

Leicester Theatre Trust Limited
Annual report and financial
statements for the year ended
31 March 2021

Registered number: 00772380

Charity number: 230708

Leicester Theatre Trust Limited
Report of the Trustees for the year ended 31 March 2021

Legal and administrative information	1
Chairman's Statement	2
Report of the Trustees (incorporating the Strategic Report) for the year ended 31 March 2021	3
Independent auditor's report to the members of Leicester Theatre Trust Limited	13
Consolidated statement of financial activities (including income and expenditure account) for the year ended 31 March 2021	16
Group and charitable company balance sheets as at 31 March 2021	18
Group statement of cashflows for the year ended 31 March 2021	19
Notes to the financial statements for the year ended 31 March 2021	20

Leicester Theatre Trust Limited

Legal and administrative information

Registered office

Curve Theatre
Rutland Street
Leicester
LE1 1SB

Registered number 00772380

Charity number 230708

Auditor

RSM UK Audit LLP
Chartered Accountants
Rivermead House
7 Lewis Court
Grove Park
Leicester
Leicestershire
LE19 1SD

Solicitors

Howes Percival
The Osiers
Business Park
Leicester
LE19 1DX

Bankers

Barclays Bank
1-3, Haymarket Tower
Leicester
LE1 1WA

Senior Management

Chief Executive: Chris Stafford
Artistic Director: Nikolai Foster
Finance Director: Linda Dixon
Buildings and Technical Director: Jay Bridges
HR and Operations Director: Julia Bates (until 21 October 2021)
Director of Audiences: Claire Ward
Head of Fundraising: Susie Cattermole (until 17 April 2020)
Head of Hospitality and Business Relations: David Ross
Executive Producer: Aidan Grounds (until 19 March 2021)
Head of Learning: Andy Reeves (until 13 August 2020)
Head of New Work: Beth Shouler
Head of Production: Andrew Nairn (1 March 2020 to 26 November 2020)

Leicester Theatre Trust Limited

Report of the Trustees (incorporating the Strategic Report) for the year ended 31 March 2021

Chairman's Statement

'It's only for three weeks,' they said, the night we closed *The Phantom of the Opera* at Curve and headed into what we all earnestly hoped would be just that, a short corrective, a circuit-breaker before we could get back to normality.

However, as we know, the lights did not come on for some time and as we headed into the autumn and then the winter of 2020 it became clear how arduous a journey we all faced with our own city of Leicester being particularly hard-hit. With another lockdown announced in November our normally exciting and elaborate Christmas plans featuring our own new production of *The Wizard of Oz* were stopped in their tracks and the show postponed now until Christmas 2022.

We were, at the behest and support of Leicester City Council, able to lighten the gloom with a specially commissioned video to celebrate the switch-on of the city's Christmas lights. In some ways that short and chirpy film captured what was to become the essence of Curve's approach to making theatre available through the pandemic. The team at Curve saw our theatre as part of the city's 'survival pack', offering access to entertainment otherwise denied to our loyal audiences. And so we developed new skills, new abilities and new capacity enabling us to put Curve 'on-line' and doing so to an extent and in a way we had never achieved before.

Producing specially created versions of our 2017 hit production of Andrew Lloyd Webber's *Sunset Boulevard* and our later success *The Color Purple* for on-line streaming together with multiple other on-line offers, in 12 months we achieved 650,000 on-line views, we employed 268 freelance artists and other theatre professionals and amassed more than 100 hours of content. The two musicals received 35,000 views across 45 different countries and took Curve's work further than ever before. We were delighted that Danny Mac and Ria Jones were re-united in *Sunset Boulevard*, a production which The Daily Telegraph described as 'a game-changer.'

That exercise also showed us the real potential of our unique and magnificent building. Both musicals were filmed 'in the round' with the famous central, dividing wall raised, bringing together the spaces normally described as our 900 and 300 seat theatres. The whole setting was enhanced by Sir Cameron Mackintosh giving us the use of a revolving stage. We did feel, as The Daily Telegraph again said, that we were breaking new ground and the midst of the grimness of the pandemic finding new ways to work.

Writing in the autumn of 2021, we are seeing audiences beginning to return to Curve as we gear up for Nikolai Foster's production of *A Chorus Line*, this year's Christmas offer and we can say that we made it through. We did so with the continued backing of Arts Council England and Leicester City Council and with the help of the Department of Digital, Culture, Media and Sport's Culture Recovery Fund and the Government's Job Retention Scheme. Without all of which the outcome would have been very different for us. We ended the financial year – as the figures demonstrate – strong and secure.

We recognise how difficult the last 18 months have been for staff and freelance colleagues. Even for those on furlough the times were challenging. Some staff left us as we had to make difficult decisions to keep the operation stable and in shape to survive the pandemic. The board thanks everyone at Curve for their commitment to the theatre and in particular we thank Chris Stafford, our Chief Executive, and Nikolai Foster, our Artistic Director, for their leadership. Heartfelt thanks too to board colleagues who stayed true and dedicated through hours of on-line Zoom meetings. We look forward to being in the same room once again.

Although we will all have to wait another year to take to the Yellow Brick Road with Dorothy and her pals as they search for the wizard and – assuming no further lockdowns or misadventures – let's take a leaf out of her book and be confident that 'somewhere, over the rainbow' not only bluebirds but also Curve and all its works will once again fly.

Ian Squires Chairman

Date 7th December 2021




Leicester Theatre Trust Limited

Report of the Trustees (incorporating the Strategic Report) for the year ended 31 March 2021 (continued)

The Trustees (who are also the directors for the purposes of company law) submit their annual report including the Strategic Report, the Directors' Report and the audited consolidated financial statements of the charitable company ("the company") and its subsidiary undertakings ("the group") for the year ended 31 March 2021.

Structure, Governance and Management

Leicester Theatre Trust Limited ("the Trust") is a company limited by guarantee incorporated under the Companies Act with company no. 00772380 and is governed by the Articles of Association of the company last revised in December 2019.

The company is also a registered charity in England and Wales (registered no. 230708) and operates on a not for profit basis. Administrative details for charity trustees and advisors can be found on page 1. The company operates under the trading name of "Curve".

Board of Trustees

The Trust is governed by an unpaid board of trustees (the "Board") who are appointed in accordance with the provisions of the Articles of Association of the company. The trustees of the company are also its members.

The Board includes two members nominated by Leicester City Council, and up to twelve independently appointed members to make fourteen, the maximum permitted by the Articles of Association. During the year there was one retirement through rotation, one resignation and four new appointments totalling thirteen registered members at year end.

Members of the Senior Management Team and representatives from the main stakeholders are also invited to attend Board meetings. It is a condition of membership that members undertake to contribute such an amount, not exceeding £1, as may be required towards meeting the debts and liabilities of the Trust in the event of the Trust being wound up.

Organisational Structure

The Board meets at least four times a year for formal meetings, and once a year for an informal workshop to review strategies and where a range of subjects to raise trustee awareness and understanding in the workings of theatre are discussed. In addition, there are four committees; Finance and Resources (F&R), Health and Safety (H&S) and Business Development (BD) of which there are up to 4 meetings a year to oversee and review key policies, planning and performance, there is also a Governance committee which meets 4 times a year.

The Board is responsible for setting overall policy and strategy, scrutiny of corporate performance, accountability to key stakeholders and regulators, and the appointment and oversight of senior management.

The Senior Management Team and their roles are detailed on page 1.

Trustees Indemnity Insurance

Trustees' indemnity insurance is in force for the benefit of all trustees and the directors of its subsidiary company.

