

Company registration number: 00927203

Charity registration number: 255424

Royal Exchange Theatre Company Limited

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2024

Royal Exchange Theatre Company Limited

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Royal Exchange Theatre Company Limited

Reference and Administrative Details

Trustees	Armoghan Mohammed, Chair Joanne Taylor, Chair Finance and Scrutiny Committee Rachel Armstrong Afshan D'Sousa-Lodhi Ellen Hanlon Nicole May Eva Scott, (resigned 26 September 2024) Joanna Taylor Gurjeet Singh
Patron	HRH The Duke of Edinburgh KG GCVO
Secretary	Stephen Freeman
Executive Director	Stephen Freeman
Charity Registration Number	255424
Company Registration Number	00927203
Registered Office	St Ann's Square Manchester M2 7DH
Auditor	Beever and Struthers Chartered Accountants One Express 1 George Leigh Street Manchester M4 5DL
Solicitors	Hempsons LLP Windmill Green 24 Mount Street Manchester M2 3NX
Bankers	National Westminster Bank 19 Market Street Manchester M1 1WR

Royal Exchange Theatre Company Limited

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 March 2024.

It is sadly necessary to begin the report for the year by paying tribute to Kate Vokes who died in January 2024. Kate joined the board in 2021, latterly taking up the role of Deputy Chair. As a trustee she was exceptional. Kate was ambitious and encouraging for our creative journey ahead, believing that storytelling and sharing in live theatre can make significant change to the lives of the people who get involved - be that by simply watching a show or taking part. We shall miss the ways in which she challenged and supported us to be brave and bold.

2023/24 has been a memorable year with a significant shift in audience recovery, completing the restructure of the theatre's Executive and Leadership team following the departure of Roy Alexander Weise and Bryony Shanahan in September 2023, and the continued success of our extensive engagement and artist development programmes. Our produced programme included a range of partners - Manchester International Festival, The Young Vic, Headlong and Tamasha. From audiences of 34,811 in our first full year of operation following the pandemic, we increased to over 99,000 for our main house productions in 2023/24.

Throughout the financial year there were eight main stage productions including two World Premieres, and with a significant increase in box office income to £2.5m (2022/23: £1.7m) as audiences continued to return.

- Over 18,000 people joined us to experience the powerful World Premiere of SHED: EXPLODED VIEW and untitled f*ck m*ss s**gon play. Both previous Bruntwood Prize for Playwriting Winners, untitled f*ck m*ss s**gon play transferred to the Young Vic after a successful run in Manchester as part of MIF23.
- There were over 14,000 attendances in our engagement programmes, and we introduced our highly successful Schools Matinees for GREAT EXPECTATIONS and ROMEO & JULIET with these becoming an ongoing commitment in our programming.
- In August, we brought our mobile theatre, the Den, to The East Manchester Academy for a Community Festival. Nine days of events, performances, workshops and activities, co-created and delivered by a 12-strong Ambassador team of residents from Beswick, Openshaw and Clayton. The programme included professional productions from Manchester-based companies, and opportunities for residents to take centre-stage. Show tickets were £1 to secure a seat, or free if you took a chance on the day. All other activities were free.

"It brought people in who may never seen theatre. Told stories never heard. Consolidates community in an area people feel disconnected" - *Audience Feedback*

Objectives and activities

We change the way people see theatre, each other and the world around them.

We connect, and art is our vehicle.

By experiencing theatre together or taking part, we provide transformative points of connection and exchange, reminding us of who we are and what we share with the people around us. Our role in bringing joy and entertainment to people is critical.

Being an accessible world-class theatre and a thriving civic space is central to our vision. To achieve this, collaboration and partnership is paramount. We will shine a light on what is good in our society and will share stories that question what a better future looks like for all of us.

Royal Exchange Theatre Company Limited

Trustees' Report

Objects and aims

Our vision and mission have been created to enable us to further our purposes, otherwise known as our charitable objects, as set out in our governing document, our articles of association:

- To promote and advance the arts and culture including in particular (but not exclusively) by providing (or assisting in the provision of) theatrical productions of high quality and relevance to the communities served by the Charity; and

- To promote and advance education in the arts and culture in particular (but not exclusively) by providing (or assisting in the provision of) programmes, projects, courses, sessions or other educational activities on the subject of drama and theatre; educational and training opportunities for aspiring artists and theatre-makers; and films, books, literature, exhibitions and other materials or media on the subject of theatre and drama.

