

Charity registration number 1129007

Company registration number 05988546 (England and Wales)

ROYAL COURT LIVERPOOL TRUST LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

ROYAL COURT LIVERPOOL TRUST LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr J M Falkingham Mr M P Featherstone-Witty Mr M J Best Ms H Summers Mr K E Dunn Ms J Fisher	(Appointed 30 November 2022)
Secretary	Miss G I Miller	
Charity number	1129007	
Company number	05988546	
Registered office	Royal Court Theatre 1 Roe Street Liverpool L1 1HL	
Auditor	DSG Castle Chambers 43 Castle Street Liverpool L2 9TL	

ROYAL COURT LIVERPOOL TRUST LIMITED

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ROYAL COURT LIVERPOOL TRUST LIMITED

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2022

The Trustees present their annual report and financial statements for the year ended 31 March 2022.

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

April 2021 – March 2022 was, like the previous year, affected by the continuing global pandemic. We were officially allowed to re-open the theatre to the public in June 2021 as long as we operated under strict Covid-19 guidelines. This included audience numbers being limited and distanced in the auditorium which reduced capacity in the auditorium to a third of normal capacity, so 300 rather than the usual 1,000.

Our first show, *Ellen & Rigby*, commissioned especially for the re-opening of the theatre, focussed on two lonely people during lockdown. It was deliberately a two-hander to reduce the risk of cast and crew falling ill with the virus. The theatre re-opened to the public on 28 June and *Ellen & Rigby* ran until 7 August 2021. The show was a huge success with audiences and hit the right note for those brave enough to return to the theatre after a long period of closure. We'd like to thank our amazingly supportive audiences for returning to the theatre at this critical point in our recovery.

The main house programme continued with a Black-led adaptation of *Bouncers* by John Godber adapted for the Royal Court by Maurice Bessman. This brought new audiences into the theatre and encouraged those who have experience racism to visit the theatre, many for the first time. Social distancing continued throughout the run of *Bouncers*.

The main house programme continued with *Homebaked The Musical*, a co-production with Red Ladder Theatre Company from Leeds. This was the first show we were able to present at full capacity in the auditorium with no social distancing. The Christmas Show, *The Scouse Sleeping Beauty* followed. Unfortunately another wave of Coronavirus swept the country and many of our cast, crew and staff succumbed to the virus over the Christmas period. This meant that we had to rework our Christmas offer to fit around absence from work. A variety Christmas show was presented at the last minute with two weeks of full production lost. Another three main house shows were lost between Christmas and New Year as actors, crew and staff caught the virus. We were grateful to Arts Council of England/DCMS for another round of Culture Recovery Fund grants which we were successful in receiving. We presented the annual *Doddy Day Happiness Show* again on 7th November 2021 with support from The Sir Ken Dodd Charitable Foundation and Knotty Ash Productions.

As the virus took hold again in early January 2022, plans to start rehearsals for the first production of 2022, *Macca & Beth*, were postponed until later in the year when cast members would have greater confidence to travel to Liverpool to take part in the show. This meant that the Christmas show was extended until 29 January 2022. The *Royal*, a remount of a 2018 show was staged from the end of February until 2 April 2022.

ROYAL COURT LIVERPOOL TRUST LIMITED

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Participatory Activities throughout 2021-2022 included:

- 193 Youth Theatre sessions
- 144 Summer School sessions
- 145 Theatre visit participants (under 25yrs)
- 41 Choir sessions
- 1,591 Choir member theatre visits
- 26 Merseyside schools visited with Terriers 2: Eve's Story
- 50 Performances in schools of Terriers 2: Eve's Story
- 8,830 School student audience members for Terriers 2: Eve's Story
- 4,168 School student participants in workshop sessions for Terriers 2: Eve's Story
- 22 People's Player adult workshops
- 305 People's Player participants
- 208 young people attending careers fairs
- 138 outreach workshop participants
- 105, 226 tickets sold to all shows
- 5,116 tickets sold to Variety Lunch Club events
- 10 Variety Lunch Club events
- 3,487 tickets sold to Studio shows
- 3,060,758 Facebook reach
- 1,464,100 Twitter reach
- 115,538 Instagram reach
- 2,105,819 Youtube visits
- 79 staff training courses completed

The Youth Theatre Summer School was delivered in full providing free workshops and training sessions for young people aged 11 – 25 yrs. Our community choir met throughout the year and some members were involved in the main stage production of Homebaked The Musical. We were able to tour Eve's Story, part of the Terriers Project into schools during spring 2022 responding to the fact that more young women than ever were affected by domestic abuse and grooming during the pandemic.