Leicester Theatre Trust Limited

Report of the Trustees (incorporating the Strategic Report) for the year ended 31 March 2021 (continued)

Appointment and Terms of Office of Board Members

Under the terms of the Articles of Association, Board members may be appointed for an initial term of up to three years. This first term may be followed by an immediate re-appointment for a further period of up to three years. An appointment for a third term can be made providing there is a gap of a year between the ending of the second term, and the commencement of the third term (under exceptional circumstances a consecutive third term may be allowed).

Trustee Induction and Training

All new trustees receive an extensive welcome pack containing important information on the Trust's work, recent achievements, copies of key documents including the Articles of Association, organisation chart, annual financial statements, and reports together with a schedule of forthcoming meeting dates and the artistic and education programmes for the next season. Trustees are invited to an induction day where they meet with the Chief Executive and other members of the Senior Management Team, and take a tour of the theatre.

Relationship with Other Organisations and Related Parties

A wholly owned trading company, Curve Productions Limited ("CPL") is in operation to produce shows on behalf of Curve. The results for CPL are incorporated into these accounts.

Objectives and Activities

Curve

Leicester Theatre Trust Limited operates and manages Curve, a state of the art, modern theatre situated in the heart of Leicester.

Curve's Vision

To be recognized as a theatre of national and international significance.

Curve's Mission

Curve is a leading producing theatre located in the heart of Leicester's Cultural Quarter. We are dedicated to making and programming world class performances for everyone who lives, works and learns in our unique city and beyond.

Curve's Aims

The Trust is established to promote, maintain, improve and advance creativity and learning, especially through the production and presentation of the performing arts. The principal activity of the Trust is to adopt an integrated approach to Theatre that produces work of the highest quality and professional standard, reaches out and is relevant and representative of our communities.

The Board, principal stakeholders and the Senior Management Team have established the following four core aims:

1. Grow Curve's reputation as a leading producer of theatre and a space to present world class performances.
 - Establish Curve on Tour as a major producer of national and international touring work.
 - Build Curve's role as an incubator for artist development, shaping the artistic landscape for BAME practitioners and those from harder to reach backgrounds.
2. Develop and deepen our reach by ensuring Curve remains a place where everyone can engage with the arts.
 - Develop the diversity of our audiences and attract more visitors to Curve.
 - Ensure people of all ages and abilities can take part in artistic activities .
 - Use data, insight and evaluation to inform audience development plans and artistic decision making.

Leicester Theatre Trust Limited

Report of the Trustees (incorporating the Strategic Report) for the year ended 31 March 2021 (continued)

3. Strengthen our financial model with a flexible approach to maximising income streams.
 - Develop a fundraising culture across the organisation and with audiences ensuring year-on-year growth on income targets and net contribution.
 - Invest in our buildings and technical facilities.
4. Build Curve's reputation as a leader in both our city and industry.
 - Establish Curve as an excellent employer of choice.

Public Benefit Statement

In developing the objectives for the year and in planning activities, the trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary guidance on advancing education for the public benefit.

Strategic Report

Internal Control, Principal Risks and Uncertainties

The Board reviews the effectiveness of all material internal controls, including operational, financial and compliance controls and risk management systems. The internal control systems are designed to meet the Trust's particular needs and to manage those risks to which it is exposed. The internal control systems also provide reasonable assurance against misstatement or loss.

Trustees review and assess the risks to which the organisation may be exposed. The process is continuous and is analysed and considered in detail at each Finance and Resources committee meeting before being presented to the main Board. Actions that have been taken to mitigate risks are incorporated into the organisation's business plans and reflected in the risk matrix to facilitate consideration of the residual risks that remain.

The four main risks to the organisation are as follows:

- Business interruption due to COVID-19 resulting in theatre closure and cancellation of performances.
- Government cut backs resulting in unexpected or sudden reductions in revenue funding from Arts Council England ("ACE") and/or Leicester City Council ("LCC")
- Failure to meet targets around secondary income streams and fundraising
- Asset replacement obligations prove beyond our ability to service

The following statements summarise the Trust's policy in managing identified forms of risk:

Business Risk

The COVID-19 pandemic is a significant risk to the business. The Trust has a separate COVID-19 Risk Register which monitors all risks around the pandemic. In the event of sudden closure, contracts are in place to minimize, where possible, any potential losses. Funding from Leicester City Council and Arts Council England is in place and secure for 2021/22. The overhead and payroll costs of the business have been significantly reduced in response to the ongoing pandemic to reflect the possibility of a reduction in earned income in the year ahead.

In the light of government cutbacks to arts funding, the Trust has developed a number of strategic options to mitigate their impact and maintain financial sustainability. These options have been incorporated into its long term business plan and are being actively implemented.

Leicester Theatre Trust Limited

Report of the Trustees (incorporating the Strategic Report) for the year ended 31 March 2021 (continued)

Financial Risk

Each year the Trust aims to achieve break-even, or generate a small surplus, in respect of its unrestricted funds. Financial performance is monitored formally on a monthly basis, and adjustments are made to activities and expenditure in order to implement any changes necessary to bring performance back on budget. The Trust is not exposed to significant price risk, nor does it enter into hedging transactions. As the majority of its income comes from ticket sales (paid in advance of performances) and grants, the Trust is not exposed to substantial credit risk through these areas albeit there is credit risk from agreements with co-producers. Such risk is minimized by the use of appropriate legal advice upon signing co-producing contracts and by maintaining close working relationships with our commercial partners in this area.

Liquidity Risk

The Trust has no borrowings, and has a long track record of running as cash positive and will make use of its overdraft facility if required. The Trust is in a cash positive position and places surplus funds on short term deposit with more than one institution. To facilitate best practice the Trust has implemented a treasury management policy.

To aid current liquidity the Trust continues to secure additional grant funding wherever possible. This includes cash from the government Job Retention Scheme and the government Cultural Recovery Fund.

Information and Communication Technology ("ICT") risk

The Trust is particularly reliant on its ICT infrastructure to manage its core business processes and as such is considered to be at risk of any malicious or accidental disruption to its computerised systems. Accordingly, it has in place comprehensive antivirus and disaster recovery mechanisms to counter any potential loss of ICT services.

Achievements and Performance

As the pandemic took hold with national lockdowns and local restrictions, we were forced to cancel or postpone all live performances for the year. Although a full year of closure has been devastating for the theatre on many levels, we look back on 2020/21 with great pride in how Team Curve pulled together and found new and innovative ways of engaging and entertaining audiences and participants from across our city and around the world. Whilst we had previously demonstrated a firm commitment to engaging audiences online, this year we significantly increased our digital output and reached new audiences through a rich, diverse and accessible programme of work.

Under our Made at Curve banner of produced work, we were delighted to be able to share archive recordings of four productions online for audiences to enjoy free-of-charge. Our productions of *Memoirs of an Asian Football Casual*, *What the Butler Saw*, *The Importance of Being Earnest* and *My Beautiful Launderette* were seen by over 40,000 people across six continents. In addition, our technical team merged the Theatre and Studio to create one epic in-the-round space which would act as the backdrop and film studio for two specially staged 'at home' productions. Nikolai Foster's critically acclaimed production of *Sunset Boulevard – at Home* reunited our 2017 cast and creative team and was seen by almost 15,000 people (over 6,500 households) across 45 countries. Following the triumphant success of *Sunset*, Tinuke Craig's award-winning production of *The Color Purple – at Home* was also reconceived for a digital audience. *The Color Purple* once again proved to be a hit with audiences and was seen by over 20,000 people (over 8,500 households). Through producing full-scale productions for streaming- a first for Curve- we were able to develop the skills of staff, employ freelancers and continue to engage audiences with high quality musical theatre. Whilst both productions required significant investment, we were able to monetise our digital offer for the first time and generated over £185,000 in box office income.

