	-	-
Culture Recovery Fund	-	-	-	-	729,915	(703,344)	(26,571)
BBC Children In Need	-	2,000	(2,000)	-	-	-	-
Arts Admin	-	965	(965)	-	-	-	-
The Alchemy Foundation	25,000	-	(25,000)	-	-	-	-
Other	-	2,500	(2,500)	-	-	-	-
	<u>35,000</u>	<u>6,465</u>	<u>(41,465)</u>	<u>-</u>	<u>760,225</u>	<u>(709,149)</u>	<u>(26,571)</u>
							<u>24,505</u>

# ROYAL COURT LIVERPOOL TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2021**

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### 16 Restricted funds

(Continued)

In 2019 restricted capital funds of £7,411,175 were released into general unrestricted funds as the Trustees believe that the terms of these gifts, which were the funding of the build and renovation of the tangible fixed asset and purchase of an adjacent building have been met.

The National Lottery Community Fund was a grant towards was for the Youth Theatre Summer School 2020 which ran in the Community College during August 2021.

Difference Matters- funding in respect of the project Cured.

The Charities Trust grant was a grant from Barclays Bank to support front of house staff while the theatre was closed in 2020.

The Hemby Trust grant was a grant toward the Youth Theatre.

Culture Recovery Fund - An award from a grants programme to protect the UK's culture and heritage sectors from the economic impacts of Covid-19. The grant was to support the reopening of the Theatre, either fully or partially, or operate on a sustainable, cost-efficient basis until able to reopen at a later date. The terms of the funding include items of expenditure incurred by related entities Royal Court Limited , Liverpool Food Company Limited and Simply Tickets Limited which have been recharged to the charity.

Duchy of Lancaster funding is a digital project grant.

Public Health England funding was a grant toward the Community Choir project.

BBC Children in Need represents funds awarded to our Youth Theatre. This enabled us to run workshops, masterclasses, our summer show on the main stage and residential trip for per mentors.

Arts Admin - Grant for Cured by Laurence Clark

The Alchemy Foundation - Grant to provide opportunities for work to disadvantaged young people

Other funding in 2020 was funding was received from the estate of Professor E. Rex Makin for the sum of £2,500 to support a student through training at Rare Studios.



# ROYAL COURT LIVERPOOL TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

#### 17 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 April 2018	Transfers	Balance at 1 April 2020	Movement in funds		Balance at 31 March 2021
	£	£	£	Incoming resources £	Resources expended £	£
Tangible fixed asset fund	7,489,386	(124,615)	7,364,771	38,337	(193,381)	7,209,727
	<u>7,489,386</u>	<u>(124,615)</u>	<u>7,364,771</u>	<u>38,337</u>	<u>(193,381)</u>	<u>7,209,727</u>

In order to accurately show the reserves tied up in fixed assets held by the charity, a designated tangible fixed asset fund has been created. The fund reflects the net book value of the tangible fixed assets used operationally by the charity.

#### 18 Analysis of net assets between funds

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Fund balances at 31 March 2021 are represented by:						
Tangible assets	7,209,727	-	7,209,727	7,364,771	-	7,364,771
Current assets/ (liabilities)	566,320	24,505	590,825	344,801	-	344,801
	<u>7,776,047</u>	<u>24,505</u>	<u>7,800,552</u>	<u>7,709,572</u>	<u>-</u>	<u>7,709,572</u>

#### 19 Operating lease commitments

At the reporting end date the Trust had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	32,000	32,000
Between two and five years	128,000	128,000
In over five years	3,688,000	3,720,000
	<u>3,848,000</u>	<u>3,880,000</u>

# ROYAL COURT LIVERPOOL TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

#### 20 Financial commitments, guarantees and contingent liabilities

The Trust may be required to repay funding if it fails to comply with conditions laid down by funding providers. Liverpool City Council and The Arts Council of England have a legal charges over the goodwill, property and all other assets of the charity.

#### 21 Related party transactions

##### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2021 £	2020 £
Aggregate compensation	50,000	50,000

During the period the company incurred expenditure and recharges of £213,921 (2020: £93,807) with Royal Court Limited and received income of £30,000 (2020: £125,817).

During the period the company received income of £nil (2020: £69,095) from Liverpool Food Company Limited and incurred recharges of £322,265 (2020: £nil).

During the period ticket levy income of £nil (2020: £133,730) and box office income of £nil (2020: £4,518) was collected on behalf of the company by Simply Tickets Limited and £139,846 (2020: £nil) of costs were recharged to the company by Simply Tickets Limited.

At the period end the company owed £25,392 (2020: (£104,552) ) to Royal Court Limited.

At the period end the company owed £253,170 to Liverpool Food Company Limited (2020: was owed £69,095)

At the period end the company was owed £78,475 (2020: £118,322) by Simply Tickets Limited.

Mr K J Fearon is Chief Executive of Royal Court Limited (not a director), a director of Liverpool Food Company Limited, and Simply Tickets Limited and the husband of G Miller, Chief Executive of the Royal Court Liverpool Trust Limited.

22 Cash generated from operations	2021 £	2020 £
Surplus for the year	90,980	1,074
Adjustments for:		
Investment income recognised in statement of financial activities	(66)	(213)
Depreciation and impairment of tangible fixed assets	193,381	189,920
Movements in working capital:		
(Increase)/decrease in debtors	(238,229)	160,077
Increase/(decrease) in creditors	663,511	(363,537)
<b>Cash generated from/(absorbed by) operations</b>	<b>709,577</b>	<b>(12,679)</b>

# ROYAL COURT LIVERPOOL TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) *FOR THE YEAR ENDED 31 MARCH 2021*

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### **23 Analysis of changes in net funds**

The Trust had no debt during the year.