Financial review

The Trust had total incoming resources in the sum of £1,139,701 (2021: £1,198,178) and expended £1,072,764 (2021: £1,107,198) resulting in net income for the year of £66,937 (2021: £90,980).

At the period end the trust had net assets of £7,867,489 (2021: £7,800,552) of which £34,495 (2021: £834,732) was held within restricted funds and £7,078,347 (2021: £7,209,727) 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 DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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

During the period 2021 – 2022, the theatre went through a restructuring process to make the organisation more resilient and sustainable going forward. The restructuring involved the formation of a new operating charity, Royal Court Liverpool Ltd, which start operating on 1 April 2022. Royal Court Liverpool Trust will continue to look after the theatres estate of buildings which include the Royal Court and Courtyard Bar & Kitchen. The operating charity will assume responsibility for all aspects of theatre operation, set building, marketing, productions, ticket sales, food and drink previously undertaken by privately owned companies.

Capital project developments continue with the £3.5m Everton Mint, the rebuild of the theatre's workshops in Birkett Street, Everton, Sir Ken Dodd Happiness Centre, proposed for the site currently occupied by Courtyard Bar & Kitchen, and The Nabe, the re-purposing of an empty city centre shop to create a hub and safe space for young people.

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.

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	(Resigned 21 February 2022)
Professor N P Weatherill (Chair)	(Resigned 1 May 2022)
Ms H Summers	
Mr M R W Bessman	(Resigned 20 April 2022)
Mr K E Dunn	
Ms J Bird	(Resigned 1 May 2022)
Ms J Hargreaves	(Resigned 1 May 2022)
Ms J Fisher	(Appointed 30 November 2022)

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.

ROYAL COURT LIVERPOOL TRUST LIMITED

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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 Royal Court Limited (and director from 20 October 2022), 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. Royal Court Liverpool Limited is related due to a common trustee sitting on both boards. 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

6 January 2023

ROYAL COURT LIVERPOOL TRUST LIMITED

STATEMENT OF TRUSTEES RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2022

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; 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 MEMBERS OF ROYAL COURT LIVERPOOL TRUST LIMITED

Opinion

We have audited the financial statements of Royal Court Liverpool Trust Limited (the 'Trust') for the year ended 31 March 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and 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 Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the 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 for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, 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 MEMBERS OF ROYAL COURT LIVERPOOL TRUST LIMITED

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.

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 MEMBERS OF ROYAL COURT LIVERPOOL TRUST LIMITED

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Andrew Moss BA FCA (Senior Statutory Auditor)
for and on behalf of DSG

6 January 2023

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 2022

		Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
	Notes						
Income and endowments from:							
Donations and legacies	3	240,872	770,253	1,011,125	400,887	760,225	1,161,112
Charitable activities	4	65,194	50,000	115,194	37,000	-	37,000
Investments	5	86	-	86	66	-	66
Other income	6	13,296	-	13,296	-	-	-
Total income		319,448	820,253	1,139,701	437,953	760,225	1,198,178
Expenditure on:							
Charitable activities	7	578,977	493,656	1,072,633	398,002	709,149	1,107,151
Other	11	131	-	131	47	-	47
Total expenditure		579,108	493,656	1,072,764	398,049	709,149	1,107,198
Net (outgoing)/incoming resources before transfers		(259,660)	326,597	66,937	39,904	51,076	90,980
Gross transfers between funds		316,607	(316,607)	-	26,571	(26,571)	-
Net income for the year/ Net movement in funds		56,947	9,990	66,937	66,475	24,505	90,980
Fund balances at 1 April 2021		7,776,047	24,505	7,800,552	7,709,572	-	7,709,572
Fund balances at 31 March 2022		7,832,994	34,495	7,867,489	7,776,047	24,505	7,800,552