Leicester Theatre Trust Limited

Report of the Trustees (incorporating the Strategic Report) for the year ended 31 March 2021 (continued)

Throughout the year we continued to find ways of supporting and engaging artists, creatives and freelance workers. In addition to employing over 250 freelancers, we continued to remain connected to our artist community and graduates through regular online 'town hall' meetings which were attended by over 2000 people. We also appointed our first cohort of Curve Resident Creatives including Burnt Lemon Theatre, Centre for Indian Classical Dance, Samson Hawkins and Tina Hofman. The 16 Curve Resident Creatives will be embedded in the life of the theatre and will be supported by us to create new work and develop artistic practice in Leicester. In addition, we commissioned over 250 original online content pieces including Tasha Taylor-Johnson who wrote the song for the Leicester Christmas light switch-on video *They Can't Cancel Christmas* which was seen by over 40,000 people. We also provided Associate Artists experiencing hardship with discreet bursaries from the Ian McKellen restricted fund (as raised in 2019) and we supported Serendipity in delivering projects as part of Black History Month and Let's Dance International Frontiers.

We also continued to deliver a wide-ranging and ambitious community and learning programme. We redirected our Curve Young and Community Companies online and delivered almost 160 classes via Zoom. We also commissioned a number of online engagement projects including Jess Green's *Not Something That Other People Do* which engaged over 50 people from the city, and community participants from across the county came together to perform *Somewhere Over The Rainbow* online. In addition, we set-up a daily online Curve Classroom for people of all ages to engage with creative content, and our bedtime stories series received over 30,000 views. Throughout the year we continued to collaborate with leading companies focused on working with young people including NSDF and we collaborated with Mousetrap Theatre Projects and the Theatre Royal Haymarket to offer discounted tickets for young people to engage with streamed performances. We also worked in partnership with Leicester YMCA, Pedestrian, Age UK, B-inspired Befriending Service and Outside Edge Theatre company to provide free tickets for *The Color Purple*. In addition, we continued to collaborate with De Montfort University on DMU Pride and we commissioned Rob Ward from Emmerson and Ward to produce *Conversations*, a new piece project marking LGBTQ history month.

During the year of closure we remained active and committed to ensuring as many people as possible could access the work of the theatre. In addition to providing free digital activities and performances, all online content was captioned, and both of our At Home productions also included by Audio Described and Captioned versions. Also, through the support of PPLPRS and De Montfort University we were able to work in partnership with our Community Ambassadors to provide free tickets for first-time attenders to view our streamed productions. We also provided local NHS workers and Teachers with free household tickets to see *The Color Purple - at Home*. Across both streamed productions over 3,300 people benefited from free tickets.

We continued to celebrate diversity across our theatre both on and off-stage- our staff team is 47% female with 19% identifying as LGBTQ and 25% of our Senior Management Team are from a working class background. In addition, 39% of our Board identify as Black, Asian or ethnic minority and 62% identify as female. Although we recognise there is more work to be done around increasing the ethnic diversity of our workforce, over 50% of actors across our Made at Curve produced work identify as Black, Asian or ethnically diverse. We also took a leadership role in the creation of a Black Lives Matters framework for Leicestershire NPOs which will see a step-change in recruitment practices and management strategies across all NPOs in the county.

Although we celebrate the successes of the year, we recognise it was a very challenging time for the staff team. Unfortunately we needed to place over 80% of our permanent staff on furlough for the majority of the year whilst the rest of the team focused on managing the day-to-day operation and online delivery. However, we continued to engage with furloughed staff throughout the year through socials, online meetings and an extensive programme of training and professional development. We delivered over 800 training opportunities across the year including core sessions for all staff on Diversity, Inclusion and Belonging and Anti-Racism. In addition, we continued to support our zero-hour workers through the Coronavirus Job Retention Scheme (CJRS) and a specially created hardship fund supported by Next and PPLPRS. Unfortunately, we had to take the difficult decision to reduce payroll costs by losing 23 roles across the organisation- 13 roles were made redundant and 10 vacancies were cancelled. We express our sincere thanks to the team members who have left us and we wish them very best wishes for the future.

Leicester Theatre Trust Limited

Report of the Trustees (incorporating the Strategic Report) for the year ended 31 March 2021 (continued)

Covid Response

We continued to operate throughout the year with income from our public funding grants, support from the CJRS and local business grants. In addition, we secured £950k from the DCMS Culture Recovery Fund (CRF) to support our overhead costs and reflate reserves. We also secured £721k from two further CRF grants to support the business operation in the 2021/22 financial year.

In managing the immediate response to the pandemic, we established a COVID Response Team (CRT) within the Business Continuity Team structure.

The COVID Response Team comprises;

Chris Stafford- CEO (MIT Chair)

Jay Bridges- Head of Buildings and Facilities (COVID Response Manager)

Nikolai Foster- Artistic Director

Jonny Laidlow- Head of Lighting

Linda Dixon- Finance Director

Julia Bates- HR & Operations Director

Aidan Grounds- Executive Producer

Claire Ward- Director of Audiences

COVID response remains a fixed agenda item on all Board meetings and the CEO, Artistic Director, Chair and Deputy Chair met regularly throughout the closure to discuss business strategies, risk mitigation and scenario planning.

In addition to the organisation Risk Register, a separate COVID Risk Register has been established. The Risk Register is reviewed monthly by the SMT and quarterly by the Board. The primary risks at the time of writing this review are identified as;

- Financial management systems compromised due to remote working/ reduced workforce resulting in exposure to fraud and unpaid debts.
- Local lockdown/ revised restrictions implemented resulting in cancellation of performances.
- Company member tests positive resulting in show cancellation.
- Prolonged closure and no earned income results in insolvency.
- Failure to meet financial targets on productions due to reduced audience attendance and depressed market-place.
- Key personnel become unwell or test positive impacting on core business activities/ management.
- Full building closure due to staff or company testing positive for COVID.
- Failure to develop long-term artistic plans due to focusing on crisis management, impacting on future business.
- Supplier of key services/equipment goes out of business.
- Funding cuts from ACE or LCC impacting on ability to recover and rebuild from the pandemic.

The COVID response team is also responsible for overseeing all areas of COVID safety. In addition, a comprehensive COVID-safety Handbook has been created to provide guidance for all staff and artists on all areas of health and safety related to COVID. The handbook works in conjunction with a thorough, compulsory staff training programme and all processes/ working practices are in-line with government guidance, DCMS and UK Theatre guidelines.

LOOKING TO THE FUTURE

As we look to the year ahead, our priorities remain firmly on safely reopening the theatre, restoring audience confidence and rebuilding our business. We plan to welcome audiences back to Curve with a socially distanced season of work in our in-the-round auditorium with productions including *Aaskah Odedra's Rising*, a celebration of local talent, *Am Dram the Musical* and *The Music of Andrew Lloyd Webber*. In addition, as we move out of social distancing and into operating at full capacities, we will continue to curate a diverse programme of visiting work including *Tokyo Rose*, *Waitress*, *The Lion*, *The Witch and The Wardrobe* and *Matthew Bourne's The Midnight Bell*. We will also continue to produce a dynamic slate of work during the year including *Cat on a Hot Tin Roof*, *A Chorus Line* and *Beautiful*. Curve on Tour will also recommence with national tours of *Grease* and *Hairspray*.

Leicester Theatre Trust Limited

Report of the Trustees (incorporating the Strategic Report) for the year ended 31 March 2021 (continued)

The newly formed Creative Programmes department will recommence with in-person activities including restarting our Curve Youth and Community classes and weekly sessions led by our local Associates including Moving Together and Kaine Choir. We recognise we have a key role to play in supporting our city to recover from the impact of lockdowns and we will devise community programmes and activities to engage isolated individuals and groups. We will also embed our Curve Resident Creatives in the life of the theatre and we will launch our Curve Connects scheme for local artists. After a two-year break, we will once again celebrate the work of local artists through the *New Work Festival*.