Activities

We are the North West's largest and only full-time, text-based producing theatre. We present work in our unique modular theatre-in-the-round as well as spaces across Greater Manchester, in our equally unique pop-up theatre, the Den. Our exemplary engagement work with the people of Greater Manchester stands side-by-side with the theatre we produce. In 2023/24 the quality of our work was recognised with award nominations in the UK Theatre Awards (Best New Play: untitled f*ck m*ss s**gon play, a Royal Exchange Theatre, Factory International for Manchester International Festival, Young Vic Theatre and Headlong co-production), and wins at the Manchester Culture Awards (Best Business Partnership: The Bruntwood Prize for Playwriting and Made in Manchester: Cold Chips and Pick N Mix by Sonia Jalaly).

Royal Exchange Theatre Company Limited

Trustees' Report

Fundraising disclosures

Royal Exchange Theatre is a registered charity and is registered with and complies with current regulations and best practice set out by the Fundraising Regulator.

Our main fundraising income comes from institutional funders including Arts Council England and Greater Manchester Combined Authority. Additional fundraising comes through the generous support of individuals, charitable trusts and foundations and businesses. Fundraised income supports all aspects of our programme including our creative learning and engagement programme, our talent development strands of work, new writing as well as contributing towards core costs.

Responsibility for fundraising is delegated by RET's trustees to the Executive team who manage the operational delivery of activity. In 2023/24 the Development Team expanded to include two dedicated roles working alongside the Development Director / Deputy Chief Executive. We did not engage any consultants or external fundraisers during the year. When we do engage with external fundraisers, we require them to comply with the Code of Fundraising Practice and ensure that the correct safeguards are in place to protect donors and members of the public as well as the reputation of the charity.

We have a detailed fundraising plan, with targets benchmarked against Arts Council England research into performance within the sector, and we monitor progress against these targets on a monthly and quarterly basis. Fundraising activity and performance against target are reported quarterly to the Board by the Development Director/ Deputy Chief Executive.

The Development team works closely with the Marketing team to ensure that all communications with those registered on our database (be they active supporters or not) are compliant with the requirements of the UK General Data Protection Regulation (2018). Specific Direct Mail fundraising communications are distributed on an "opt in" basis with the way to opt out prominently positioned with the exception of those communication which fulfil our contract with our Members. Our Privacy Policy which outlines how personal information will be used is available on the website and in all e-mail communications. We ensure there are no intrusions on a person's privacy, no unreasonable persistence and no undue pressure on any persons to give money or other property.

Our contact details are clearly listed on our website should any person wish to raise complaints or concerns about our fundraising activity. Should a complaint be raised, it will be responded to within 14 days by the Director Development/Deputy Executive Director. Any serious complaint would be escalated to the Leadership Team and Trustees so they can consider lessons learnt.

Public benefit

As demonstrated by the Vision, Mission and strategic aims, the public and public benefit sits at the heart of all our activity. The trustees have considered the Charity Commission's guidance on public benefit in developing the organisation's strategic aims, planning its activities and pricing policy.

Our activity is also informed by the aims of our principal public funders Arts Council England (ACE) and the Greater Manchester Combined Authority (GMCA). Arts Council's "Let's Create" strategy has informed our own strategy and business planning as have the GMCA's Greater Manchester Strategic priorities.

Our programme is planned to engage a broad audience and deliver targeted audience development activities around productions to help us build an audience that is reflective of Greater Manchester. The Engagement programme provides extensive learning and participation opportunities each year, both at the theatre and in communities across Great Manchester.

There is free public access most days to our historic building, the Great Hall, Manchester's former cotton exchange, in which the theatre module, public living room and our café is situated.