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 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	12		7,078,347		7,209,727
Current assets					
Debtors	13	662,142		578,556	
Cash at bank and in hand		780,903		863,409	
		<u>1,443,045</u>		<u>1,441,965</u>	
Creditors: amounts falling due within one year	14	<u>(653,903)</u>		<u>(851,140)</u>	
Net current assets			789,142		590,825
Total assets less current liabilities			<u>7,867,489</u>		<u>7,800,552</u>
Income funds					
Restricted funds	15		34,495		24,505
<u>Unrestricted funds</u>					
Designated funds	16	7,078,347		7,209,727	
General unrestricted funds		<u>754,647</u>		<u>566,320</u>	
			7,832,994		7,776,047
			<u>7,867,489</u>		<u>7,800,552</u>

The financial statements were approved by the Trustees on 6 January 2023

Martyn Best

Mr M J Best
Trustee

Company registration number 05988546

ROYAL COURT LIVERPOOL TRUST LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	22		(14,038)		709,577
Investing activities					
Purchase of tangible fixed assets		(68,554)		(38,337)	
Investment income received		86		66	
Net cash used in investing activities			(68,468)		(38,271)
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(82,506)		671,306
Cash and cash equivalents at beginning of year			863,409		192,103
Cash and cash equivalents at end of year			780,903		863,409

ROYAL COURT LIVERPOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

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 2022

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 2022

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 2022

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
	2022 £	2022 £	2022 £	2021 £	2021 £	2021 £
Donations and gifts	3,134	-	3,134	23,904	1,000	24,904
Grant income	237,738	770,253	1,007,991	376,983	759,225	1,136,208
	<u>240,872</u>	<u>770,253</u>	<u>1,011,125</u>	<u>400,887</u>	<u>760,225</u>	<u>1,161,112</u>
Donations and gifts						
Lady Anne Dodd	-	-	-	20,000	-	20,000
Other	3,134	-	3,134	3,904	1,000	4,904
	<u>3,134</u>	<u>-</u>	<u>3,134</u>	<u>23,904</u>	<u>1,000</u>	<u>24,904</u>
Grants receivable for core activities						
Arts Council England - Revenue Funding	214,140	-	214,140	224,140	-	224,140
Liverpool City Council - Core funding	23,598	-	23,598	28,980	-	28,980
Liverpool City Council - Covid related funding	-	-	-	104,755	-	104,755
Culture Recovery Fund	-	680,000	680,000	-	729,915	729,915
National Foundation Youth Music AAA	-	73,188	73,188	-	-	-
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	-	17,065	17,065	-	-	-
	<u>237,738</u>	<u>770,253</u>	<u>1,007,991</u>	<u>376,983</u>	<u>759,225</u>	<u>1,136,208</u>

ROYAL COURT LIVERPOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

4 Charitable activities

	2022 £	2021 £
Sales within charitable activities	53,194	7,000
Charitable rental income	62,000	30,000
	<u>115,194</u>	<u>37,000</u>
Analysis by fund		
Unrestricted funds	65,194	37,000
Restricted funds	50,000	-
	<u>115,194</u>	<u>37,000</u>

5 Investments

	Unrestricted funds	Unrestricted funds
	2022 £	2021 £
Interest receivable	<u>86</u>	<u>66</u>

6 Other income

	Unrestricted funds	Total
	2022 £	2021 £
Other income	<u>13,296</u>	<u>-</u>

ROYAL COURT LIVERPOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

7 Charitable activities

	2022 £	2021 £
Staff costs	83,182	59,279
Depreciation and impairment	199,934	193,381
Marketing and publicity	18,147	10,191
Rent, rates and utilities	87,729	36,404
Insurance	28,422	26,966
Workshops	17,352	70
Sundry expenses, hospitality and travel	25,069	18,527
Programme delivery	10,035	163,307
Printing, postage and stationery	1,827	378
Youth Theatre	155,668	41,336
Repairs and renewals	112,416	41,878
Legal, professional and consultancy	30,882	39,347
Chief Executive fees	50,000	50,000
Operating support costs	246,620	420,787
	<u>1,067,283</u>	<u>1,101,851</u>
Share of governance costs (see note 8)	5,350	5,300
	<u>1,072,633</u>	<u>1,107,151</u>
Analysis by fund		
Unrestricted funds	578,977	398,002
Restricted funds	493,656	709,149
	<u>1,072,633</u>	<u>1,107,151</u>