Looking ahead, we will continue to ensure Equity, Diversity and Inclusivity (EDI) runs across all our business activities. We will establish an advisory group, Voices for Change, comprised of trustees, staff and external individuals, who will act as critical friends across our EDI activities and will help us progress with key projects and initiatives. We will also continue to focus on increasing the diversity of our workforce with a specific focus on Black, Asian, ethnically diverse and working class individuals. In addition, we will work in collaboration with the Leicestershire NPO group and with key partners to review recruitment practices with a view to increasing applications from individuals from Black, Asian and ethnically diverse backgrounds and those from working class backgrounds. We will continue to implement inclusive casting processes and creative team engagement across our work with robust targets around Black, Asian and ethnic diverse representation. In addition, we will develop work with diverse organisations and artists such as Graeae, Akram Khan Company, Bamboozle and SideKick Dance. We will also continue to offer work placements and internships to widen access to Curve and we will launch a technical theatre bursary programme aimed at individuals underrepresented in the arts in memory of our Head of Production Andy Nairn.

As we rebuild attendance, we will continue to ensure we find ways of reaching new audiences and in the year ahead we will seek to work with key partners including CharityLink and Age UK to increase access to Curve. In addition to offering £10 tickets for all shows and £1 public dress rehearsals, we will seek sponsorship to support our Community Ambassador scheme. Through working with our Community Ambassadors we will be able to build and sustain relationships with individuals and groups currently not engaging with our theatre.

Whilst we know the next few years will be challenging, we remain ambitious for our future and determined that Curve will continue to go from strength-to-strength.

Financial Review

In the year 2020/21 Covid restrictions forced the closure of the theatre, consequently no live work was performed on our stage. Our total income more than halved from £12.5m in 2019/20 to £5.2m in the year under review. While in previous years income from charitable activities made up approximately 67% of total income, this year it was only 7%.

Our regular grant from Leicester City Council (LCC) combined with our Arts Council England NPO funding was supplemented by the government's Coronavirus Job retention scheme grant and Leicester City Council's discretionary grant. The combination of this grant income totals 90% of total income, compared with 20% in 19/20.

Total costs fell in 2020/21 to £4.7m from £11.7m in 2019/20. The majority of this comprised salaries and other overhead fixed costs.

Leicester Theatre Trust Limited

Report of the Trustees (incorporating the Strategic Report) for the year ended 31 March 2021 (continued)

Principal Funding Sources

The Trust is in its third year of a three year agreement with the Arts Council and the second year of a three year grant aid from Leicester City Council. In total during the financial year, the stakeholders have provided grants for general funding purposes that amounted to £2.3 million.

The financial support from Leicester City Council and the Arts Council play a vital part in the Trust's delivery of artistic excellence.

Reserves Policy

The need for reserves:

As per Charity Commission guidelines - the Trust is required to ensure the sustainability of the organisation and maintain operating reserves to offset the impact of unforeseen events and operating cash flows. In addition, it requires longer term reserves in the form of an asset replacement fund in order to maintain the technological infrastructure of the building, and therefore preserve Curve's reputation as one of the most high-tech theatres in the country.

The level of reserves:

In reviewing the appropriate level of unrestricted operating reserves, the trustees have considered the amount that would enable the charity to meet the principal operating costs related to its committed programme of core artistic, creative and social objectives for a minimum period of 6 months at a value of £500k, which is readily available in short term deposit accounts. The total reserves at year end were £3.3m (2020: £2.8m) with unrestricted reserves of £2.4m (2020: £2.4m), designated reserves of £400k (2020: £197k) for asset replacement obligations and restricted reserves of £510k (2020: £157k), the majority of which is for the continuation of the seating project and to use furtherance to Cultural Recovery Fund phase 1 agreements. Free reserves, being unrestricted, undesignated funds that aren't tied up in fixed assets were £415k at the year end (2020: £185k). The trustees and Senior Management Team monitor reserve levels through a robust budgeting process and are confident that levels will increase over the coming years.

Investment Policy

The Trust prepares detailed cash flow projections to identify the level of working capital required to support the theatre's programmes of work. This amount is held as cash, whilst any surplus balances are deposited in premium reserve accounts, offering competitive rates of return linked to flexible access. The Finance and Resources committee monitor cash levels on a quarterly basis and agree limits that can be deposited in low risk accounts in line with Curve's Treasury Management policy to maximise levels of return.

The trustees have considered the funding available to the charitable group and the cash flow forecasts for the 12 months from the date these financial statements were approved and have concluded that the charitable group is a going concern.

Leicester Theatre Trust Limited

Report of the Trustees (incorporating the Strategic Report) for the year ended 31 March 2021 (continued)

Our Fundraising Practices

We always strive for best practice in our fundraising and continually review our methods of fundraising and communications. This ensures that we provide our donors with an excellent supporter experience, and that we are compliant with both best practice and legislation. As a smaller charity, we have voluntarily become a member of the Fundraising Regulator and fully comply with all relevant laws.

Fundraising is carried out by our employees who speak in person, on the phone and via email with our current and prospective donors. Employees are trained to adhere to applicable laws and codes including the Fundraising Regulator's Code of Practice and the General Data Protection Regulation 2016. We ensure that all our donors have a positive experience and all supporters, including vulnerable people, are treated fairly. If our supporters or any members of the public are unhappy with any aspect of our work, we encourage them to provide feedback, and we take any complaint or comment raised against Leicester Theatre Trust very seriously. Leicester Theatre Trust Ltd has not received any complaints during the year.

Remuneration policy for Key Management Personnel

The key management personnel are referred to as the Senior Management Team and the pay of these posts is benchmarked against national Theatres of the same size and structure as well as taking into account location and local market rates. Cost of living increases may be given annually at the sole discretion of the Trust and are not guaranteed.

Trustees

The trustees serving during the year and since the year end, together with meeting attendance, were as follows:

Attended Meetings	Board	F&R	BD	H&S	Governance
Ian Squires (Chair)	7	4	2	1	2
Liz Blyth	7	-	-	-	2
Gautam Bodiwala	5	-	2	-	-
Cllr Piara Singh Clair (LCC)	4	-	-	-	-
Mike Dalzell (LCC)	7	-	2	-	-
Gary Dixon	7	4	-	-	2
Shobna Gulati	5	-	-	-	-
Georgina Hall	4	-	-	-	-
Nichola Hurley	7	2	1	-	-
Sita McIntosh	6	-	-	-	-
Savanna Patel	7	-	-	-	-
Cathy Tyson (from 8 th December (2020)	1	-	-	-	-
Vivien Waterfield	7	-	2	-	2
Donna Williams	4	4	-	2	-

Leicester Theatre Trust Limited

Report of the Trustees (incorporating the Strategic Report) for the year ended 31 March 2021 (continued)

Statement of Trustees' Responsibilities

The trustees (who are also directors of Leicester Theatre Trust Limited for the purposes of company law) are responsible for preparing the Report of the Trustees' and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure of the charitable group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS102);
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company and the group will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of Disclosure of Information to Auditors

So far as each trustee is aware, there is no relevant audit information of which the charitable company and group's auditor is unaware. Additionally, each trustee has taken all the necessary steps that they ought to have taken as trustees in order to make themselves all aware of any relevant audit information and to establish that the charitable company and group's auditor is aware of that information.