Royal Exchange Theatre Company Limited

Trustees' Report

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Use of volunteers

A team of over 90 volunteers support the theatre in various roles including marketing, fundraising and front of house. In 2022/23 they provided over 1,600 volunteering hours. RET's engagement and Volunteer manager is responsible for Volunteer recruitment, training and on-boarding.

Achievements and performance

2023/24 marked the first full year of delivery under the new Business Plan for 2023 – 2028. The year was envisaged to allow us to build a solid foundation for growth by focussing on longer term artistic planning, reengagement of audiences and increased staff capacity to support our Six Strategic Aims:

1. Exceptional theatre, in a space like no other.
2. We are a sustainable charity that navigates change, balancing ambition and financial responsibility.
3. We keep our audiences close and open doors for new people to join in.
4. We understand our local communities and our civic role, to ensure we have the greatest impact for the people and partners across Greater Manchester.
5. We are an organisation that people want to work for and with.
6. Our environmental responsibility and impact are a consideration in all our decision making.

AIM 1: EXCEPTIONAL THEATRE IN A SPACE LIKE NO OTHER

2023/24 brought extraordinary theatre makers together to experience sharply observed productions showcasing our commitment to new stories alongside classic dramas that have stood the test of time. We were delighted to open up the Royal Exchange to partners based in Manchester, alongside artists from London, Sydney and New York.

Alongside huge and familiar dramas CAT ON A HOT TIN ROOF (which finished its run as we stepped into the 2023/24 year), ROMEO & JULIET and GREAT EXPECTATIONS we breathed life into two powerful 2019 Bruntwood Prize for Playwriting winners: Kimber Lee's breathtaking untitled f*ck m*ss s**gon play and Phoebe Éclair Powells SHED: EXPLODED VIEW. We also brought the European Premiere of Marieke Hardy's brilliant NO PAY? NO WAY? a sharply observed new version of Dario Fo's 1974 play to the stage. A musical is the beating heart of Christmas at the Exchange and Emma Rice's adaptation of Noël Coward's iconic BRIEF ENCOUNTER as part of Coward's 125th celebrations led us into 2024. As the year drew to a close audiences flocked to experience Shelagh Delaney's iconic play A TASTE OF HONEY - a sharply observed portrait of working class life in Salford in the late 1950's.

Royal Exchange Theatre Company Limited

Trustees' Report

Productions Presented in 2023/24

- CAT ON A HOT TIN ROOF, by Tennessee Williams, directed by Roy Alexander Weise

"It's a fresh, compelling and, at times, a surprisingly moving take on one of the great 20th century plays" 4* Lancashire Telegraph

- NO PAY? NO WAY! by Dario Fo and Franca Roma, in a new version by Marieke Hardy. UK Premiere. Directed by Bryony Shanahan.

"A really enjoyable and thought provoking play which had me laughing and then left me speechless at the end and thinking about it all the way home. Really strong performances by everyone." Audience Response

UNTITLED F*CK M*SS S**GON PLAY by Kimber Lee, directed by Roy Alexander Weise. World Premiere. Co-produced by Royal Exchange Theatre, Factory International for Manchester International Festival, Young Vic and Headlong.

"Punky, polemical and stingingly fresh...Ferociously funny satire calls out centuries of colonialist dramas" 4* The Guardian

GREAT EXPECTATIONS by Charles Dickens, adapted by Tanika Gupta, directed by Pooja Ghai. A Royal Exchange Theatre and Tamasha co-production.

There is much to admire in this big slice of theatrical storytelling 4* The Times

ROMEO & JULIET, by William Shakespeare, directed by Nicholai La Barrie.

'a highly accessible version of a classic text which reveals unexpected aspects of characters and make for an engrossing, if parochial, production.' The Reviews Hub

Noël Coward's BRIEF ENCOUNTER, adapted for the stage by Emma Rice, directed by Sarah Frankcom.

'intelligent, humorous, heart-breaking sad production that honours Coward's original drama, while also speaking to our own, more cosmopolitan times.' 4* The Telegraph

- SHED: EXPLODED VIEW, by Phoebe Eclair- Powell, directed by Atri Banerjee. World Premiere.

Heartbreaking, at times brutal, intensely moving and is totally captivating 4.5* Lancashire Telegraph.