8 Support costs

	Support costs £	Governance costs £	2022 £	2021 £
Audit fees	-	5,350	5,350	5,300
	<u>-</u>	<u>5,350</u>	<u>5,350</u>	<u>5,300</u>
Analysed between				
Charitable activities	-	5,350	5,350	5,300
	<u>-</u>	<u>5,350</u>	<u>5,350</u>	<u>5,300</u>

Governance costs include payments to the auditors of £5,350 (2021: £5,300) in respect of audit fees.

ROYAL COURT LIVERPOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

9 Trustees

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

10 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
	3	2
	<u> </u>	<u> </u>
Employment costs	2022	2021
	£	£
Wages and salaries	79,831	57,485
Social security costs	1,953	895
Other pension costs	1,398	899
	<u> </u>	<u> </u>
	83,182	59,279
	<u> </u>	<u> </u>

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

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

11 Other

	Unrestricted funds	Unrestricted funds
	2022	2021
Financing costs	131	47
	<u> </u>	<u> </u>
	131	47
	<u> </u>	<u> </u>

ROYAL COURT LIVERPOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

12 Tangible fixed assets

	Land and buildings	Leasehold improvements	Fixtures, fittings, equipment & computers	Total
	£	£	£	£
Cost				
At 1 April 2021	1,212,773	6,758,701	354,147	8,325,621
Additions	-	-	68,554	68,554
At 31 March 2022	1,212,773	6,758,701	422,701	8,394,175
Depreciation and impairment				
At 1 April 2021	105,106	870,079	140,709	1,115,894
Depreciation charged in the year	24,255	135,174	40,505	199,934
At 31 March 2022	129,361	1,005,253	181,214	1,315,828
Carrying amount				
At 31 March 2022	1,083,412	5,753,448	241,487	7,078,347
At 31 March 2021	1,107,667	5,888,622	213,438	7,209,727

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

13 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	215,207	113,577
Other debtors	24,879	108,615
Prepayments and accrued income	422,056	356,364
	662,142	578,556

14 Creditors: amounts falling due within one year

	2022 £	2021 £
Other taxation and social security	2,560	2,097
Trade creditors	50,046	26,202
Other creditors	544,415	676,581
Accruals and deferred income	56,882	146,260
	653,903	851,140

ROYAL COURT LIVERPOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

15 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			
	Incoming resources	Resources expended	Transfers	Balance at 1 April 2021	Incoming resources	Resources expended	Transfers	Balance at 31 March 2022
	£	£	£	£	£	£	£	£
National Lottery Community Fund	8,470	-	-	8,470	-	(8,470)	-	-
Difference Matters	15,840	(5,805)	-	10,035	-	(10,035)	-	-
Charities Trust	5,000	-	-	5,000	-	(5,000)	-	-
Hemby Trust	1,000	-	-	1,000	-	(1,000)	-	-
Culture Recovery Fund	729,915	(703,344)	(26,571)	-	680,000	(363,393)	(316,607)	-
National Foundation for Youth Music	-	-	-	-	73,188	(43,680)	-	29,508
Merseyside Police	-	-	-	-	50,000	(50,000)	-	-
PH Holt	-	-	-	-	6,500	(6,500)	-	-
Oases Project	-	-	-	-	5,515	(528)	-	4,987
The D'Oyly Carte Charitable Trust	-	-	-	-	5,050	(5,050)	-	-
	<u>760,225</u>	<u>(709,149)</u>	<u>(26,571)</u>	<u>24,505</u>	<u>820,253</u>	<u>(493,656)</u>	<u>(316,607)</u>	<u>34,495</u>

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.

ROYAL COURT LIVERPOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

15 Restricted funds

(Continued)

Culture Recovery Fund - Awards 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. A transfer has been made from restricted funds to unrestricted funds in respect of the support received under this programme which allowed for the reflation of the charity's reserves.