Auditors

RSM UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

The report of the trustees which incorporates the Strategic Report, was approved by the board of trustees on 7th December 2021 and signed on its behalf by:



Ian Squires
Chairman

Leicester Theatre Trust Limited

Independent auditor's report to the members of Leicester Theatre Trust Limited

Opinion

We have audited the financial statements of Leicester Theatre Trust Limited (the 'parent charitable company') and its subsidiary (the 'group') for the period ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities (including income and expenditure account), the Group and Charitable Company Balance Sheets, the Group 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 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 group's and the parent charitable company's affairs as at 31 March 2021 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and

Leicester Theatre Trust Limited

Independent auditor's report to the members of Leicester Theatre Trust Limited (continued)

- the Directors' Report and the Strategic Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Trustees' Report.

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

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 12, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise 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 the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

Leicester Theatre Trust Limited

Independent auditor's report to the members of Leicester Theatre Trust Limited (continued)

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the group and parent charitable company operates in and how the group and parent charitable company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the parent charitable company's governing document, tax legislation and Charities (Protection and Social Investment) Act 2016. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents, inspecting correspondence with local tax authorities and evaluating advice received from internal/external advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to UK General Data Protection Regulation (UK GDPR). We performed audit procedures to inquire of management and those charged with governance whether the group is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The group audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

Gareth Jones (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Rivermead House
7 Lewis Court
Grove Park
Leicester
Leicestershire
LE19 1SD

Date 17/12/2021

Leicester Theatre Trust Limited

Consolidated statement of financial activities (including income and expenditure account) for the year ended 31 March 2021

	Note	Unrestricted funds £	Restricted funds £	Designated funds £	Total 2021 £	Total 2020 £
Income From						
Donations and legacies	3	3,858,182	952,000	-	4,810,182	3,124,632
Charitable Activities - Operation of Theatre	4	355,564	-	-	355,564	8,358,289
Other trading activities: Commercial Trading Operations	5	42,830	-	-	42,830	1,019,222
Investments	6	3,030	-	-	3,030	11,779
Total		4,259,606	952,000	-	5,211,606	12,513,922
Expenditure On						
Raising funds:						
Generating Voluntary Income	8	137,543	-	-	137,543	131,845
Commercial Trading Operations	9	140,114	-	-	140,114	1,198,560
Charitable Activities - Operation of Theatre	10	4,014,552	376,982	-	4,391,534	10,376,285
Total		4,292,209	376,982	-	4,669,191	11,706,690
Net (expenditure) / income		(32,603)	575,018	-	542,415	807,232
Transfers between funds		18,644	(221,759)	203,115	-	-
Net movement in funds		(13,959)	353,259	203,115	542,415	807,232
Reconciliation of funds						
Total funds brought forward		2,449,546	156,813	196,885	2,803,244	1,996,012
Total funds carried forward		2,435,587	510,072	400,000	3,345,659	2,803,244

All of the above results arose from continuing operations.

There were no other gains or losses recognised in the year, other than those included above.

The notes on pages 20-34 form part of these financial statements.

Leicester Theatre Trust Limited

Consolidated statement of financial activities (including income and expenditure account) for the year ended 31 March 2020

	Note	Unrestricted funds £	Restricted funds £	Designated funds £	Total 2020 £	Total 2019 £
Income From						
Donations and legacies	3	2,420,299	704,333	-	3,124,632	2,787,689
Charitable Activities - Operation of Theatre	4	8,328,736	29,553	-	8,358,289	7,543,632
Other trading activities: Commercial Trading Operations	5	1,019,222	-	-	1,019,222	931,456
Investments	6	11,779	-	-	11,779	9,181
Total		11,780,036	733,886	-	12,513,922	11,271,958
Expenditure On						
Raising funds:						
Generating Voluntary Income	8	131,845	-	-	131,845	123,941
Commercial Trading Operations	9	1,198,560	-	-	1,198,560	1,246,163
Charitable Activities - Operation of Theatre	10	10,339,212	37,073	-	10,376,285	9,453,114
Other		-	-	-	-	388,065
Total		11,669,617	37,073	-	11,706,690	11,211,283
Net income/(expenditure)		110,419	696,813	-	807,232	60,675
Transfers between funds		540,000	(540,000)	-	-	-
Net movement in funds		650,419	156,813	-	807,232	60,675
Reconciliation of funds						
Total funds brought forward		1,799,127	-	196,885	1,996,012	1,935,337
Total funds carried forward		2,449,546	156,813	196,885	2,803,244	1,996,012

Leicester Theatre Trust Limited

Group and charitable company balance sheets as at 31 March 2021

Company number 00772380

		Group		Charitable Company	
	Note	2021 £	2020 £	2021 £	2020 £
Fixed assets					
Tangible assets	14	2,020,901	2,264,383	2,020,901	2,264,383
Current assets					
Stocks	15	5,000	5,000	5,000	5,000
Debtors	16	871,004	971,383	912,142	2,228,772
Cash at bank and in hand		2,516,582	2,639,857	2,516,581	2,639,856
Total current assets		3,392,586	3,616,240	3,433,723	4,873,628
Creditors - amounts falling due within one year	17	(2,067,828)	(3,077,379)	(2,108,966)	(4,334,768)
Net current assets		1,324,758	538,861	1,324,757	538,860
Total assets less current liabilities		3,345,659	2,803,244	3,345,658	2,803,243
The funds of the Charity					
Restricted Funds		510,072	156,813	510,072	156,813
Unrestricted Funds		2,435,587	2,449,546	2,435,586	2,449,545
Designated Funds		400,000	196,885	400,000	196,885
Total Charitable Funds	20	3,345,659	2,803,244	3,345,658	2,803,243

As permitted by S408 Companies Act 2006, the charitable company has not presented its own statement of financial activities and related notes as it prepared group accounts. The charitable company's surplus for the year is £542,415 (2020: £807,232).

The financial statements on pages 16 to 34 were approved and authorised for issue by the Board of Trustees on 7th December 2021 and were signed on its behalf by:



Ian Squires
Chairman

Leicester Theatre Trust Limited

Group statement of cash flows for the year ended 31 March 2021

Cashflows from operating activities

	Note	2021 £	2020 £
Net cash (used in) / provided by operating activities	21	(120,255)	1,058,789
Cash flows from investing activities			
Interest received		3,030	11,779
Purchase of tangible fixed assets		(6,050)	(622,282)
Net cash (used in) investing activities		(3,020)	(610,503)
Change in cash and cash equivalents		(123,275)	448,286
Total cash and cash equivalents at the start of the year		2,639,857	2,191,571
Total cash and cash equivalents at the end of the year		2,516,582	2,639,857

Leicester Theatre Trust Limited

Notes to the financial statements for the year ended 31 March 2021

1 Accounting policies

Basis of preparation

The financial statements are prepared in accordance with: Accounting and Reporting by Charities: Statement of Recommended Practice applicable to Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), and the requirements of the Companies Act 2006 and UK Generally Accepted Accounting Practice.

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

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are set out below:

Leicester Theatre Trust Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The Charitable company has taken advantages of the exemptions from the following information in its charitable company only accounts, as permitted by the reduced regime within FRS 102.

- *Section 7 – ‘Statement of Cash Flows’ – Presentation of a Statement of Cash Flow and related notes and disclosures.*
- *Section 22 ‘Related Party Disclosures’ – Compensation for Key Management personnel.*

Basis of consolidation

The group financial statements comprise the financial statements of the charitable company and its subsidiary made up to the end of the financial period and are consolidated on a line by line basis in accordance with the SORP. All intra-group balances and transactions are eliminated on consolidation. Accounting policies are consistent throughout the charitable group.