Royal Exchange Theatre Company Limited

Trustees' Report

Engagement

Side-by-side with our main theatre programme our extensive Engagement programme continued to impact on Greater Manchester schools, young people, artists and communities.

In 2023/24 we delivered 823 sessions working with 9,095 people, providing 14,217 participations.

RET's work with schools and colleges grew considerably in 2023, thanks to a new funded Schools Co-ordinator Role. This year we piloted two successful School and College Days alongside our Autumn Productions, Great Expectations and Romeo & Juliet.

Students were invited to a full day of workshops, talks and demonstrations with cast, creatives and staff at the theatre, an exclusive performance of the show just for them followed by a Q&A.

For Great Expectations, we welcomed 300 young people from 12 schools into the theatre, which included a breakdown of the rehearsal process on stage from a number of the scenes with Tamasha's Gitika Buttoo and the cast.

We also offered a wigs, hair and make up workshop, an opportunity to create their own sound and lighting states for the show and an interactive talk on adaptations by the writer Tanika Gupta.

In the Great Hall there was a live resource pack of the show, with costumes on display, production and rehearsal shots, exclusive interviews and the model box.

For our Romeo & Juliet Schools and Colleges Day, we built on the success of the previous event, to welcome 609 students from 16 different schools into the theatre.

The day began with an introduction to the show and scene breakdowns, led by the director Nicholai La Barrie. Sound Designer and Composer Mark Melville demonstrated and led a talk discussing the sound elements of the show, followed by each school creating their own live soundscape of Manchester.

Following a costume presentation, 4 students volunteered to be dressed as Romeo or Juliet, the rest of the audience voted if they should be in traditional Shakespearian or modern items, ending in a catwalk across the stage, to rapturous applause. The performance was also followed by an engaging and interactive Q&A with cast and creatives.

I have never been to the theatre before and didn't know this place even existed, I have already text my mum to come back for a coffee and to see ROMEO & JULIET. - Student feedback on GREAT EXPECTATIONS Schools Day

Nicholai's explanation of how to understand Shakespeare and comparing it to rapping. Running the scene several times in Shakespeare and modern day. I thought it was a brilliant hook for the students and eased them into the day. It made Shakespeare accessible for them. - Teacher feedback on ROMEO & JULIET Schools Day

The Elders Programme is a celebration of ageing and creativity, and a place for older people to feel connected, be creative and challenge the stereotypes of ageing. The Dream Project is our way of addressing underrepresentation in our Elders Company. In its second year, Dream Project 2023 (delivered in partnership with the Wai Yin Society) we brought together a company of older East Asian and British East Asian people. Working with actor and theatre-maker Nadia Anim they created FOUR SEASONS which played for two performances in our Studio.

I like learning from the theatre, and the team work. You need that to cooperate with each other.... you have to put yourself 100% into it. Never too old to learn, you know. - Participant feedback

Royal Exchange Theatre Company Limited

Trustees' Report

AIM 2: WE ARE A SUSTAINABLE CHARITY THAT NAVIGATES CHANGE, BALANCING AMBITION AND FINANCIAL RESPONSIBILITY.

Financial review

New three-year grant agreements for 2023 – 2026 were confirmed with Arts Council England and Greater Manchester Combined Authorities within the year. This revenue grant funding continues to be critical to support the risk within our programming and our wider charitable aims. Creative Industries tax credits/relief are also increasingly critical to our financial sustainability.

Income during the year amounted to £7.4m. £1.7m was received from operation of the theatre, which was significantly higher than the £0.5m generated in 2021/22 when the theatre was still impacted by closure due to the pandemic. This continues to be below pre-pandemic levels, though we saw encouraging signs of audience return during the autumn/winter season. Secondary income from events, hires, fundraising and trading continued to grow totalling £0.8m in 2023/24 (2022/23: £0.7m)

Expenditure during the year amounted to £7.8m with £7.0m being spent on charitable activities. The balance of £0.8m was expenditure from commercial, trading and RET Trustees activities.