National Foundation for Youth Music - A brand new project to give FREE access to music for young people

Merseyside Police - Violence Reduction Unit grant toward the Terriers programme

PH Holt - Mentor scheme to promote equality and diversity

Oases Project - Outdoor and sustainability education specialists project

The D'Oyly Carte Charitable Trust - The Royal Court Youth Theatre delivers a range of opportunities free of charge for young people aged 11 – 25 from every part of the city.

ROYAL COURT LIVERPOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

16 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:

	Movement in funds			Movement in funds			
	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Balance at 31 March 2022 £
Tangible fixed asset fund	7,364,771	38,337	(193,381)	7,209,727	68,554	(199,934)	7,078,347
	<u>7,364,771</u>	<u>38,337</u>	<u>(193,381)</u>	<u>7,209,727</u>	<u>68,554</u>	<u>(199,934)</u>	<u>7,078,347</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.

17 Analysis of net assets between funds

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Fund balances at 31 March 2022 are represented by:						
Tangible assets	7,078,347	-	7,078,347	7,209,727	-	7,209,727
Current assets/(liabilities)	754,647	34,495	789,142	566,320	24,505	590,825
	<u>7,832,994</u>	<u>34,495</u>	<u>7,867,489</u>	<u>7,776,047</u>	<u>24,505</u>	<u>7,800,552</u>

18 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:

	2022 £	2021 £
Within one year	32,000	32,000
Between two and five years	128,000	128,000
In over five years	3,656,000	3,688,000
	<u>3,816,000</u>	<u>3,848,000</u>

ROYAL COURT LIVERPOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

19 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.

20 Events after the reporting date

During the period 2021 – 2022, the theatre went through a restructuring process to make the organisation more resilient and sustainable going forward. The restructuring involved the formation of a new operating charity, Royal Court Liverpool Ltd, which start operating on 1 April 2022. Royal Court Liverpool Trust will continue to look after the theatres estate of buildings which include the Royal Court and Courtyard Bar & Kitchen. The operating charity will assume responsibility for all aspects of theatre operation, set building, marketing, productions, ticket sales, food and drink previously undertaken by privately owned companies.

21 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2022 £	2021 £
Aggregate compensation	50,000	50,000

During the period the company incurred expenditure and recharges of £225,691 (2021: £213,921) with Royal Court Limited and received income of £88,847 (2021: £30,000).

During the period the company received income of £74,000 (2021: £nil) from Liverpool Food Company Limited and incurred recharges of £20,929 (2021: £322,265).

During the period ticket levy income of £nil (2021: £nil), box office income of £nil (2021: £nil) and sundry income of £250 (2021: £nil) was collected on behalf of the company by Simply Tickets Limited and £nil ((2021: £139,846) of costs were recharged to the company by Simply Tickets Limited.

At the period end the company owed £23,904 (2021: £25,392) to Royal Court Limited.

At the period end the company was owed £301 (2021: £253,170 owed to Liverpool Food Company Limited) by Liverpool Food Company Limited.

At the period end the company owed £59,770 (2021: £78,475 owed by Simply Tickets Limited) to Simply Tickets Limited.

At the period end the company owed £15,000 (2021: £nil) to Royal Court Liverpool Limited.

Mr K J Fearon is Chief Executive of Royal Court Limited (and director from 20 October 2022), 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. Royal Court Liverpool Limited is related due to a common trustee sitting on both boards.

ROYAL COURT LIVERPOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

22	Cash generated from operations	2022	2021
		£	£
	Surplus for the year	66,937	90,980
	Adjustments for:		
	Investment income recognised in statement of financial activities	(86)	(66)
	Depreciation and impairment of tangible fixed assets	199,934	193,381
	Movements in working capital:		
	(Increase) in debtors	(83,586)	(238,229)
	(Decrease)/increase in creditors	(197,237)	663,511
	Cash (absorbed by)/generated from operations	(14,038)	709,577
		<u><u> </u></u>	<u><u> </u></u>
23	Analysis of changes in net funds		
	The Trust had no debt during the year.		