Charitable company statement of financial activities

As permitted by Section 408 of Companies Act 2006, the charitable company has not presented its own statement financial activities or income and expenditure accounts as it prepares group accounts. The charitable company's individual balance sheet shows the charitable company's net incoming resources for the financial year.

Going concern

The financial statements are prepared on a going concern basis. The charitable group's ability to return to pre pandemic activity levels is dependent upon the financial success of future productions and on the continued support of the grant-aiding bodies. The principal grant-aiding body (Arts Council of England) has confirmed its support for the period to 31 March 2022 and so too has Leicester City Council. The trustees have undertaken an assessment of the going concern of the group. This assessment considered, for a period in excess of twelve months from the date of approval of the financial statements, the likely trading conditions, the effect and timing of the relaxation of the present pandemic restrictions alongside stakeholder support and expected consumer appetite. Following consideration of the likely trading conditions, and a number of different adverse scenarios and the current cash reserves, the trustees have concluded that the group remains a going concern and it is therefore appropriate to prepare the financial statements on a going concern basis.

Leicester Theatre Trust Limited

Notes to the financial statements for the year ended 31 March 2021 (continued)

Tangible fixed assets and depreciation

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Individual fixed assets costing £1,000 or more are capitalised at cost. Depreciation is calculated to write off the cost of all tangible fixed assets by equal monthly instalments over their expected useful lives as follows.

Static installed equipment (inc building works)	25 years
Mechanical & Electrical Equipment (long lifespan)	15 years
Equipment with embedded electronic systems (firmware)	10 years
Mechanical & Electrical Equipment (Short lifespan)	10 years
Equipment with an operating system (inc software)	5 years
Mechanical & Electrical Equipment (High Duty Cycle)	5 years
Client Facing Conferencing Equipment	3 years

Impairments of fixed assets

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

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

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

Investments

Charitable company shares in the trading subsidiary are included in the financial statements initially at cost and subsequently measured at cost less any accumulated impairment losses.

Stocks

Stocks held by the charitable group represent catering and bar supplies for resale. All stock is valued at the lower of cost and net realisable value.

Income

Income is recognised when the charitable group has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from donation and grants

Income from grants including capital grants, membership subscriptions and donations are recognised on a receivable basis in the appropriate fund.

The balance of any grant's income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

Leicester Theatre Trust Limited

Notes to the financial statements for the year ended 31 March 2021 (continued)

Income from charitable activities

Income from co-producers is accounted for in the period in which the relevant show takes place.

Fundraising income is accounted for in the period in which the funds are received.

Box office receipts have been accounted for in the period in which the relevant show takes place. The charitable group has received cultural exempt status for value added tax and consequently box office receipts are not subject to value added tax. Any tickets sold in advance are included in deferred income.

Project and educational income is derived from a range of funders for specific programs related to participation and learning projects income is recognised upon completion of each project.

Program and merchandise income is generated from the sale of show programs and associated merchandise and recognised at point of sale.

Sundry income is derived from a number of activities ranging from technical advice, consultancy, to prop and costume hire and recognised at point of sale.

Royalty income from productions transferred to other theatres is recognised in the financial statements only to the extent that it relates to box office takings which have been received by the balance sheet date.

Interest is recognised on a receivable basis.

Income from commercial trading operations

Theatre hire and events income is accounted for in the period in which the relevant activity takes place.

Catering income generated by the bars is recognised in the period of receipt.

Theatre tax relief income arises from claims for theatre tax relief credits under UK tax law. The credits relate to productions produced in the year by Curve Productions Limited, the wholly owned subsidiary of Leicester Theatre Trust Limited and are accounted for on an accrual's basis.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is included in the Statement of Financial Activities on an accruals basis, inclusive of any value added tax which cannot be recovered.

Certain expenditure is directly attributable to specific activities and has been included in those cost categories. Certain other costs, which are attributable to more than one activity, are apportioned across cost categories on the basis of an estimate of the proportion of time spent by staff on those activities.

Costs of generating voluntary income represents those costs attributable to maintaining and securing sponsorship and grants.

Expenditure which relates directly to the Trust's charitable objectives is analysed between: self-produced shows, presented shows by touring companies, community and research and development projects.

Leicester Theatre Trust Limited

Notes to the financial statements for the year ended 31 March 2021 (continued)

Expenditure (continued)

Pre-production expenditure incurred prior to the opening of a production is deferred until the period in which the production takes place and charged against the income for that period.

Resources expended which relate to commercial income are analysed between: events, and bars/catering activities.

Governance costs represent the costs of the Company Secretary, Board expenses and a proportion of the executive management team costs.

Support costs represent departmental overheads that are not allocated to specific operational activities. They are detailed in note 11 to the financial statements.

Fund accounting

The charitable group has various types of funds for which it is responsible, these are as follows:

Restricted funds have been predominantly provided by the Arts Council of England for specific purposes through their Grants for the Arts programme.

Designated funds are expendable at the discretion of the Board in fulfilling the recommendations of the Capital Asset Management plan.

Unrestricted funds are expendable at the discretion of the Board in delivering the objects of the charitable group.

Pension scheme arrangements

Since 1 November 2000 the Trust has operated a group personal pension scheme, which is a stakeholder exempt scheme. Pension costs are accounted for on the basis of payments made to the Schemes. The assets of the schemes are held separately from the Trust.

In July 2014 the Trust closed this scheme to new employees in favour of the Government Auto Enrolment scheme which went live in July 2014.

Termination costs

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Operating leases

Costs in respect of operating leases are charged to the Statement of Financial Activities on a straight line basis over the term of the lease.

Financial instruments

The charitable group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Debtors

Trade and other debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade and other debtors are measured at amortised cost, being transaction price less settlement amount due after any trade discount offered.

Leicester Theatre Trust Limited

Notes to the financial statements for the year ended 31 March 2021 (continued)

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

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

Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There are no critical accounting estimates and areas of judgement to note.

2 Legal status of the Trust

The Trust is a registered charity (registered number 230708) and operates on a not for profit basis. The Trust is a company limited by guarantee (registered number 00772380) and is registered in England and Wales. In the event of the Trust being wound up, the liability in respect of the guarantee is limited to £1 per member of the Trust.

The Trust registered office and principal place of business is Curve Theatre, Rutland Street, Leicester, LE1 1SB

The group's principal objective is operating and managing the Curve, a state of the art modern theatre situated in the heart of Leicester.

The Trust meets the definition of a public benefit entity under FRS 102.

Leicester Theatre Trust Limited

Notes to the financial statements for the year ended 31 March 2021 (continued)

3 Donations and legacies income

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Grants for general funding purposes:				
Arts Council of England	1,949,242	-	1,949,242	1,914,029
Leicester City Council	428,572	-	428,572	436,109
Donations	94,003	2,000	96,003	70,161
Coronavirus Job Retention Scheme	1,386,365	-	1,386,365	-
Grants for specific purposes:				
Leicester City Council	-	-	-	680,000
John Ellerman Foundation	-	-	-	16,000
Government Cultural Recovery Fund 1	-	950,000	950,000	-
Other	-	-	-	8,333
	3,858,182	952,000	4,810,182	3,124,632

Notes:

Arts Council of England and Leicester City Council continue to support the Trust, providing £2.4m of revenue funding during the year. The restricted income of £952k is predominantly £950k funding from the Cultural Recovery Fund phase 1 to ensure the continuing operation of the theatre.