Net current assets were £3.66m as at 31 March 2024 (2023: £3.73m) and total net assets were £5.47m as at 31 March 2024 (2023: £5.85m). Unrestricted reserves were £3.33m at 31 March 2024 (2023: £3.74m).

AIM 3: WE KEEP OUR AUDIENCES CLOSE AND OPEN DOORS FOR NEW PEOPLE TO JOIN IN.

In 2023/24 the Royal Exchange Theatres productions, events and festivals generated attendances of 102,013 (2022/23: c.80,000).

We continue to make our work accessible with captioned, BSL interpreted, audio described and sensory adapted performances available for each production, providing 25 performances across the year. In setting the level of ticket prices and concessions, we give particular consideration to accessibility for those on low incomes and with specific needs: a targeted scheme for young people under 30 provides access to discounted tickets; our Arts Pot fund subsidises workshops fees, access provision and travel for those most in need of financial assistance to see our work or participate in our programmes; “pay what you can” tickets continue to be offered on every performance starting from just £5; and we continue to offer a limited number of £10 tickets for the best seats in the house to every performance in the theatre, made available on a first come, first served basis.

We continued creating connections and partnerships with specific groups and communities to support our aim to ensure our audience is representative of Greater Manchester providing 1,018 free tickets to schools and community groups.

AIM 4: WE UNDERSTAND OUR LOCAL COMMUNITIES AND OUR CIVIC ROLE, TO ENSURE WE HAVE THE GREATEST IMPACT FOR THE PEOPLE AND PARTNERS ACROSS GREATER MANCHESTER.

Our Local Exchange programme, funded by the Oglesby Charitable Trust and the Esmée Fairbairn Foundation underpins our work with Greater Manchester communities. It is an ambitious, long-term programme that sees the theatre take up residency in communities across Greater Manchester. In each location it builds upon existing partnerships, develops new connections and brings together people, places and artists to cement long-lasting relationships with the communities on our doorstep.

Royal Exchange Theatre Company Limited

Trustees' Report

Each year we begin a new residency developing close relationships with local partners such as housing associations, libraries, foodbanks and arts organisations to find out what's happening on the ground in each area. Alongside these initial partnerships we also recruit a group of local ambassadors, people who are passionate about the place they live in and excited by everything that arts and culture have to offer. Together with professional artists and the team at the Royal Exchange we develop projects, workshops, performances and events that are tailor-made for each individual community.

In addition to the successful Den Festival in Beswick (see overview), the residency moved into its Legacy Phase, which is focused on the future life for programmes of activity initiated during the residency - Beswick Young Company and Chatty Crafts. Together with the ambassadors we will work towards a sustainable model for these programmes.

"I feel like it's helped with resilience, confidence, like creativity and stuff. And I feel like that's important because no matter where you go in life, it can be applied to anything you do." - Beswick Young Company Member

Residencies in Rochdale, Cheetham and Crumpsall, Tameside and Leigh were in planning or legacy modes with Ambassadors working towards programmes, or continuing legacy projects. The Cheetham Ambassadors are setting themselves up as a CIC. Building upon the performance they created during the M8 Festival, an 8-week writers programme and 8-week performance programme will result in a new show inspired by the stories and voices collected in their 2023 Our M8s project. These programmes will be led by two Ambassadors and professional writers, with dramaturgical support and mentorship from creative leads at RET, building the skills of the group to continue on their own.

Alongside this extensive programme of work in communities, we continued to open up spaces in the Great Hall at the Royal Exchange to local community groups including Afrocats, George House Trust and Streetwise Opera. We also offered 43 days of free rehearsal space to artists and groups from across Greater Manchester for R&D.

AIM 5: WE ARE AN ORGANISATION THAT PEOPLE WANT TO WORK FOR AND WITH

Our existing and future workforce are the most important asset to our business. With the return to full-time programming in the main theatre, alongside our extensive engagement programme we increased staffing capacity in this period. We are closely monitoring the demographics of our workforce and are striving to have a team that is reflective of Greater Manchester, our positive action statement is highlighted in all vacancies to encourage applications from underrepresented communities, particularly around ethnicity and disability.

To support a healthy and vibrant workplace and ensure we retain skills and expertise to drive the organisation forward, we have delivered training and development in the year including Race and Allyship training, LGBTQ+ awareness (through our partnership with the LGBTQ+ Arts & Culture Network) and Domestic Abuse Awareness Training for the company and Front of House Team involved with the production of SHED: EXPLODED VIEW. We continue to be a Real Living Wage Employer and a Manchester Good Employment Charter Supporter.

We have continued to work closely with partner organisations to offer routes into the industry including The Young Vic Creators Programme, Birkbeck and The Mackintosh Foundation. Alongside placements and projects with these partners which we offered other opportunities for early careers artists including reintroducing the Observer Mondays scheme. This Scheme allows one local theatre maker at an early stage in their career the opportunity to "observe" rehearsals for an in-house production. An additional nine work experience placements and shadowing opportunities in our production teams for early career production staff.

Royal Exchange Theatre Company Limited

Trustees' Report

Policy on reserves

Our reserves policy is designed to provide available financial reserves for the following reasons:

- To absorb potential box office shortfalls
- To cover significant unbudgeted costs
- To ensure we have sufficient resources for any non-planned capital replacement

We have quantified the sums needed for each reason whilst recognising that these are unlikely to occur simultaneously. Overall we believe that a figure of £800k of free reserves (unrestricted funds not invested in fixed assets or irrevocably committed for other purposes) is reasonable. This is equivalent to approximately two months' fixed costs in normal trading conditions.

As at 31 March 2024, our free reserves were £3.33m (£1.49m designated and £1.84m general), substantially in excess of our target figure of £800k. Our free reserves were boosted by receipt of the government's Cultural Recovery Fund, not all of which was spent by the year ended 31 March 2023. We anticipate needing to use reserves on various items of capital expenditure not replaced during the year ended 31 March 2024, and also as a cushion against potential box office shortfalls in the coming year when rebuilding audiences will be a priority.

AIM 6: OUR ENVIRONMENTAL RESPONSIBILITY AND IMPACT ARE A CONSIDERATION IN ALL OUR DECISION MAKING.

Our footprint for 2023/24 was 503 tonnes CO₂, and we aim to achieve a reduction to 450 tonnes CO in 2024/25.

We completed ISO14001 which provides us with a framework for establishing our environmental management system. This will help us to reduce waste, improve energy efficiency and reduce waste management costs.

We participated again in the Indigo - Act Green Survey, and engaged with the results which provided a better understanding of what our audiences expect and need. As a result we engaged an accredited Carbon Literacy Trainer to deliver training later in 2024.

Plans for future periods

Aims and key objectives for future periods

In April 2024 RET announced the appointment of Selina Cartmell as the theatre's first Creative Director. Selina took up her role in August 2024 and her first programme will begin in 2026 to mark the theatre's 50th anniversary year. Selina Cartmell is an award-winning theatre-maker, director and producer who grew up in Cumbria. From 2016-2022 she was Artistic Director of the Gate Theatre, Dublin where she re-invigorated the artistic vision and programmed and commissioned seasons of world-class productions with leading Irish and International talent. She grew new audiences, significantly diversified and championed emerging artists and transformed gender equality. Selina's appointment underpins the Royal Exchange's commitment to developing a world-class theatre programme that is ambitious in ideas, form and scale. It builds on the Exchange's established roots of investing in artists, communities and growing and diversifying audiences locally, nationally and internationally.

In 2024 we have continued a programme of trustee recruitment and succession with a particular focus on artists/industry expertise, HR and Finance. In Autumn 2024, trustees will begin a Chair/Deputy Chair recruitment process.

Negotiations to renew our lease within Manchester's Royal Exchange building have been ongoing for some time and we are continuing to work with our landlord towards signing a new lease.

Royal Exchange Theatre Company Limited

Trustees' Report

Going concern

We have set out below a review of our reserves position. We currently have adequate financial resources for ongoing operations and our planning process, which includes financial projections, has taken into account the current economic climate and likely levels of funding support. In addition we have also performed a reverse stress test.