4 Income from Charitable Activities

	Unrestricted funds £	Restricted Funds £	Designated funds £	Total 2021 £	Total 2020 £
Box Office receipts	208,131	-	-	208,131	5,940,172
Co-production income	34,607	-	-	34,607	705,838
Technical recharges	1,008	-	-	1,008	500,976
Educational income	11,235	-	-	11,235	108,301
Fundraising	85,245	-	-	85,245	303,707
Programs and Merchandise	-	-	-	-	88,641
Sundry income	7,501	-	-	7,501	436,095
Theatre tax relief	7,837	-	-	7,837	274,559
	355,564	-	-	355,564	8,358,289

Notes:

Box office receipts were predominantly for 2 produced shows streamed on line.

Co-production income was received during the year for The Color Purple and a Leicester City Council Christmas video.

Unrestricted Sundry income is principally made up of Booking fees and venue hire.

Leicester Theatre Trust Limited

Notes to the financial statements for the year ended 31 March 2021 (continued)

5 Income from Other trading activities

	Unrestricted funds £	Restricted Funds £	Designated funds £	Total 2021 £	Total 2020 £
Catering (Bar & Café) Income	-	-	-	-	777,360
Events income	-	-	-	-	210,830
Other	42,830	-	-	42,830	31,032
	42,830	-	-	42,830	1,019,222

Other trading income during the period comprised mainly of insurance receipts for repair work.

6 Investment Income

	Unrestricted funds	Restricted funds £	Total 2021 £	Total 2020 £
Interest Receivable	3,030	-	3,030	11,779

Leicester Theatre Trust Limited

Notes to the financial statements for the year ended 31 March 2021 (continued)

7 Operations of Trading Subsidiary

The charitable company has an investment of £1 in its wholly owned trading subsidiary Curve Productions Limited which is incorporated in the United Kingdom. Registered number 09288490 and registered office Curve Theatre, Rutland Street, Leicester, LE1 1SB.

These are the only shares allotted, called up and fully paid.

A summary of the results of the trading subsidiary, Curve Productions Limited, whose principal activity is the production and operation of theatrical productions is set out below:

Curve Productions Limited - Profit and Loss	Total 2021 £	Total 2020 £
Income	41,138	1,257,389
Expenses	(48,975)	(1,533,798)
Gross loss	(7,837)	(276,409)
Loss on ordinary activities before taxation	(7,837)	(276,409)
Tax on loss on ordinary activities	7,837	276,409
Results for the Financial Year	-	-

Curve Productions Limited - Balance Sheet	Total 2020 £	Total 2019 £
Current Assets		
Debtors	325,290	1,759,334
Cash at bank and in hand	1	1
Total assets	325,291	1,759,335
Creditors: amounts falling due within one year	(325,290)	(1,759,334)
Total liabilities	(325,290)	(1,759,334)
Net current assets	1	1
Capital and Reserves		
Share capital	1	1
Total Capital and Reserves	1	1

Leicester Theatre Trust Limited

Notes to the financial statements for the year ended 31 March 2021 (continued)

8 Costs of Generating Voluntary Income

	Unrestricted funds £	Restricted funds £	Designated funds £	Total 2021 £	Total 2020 £
Support costs	137,543	-	-	137,543	131,845
	137,543	-	-	137,543	131,845

Notes:

These costs have been apportioned according to a management review of resources as detailed in note 11.

9 Costs of Commercial Trading Operations

	Unrestricted funds £	Restricted funds £	Designated funds £	Total 2021 £	Total 2020 £
Bars & catering	9,809	-	-	9,809	289,701
Events	-	-	-	-	94,213
Support costs	130,305	-	-	130,305	814,646
	140,114	-	-	140,114	1,198,560

Notes:

Support costs have been apportioned according to a management review of resources as detailed in note 11.

10 Costs of Charitable Activities

	Unrestricted funds £	Restricted funds £	Designated funds £	Total 2021 £	Total 2020 £
Produced shows	726,658	-	-	726,658	2,767,698
Presented shows	1,607	-	-	1,607	3,209,472
Projects & Education	58,405	-	-	58,405	144,409
Ancillary activity	2,087	-	-	2,087	50,473
Fundraising	4,856	-	-	4,856	24,787
Support costs	2,985,329	-	-	2,985,329	3,721,366
Governance - support costs	612,592	-	-	612,592	457,912
Trustees' expenses	-	-	-	-	168
	4,391,534	-	-	4,391,534	10,376,285

Notes:

The majority of the costs related to produced shows cover company salaries and fees, set and costume costs, specific marketing costs and technical fees.

Presented shows costs are predominantly guarantees or splits paid to the visiting companies.

Unrestricted project and education costs are made up of materials and fees paid to freelance contractors to enable the successful delivery of on line workshops, including those for 'Curve Young Company'.

Fundraising costs are predominantly used to build external relationships and encourage new Business Club members.

Support costs have been apportioned according to a management review of resources as detailed in note 11.

Leicester Theatre Trust Limited

Notes to the financial statements for the year ended 31 March 2021 (continued)

11 Support Costs

	Voluntary £	Charitable £	Governance £	Commercial £	Total 2021 £	Total 2020 £
Chief Executive	23,173	69,519	61,795	-	154,487	245,553
Finance & Admin	17,477	157,291	174,768	-	349,536	548,812
Communications	61,940	232,278	15,485	-	309,703	567,826
Artistic	14,984	269,712	14,984	-	299,680	424,366
Operations	-	587,512	225,966	90,386	903,864	1,075,633
Human Resources	15,006	67,527	67,527	-	150,060	115,160
Depreciation	-	194,899	-	39,919	234,818	200,645
Fundraising	4,963	12,903	1,985	-	19,851	124,003
Customer Services	-	245,883	-	-	245,883	328,188
Ticket Sales	-	310,405	-	-	310,405	393,087
ICT	-	102,748	11,416	-	114,164	138,781
Production	-	734,652	38,666	-	773,318	963,715
	137,543	2,985,329	612,592	130,305	3,865,769	5,125,769

Note Support costs represent the departmental overheads, including salaries, that have been allocated to the principal functions of the charitable group. The basis of allocation has been a management review of the estimated use of resources, as per the following table.

Basis of allocation for support costs

Department	Voluntary %	Charitable %	Governance %	Commercial %
Chief Executive	15%	45%	40%	-
Finance & Admin	5%	45%	50%	-
Communications	20%	75%	5%	-
Artistic	5%	90%	5%	-
Operations	-	65%	25%	10%
Human Resources	10%	45%	45%	-
Depreciation	-	83%	-	17%
Fundraising	25%	65%	10%	-
Customer Services	-	100%	-	-
Ticket Sales	-	100%	-	-
ICT	-	90%	10%	-
Production	-	95%	5%	-

Leicester Theatre Trust Limited

Notes to the financial statements for the year ended 31 March 2021 (continued)

12 Staff numbers and costs including trustee's remuneration and expenses, related party transactions and cost of key management personnel

The average number of permanent employees, including part-time employees but excluding casual employees and trustees of the group and charitable company during the year were as follows:

	Total 2021	Total 2020
By activity		
Executive Management	11	11
Administration	59	67
Production and Technical	22	22
	92	100
	2021 £	2020 £
Staff costs (for the above persons)		
Wages and salaries	2,016,905	2,449,448
Redundancy costs	24,019	-
Social Security	168,895	232,871
Pension costs	56,697	68,593
	2,266,516	2,750,912

Notes:

There was one employee (2020: one) who earned between £60,000 and £70,000 and one employee (2020: one) who earned between £90,000 and £100,000. There were payments made to the defined contribution pension scheme for these employees of £6,746 (2020: £6,746).

During the year the Trustees received no remuneration. No expenses were reimbursed to Trustees during the year (2020: £168 reimbursed to one Trustee in respect of travel expenses).