In deciding to prepare the financial statements on a going concern basis, the trustees have considered all available information about the future for a period of at least 12 months from the date of approval. The information includes financial forecasts which are underpinned by a level of guaranteed funding from key stakeholders Arts Council England and, to a lesser extent, the Greater Manchester Combined Authority. These forecasts take into account the current economic climate and likely levels of funding support. The Royal Exchange Theatre places significant reliance on Arts Council England grant funding in order to balance income and expenditure on an annual basis, and NPO funding from the Arts Council is now confirmed through to March 2026. Other funding sources are assumed in the forecasts that are not yet guaranteed but the trustees believe that there is a realistic prospect of securing them. Based on these forecasts, the trustees believe that the theatre can continue in operational existence for at least the next 12 months.

Trustees and Officers

The trustees and officers serving during the year and since the year end were as follows:

Trustees:	Armoghan Mohammed, Chair (appointed 17 April 2023) Katherine Vokes (until 29 December 2023) Joanne Taylor, Chair Finance and Scrutiny Committee Rachel Armstrong Afshan D'Sousa-Lodhi (appointed 14 December 2023) Ellen Hanlon Nicole May Eva Scott, (resigned 26 September 2024) (appointed 12 June 2024) Joanna Taylor (appointed 14 December 2023) James Caldwell (resigned 15 June 2023) Sally Penni (resigned 15 June 2023) Aziz Rashid (resigned 15 June 2023) Robert Venable-Greaves (resigned 14 December 2023) Gurjeet Singh (appointed 27 June 2024)
Executive Director:	Stephen Freeman
Secretary:	Stephen Freeman
Artistic Directors:	Bryony Shanahan (resigned 30 September 2023) Roy Alexander Weise (resigned 30 September 2023)
Patron:	HRH The Duke of Edinburgh KG GCVO

Royal Exchange Theatre Company Limited

Trustees' Report

Structure, governance and management

Nature of governing document

The Royal Exchange Theatre Company Limited is a charitable company limited by guarantee governed by its articles of association. The charitable company has a number of subsidiary undertakings and branches, full details of which are given in the notes to the financial statements. One of these subsidiary undertakings, Royal Exchange Theatre Trading Limited, houses various commercial trading activities including catering services, commercial sponsorship, room hire and costume hire. Profits from these activities are gift-aided annually to the parent charity.

The governing body of the Royal Exchange Theatre Company Limited is its board of trustees whose members are non-executive and unpaid. The trustees of the charitable company are also directors for the purposes of the Companies Act and are also the only members of the company. Each member undertakes to contribute £1 to the assets of the company in the event of a winding-up.

Recruitment and appointment of trustees

Trustees are recruited and appointed when required to maintain or enhance the expertise of the board. They are appointed for an initial term of three years which may be extended for a further three years. This ensures that the composition of the board is regularly refreshed. Opportunities for trusteeship are advertised publicly and all new trustees are given appropriate induction into the organisation.

Principal risks and uncertainties

A risk register setting out risks and steps taken to mitigate those risks is maintained. The risk register is reviewed quarterly at board meetings. The following is a summary of the key risks and steps taken to avoid or mitigate them:

Box Office - failure of programme to attract sufficient audiences

Balance approach to programming, ensuring sufficient offer for existing and new audiences. Engage in audience consultation, evaluation and feedback. Establish relationship with high-profile creatives/ actors. Extensive marketing and audience research undertaken. Increased investment in marketing and "above-the-line" activity. Sufficient reserves in place and designated Fund established to guard against Box Office shortfall.

High unplanned capital expenditure

Capital replacement plan revisited. Move to more planned maintenance using outsourced service. Board to approve use of reserves for high priority items not completed in previous financial year.

Change key personnel (sudden or planned) results in inability to deliver programme, failure to achieve mission

Regular trustee contact with Chief Executive. Strong leadership team and Deputy Chief Executive Structure in place. Chair of People and Culture Committee holds oversight.

Important non-adjusting events after the financial period

In September 2024 subsequent to the balance sheet date of 31 March 2024, Royal Exchange Theatre cancelled a planned run of A Midsummer Night's Dream as the production was about to open. This event does not adjust the financial results for the year ended 31 March 2024. The financial impact of the cancellation is being assessed and RET plans to take appropriate steps to address any implications arising from this event.