The trustees consider that the Key Management Personnel are defined as the Senior Management Team listed on page 1. The total employee benefits (including employer national insurance and pension contributions) of the Key Management Personnel was £573,881 (2020: £622,127)

Leicester Theatre Trust Limited

Notes to the financial statements for the year ended 31 March 2021 (continued)

13 Net Incoming resources

Net incoming resources for the year are stated after charging:

	2021 £	2020 £
Depreciation of tangible fixed assets	234,818	200,645
Loss on disposal of tangible fixed assets	14,714	44,707
Operating lease charges - Land and Buildings	33,060	33,060
Operating lease charges - Other	5,242	7,725

Notes:

The operating lease charge for land and buildings is for the NCP basement which provides storage for costumes and props.

Fees payable net of VAT to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows:

	2021 £	2020 £
Audit services – statutory audit of trust and consolidated accounts	28,850	28,325
Audit services – Statutory audit of the subsidiary company	1,550	1,550
All other non-audit services	7,000	3,500
	37,400	33,375

14 Tangible assets

The Group and Charitable Company:

	Fixtures, fittings, equipment £
Cost at 1 April 2020	3,255,193
Additions	6,050
Assets written off in the year	(114,448)
Cost at 31 March 2021	
Accumulated Depreciation at 1 April 2020	990,810
Charge for the year	234,818
Written off in the year	(99,734)
Accumulated Depreciation at 31 March 2021	1,125,894
Net book value:	
At 31 March 2021	2,020,901
At 31 March 2020	2,264,383

Notes:

The Trust signed a 60 year lease in 2008 for Curve with Leicester City Council at a peppercorn rent. In addition to the building, the lease includes all the necessary theatre equipment, and furniture & fittings to ensure that Curve is one of the most technically advanced theatres in the UK.

Leicester Theatre Trust Limited

Notes to the financial statements for the year ended 31 March 2021 (continued)

15 Stock

The Group and Charitable Company

	2021 £	2020 £
Consumable goods	5,000	5,000
	5,000	5,000

16 Debtors

	Group		Charitable Company	
	2021 £	2020 £	2021 £	2020 £
Trade debtors	80,518	118,673	80,518	118,673
Amount due from subsidiary undertaking	-	-	325,290	1,759,334
Costs in advance	37,090	68,193	37,090	68,193
Prepayments and accrued income	715,615	724,453	431,463	222,508
Other debtors	37,781	60,064	37,781	60,064
	871,004	971,383	912,142	2,228,772

Notes:

Costs in advance relate to costs associated with shows which are scheduled to be held in future periods. Prepayments and accrued income include amounts associated with the cost of producing a new brochure, ticket system licensing fee, insurances and annual stage maintenance support, as well as grant income confirmed but not received at the balance sheet date.

17 Creditors: amounts falling due within one year

	Group		Charitable Company	
	2021 £	2020 £	2021 £	2020 £
Trade creditors	209,477	316,237	209,477	316,237
Amount due to subsidiary undertaking	-	-	41,138	1,257,389
Other taxation and social security costs	48,347	131,122	48,347	131,122
Accruals and deferred income	1,270,322	2,365,734	1,270,322	2,365,734
Other creditors	539,682	264,286	539,682	264,286
	2,067,828	3,077,379	2,108,966	4,334,768

Notes:

Included within accruals and deferred income is advanced ticket income of £970k (2020: £1,574k).

18 Reconciliation of deferred income:

Group and Charitable Company	2021 £	2020 £
Balance at 1 April 2020	1,574,238	1,868,398
Amount released to income earned from charitable activities	-	(6,290,626)
Amount refunded in the year	(732,503)	-
Amount deferred in year	128,237	5,996,466
Balance at 31 March 2021	969,972	1,574,238

Leicester Theatre Trust Limited

Notes to the financial statements for the year ended 31 March 2021 (continued)

19 Analysis of net assets between funds

Group

	Tangible fixed assets	Net current assets	Total
Designated funds	-	400,000	400,000
Restricted funds	-	510,072	510,072
Unrestricted funds	2,020,901	414,686	2,435,587
	2,020,901	1,324,758	3,345,659

Charitable Company

	Tangible fixed assets	Net current assets	Total
Designated funds	-	400,000	400,000
Restricted funds	-	510,072	510,072
Unrestricted funds	2,020,901	414,685	2,435,586
	2,020,901	1,324,757	3,345,658

20 Analysis of net movement in funds

	Fund balances brought forward 1 Apr 2020 £	Income £	Expenditure £	Transfer £	Fund balances carried forward 31 Mar 2021
Restricted Funds:					
Leicester City Council	140,000	-	-	-	140,000
Cultural Recovery Fund 1	-	950,000	(367,782)	(221,759)	360,459
-Fundraising	16,813	2,000	(9,200)	-	9,613
Total Restricted Funds	156,813	952,000	(376,982)	(221,759)	510,072
Designated Funds	196,885	-	-	203,115	400,000
Unrestricted Funds	2,449,546	4,259,606	(4,292,209)	18,644	2,435,587
Total	2,803,244	5,211,606	(4,669,191)	-	3,345,659

The Designated Funds are held for the continuing replacement of fixed assets.

The Restricted Funds were received through the government's Cultural Recovery Fund to assist with the overhead costs of the theatre.

The transfer of £221,759 from restricted funds to unrestricted funds was the original amount agreed to be used to increase reserves when the grant was awarded. Subsequent to the year end approval was given to use the balance of the grant to further increase reserves. This will be reflected by way of a transfer of £360,459 from restricted to unrestricted reserves in the 2021/2022 financial statements.

Leicester Theatre Trust Limited

Notes to the financial statements for the year ended 31 March 2021 (continued)

21 Reconciliation of net income to net cash flow from operating activities:

	2021 £	2020 £
Net income for the reporting period	542,415	807,232
Interest receivable	(3,030)	(11,779)
Depreciation on tangible fixed assets	234,818	200,645
Loss on disposal of tangible fixed assets	14,714	44,707
Decrease in stocks	-	19,490
Decrease in debtors	100,379	708,127
(Decrease) in creditors	(1,009,551)	(709,633)
Net cash (used in)/provided by operating activities	(120,255)	1,058,789

22 Taxation

Leicester Theatre Trust Limited is a registered charity and as such is entitled to certain tax exemptions on income and profits from investments and surpluses on any trading activities carried out in furtherance of the charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes. The trading subsidiary, Curve Productions Limited is taxable and gift aids any profits annually to Curve. Curve Productions Limited is entitled to claim Theatre Tax Relief for its produced work.

23 Financial commitments

At 31 March 2021 the company had total future commitments under non-cancellable operating leases as follows:-

	2021 Land & Buildings £	Other £	2020 Land & Buildings £	Other £
Payable within one year	-	5,242	-	5,242
Payable between two and five years	-	749	-	5,991
	-	5,991	-	11,233

The trustees confirm that there are no contingent liabilities for the Trust (2020: none)

24 Pensions

The Trust makes a contribution to a Group Personal Pension Plan for permanent employees signed up prior to June 2014. From July 2014 all existing employees not in a pension scheme along with new starters are enrolled into the new government auto enrolment pension scheme. The charge for the twelve month period to 31 March 2021 was, as per note 12, £56,697 (2020: £68,593).

25 Controlling party

The Leicester Theatre Trust Limited is a company limited by guarantee and not having share capital. It is incorporated under the Companies Act and governed by the Memorandum and Articles of Association of the company. The Trustees of the company are elected members and act as directors of the company who are deemed to be the controlling party of the company therefore no ultimate controlling party is identifiable. It is a condition of membership that members undertake to contribute such amount, not exceeding £1, as may be required towards meeting debts and liabilities of the Trust in the event of the Trust being wound up.

26 Related Parties

Other than disclosed elsewhere in these financial statements there were no other related party transactions.