Royal Exchange Theatre Company Limited

Trustees' Report

Statement of trustees' responsibilities

The trustees (who are also the directors of Royal Exchange Theatre Company Limited for the purposes 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the parent charitable company and the group and of the incoming resources and application of resources, including its 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 apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the parent charitable company will continue in business.

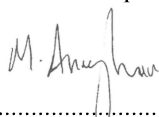
The trustees are responsible for keeping proper accounting records that can disclose with reasonable accuracy at any time the financial position of the parent charitable company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible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

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

Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

The annual report was approved by the trustees of the charity on 23.12.24 and signed on its behalf by:



.....
Armoghan Mohammed, Chair
Trustee

Royal Exchange Theatre Company Limited

Independent Auditor's Report to the Members of Royal Exchange Theatre Company Limited

Opinion

We have audited the financial statements of Royal Exchange Theatre Company Limited (the 'charitable parent company') and its subsidiaries (the 'group') for the year ended 31 March 2024, which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 March 2024 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 responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 ability to continue as a going concern for a period of at least twelve months from when the original financial statements were 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 trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

Royal Exchange Theatre Company Limited

Independent Auditor's Report to the Members of Royal Exchange Theatre Company Limited

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

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- 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 our knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in 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 13), the trustees 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor 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 Exchange Theatre Company Limited

Independent Auditor's Report to the Members of Royal Exchange Theatre Company Limited

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charitable parent company's trustees, 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 group's trustees 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 parent company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Beever and Struthers

Maria Hallows BA (Econs), FCA, DCha (Senior Statutory Auditor)
For and on behalf of Beever and Struthers, Statutory Auditor

One Express
1 George Leigh Street
Manchester
M4 5DL

Date: 23.12.24.....

Royal Exchange Theatre Company Limited

Consolidated Statement of Financial Activities for the Year Ended 31 March 2024 (Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £ 000	Restricted funds £ 000	Total 2024 £ 000	Total 2023 £ 000 (As restated)
Income and Endowments from:					
Donations and legacies	4	2,926	208	3,134	3,039
Charitable activities	6	2,509	321	2,830	1,718
Other trading activities	7	820	10	830	708
Investment income	8	46	-	46	17
Theatre tax relief income		<u>1,018</u>	<u>-</u>	<u>1,018</u>	<u>389</u>
Total income		<u>7,319</u>	<u>539</u>	<u>7,858</u>	<u>5,871</u>
Expenditure on:					
Raising funds	9	(807)	-	(807)	(621)
Charitable activities	10	<u>(6,953)</u>	<u>(500)</u>	<u>(7,453)</u>	<u>(6,205)</u>
Total expenditure		<u>(7,760)</u>	<u>(500)</u>	<u>(8,260)</u>	<u>(6,826)</u>
Net (expenditure)/income		<u>(441)</u>	<u>39</u>	<u>(402)</u>	<u>(955)</u>
Net movement in funds		(441)	39	(402)	(955)
Reconciliation of funds					
Total funds brought forward		<u>3,625</u>	<u>2,104</u>	<u>5,729</u>	<u>6,684</u>
Total funds carried forward	23	<u>3,184</u>	<u>2,143</u>	<u>5,327</u>	<u>5,729</u>

All of the group's activities derive from continuing operations during the above two periods.

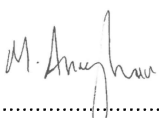
The funds breakdown for 2023 is shown in note 23.

The notes on pages 21 to 44 form an integral part of these financial statements.

Royal Exchange Theatre Company Limited
(Registration number: 00927203)
Consolidated Balance Sheet as at 31 March 2024

	Note	2024 £ 000	2023 £ 000 (As restated)
Fixed assets			
Tangible assets	17	1,809	2,113
Current assets			
Stocks	19	12	8
Debtors	20	1,922	993
Cash at bank and in hand	21	3,609	4,139
		<u>5,543</u>	<u>5,140</u>
Creditors: Amounts falling due within one year	22	<u>(2,025)</u>	<u>(1,524)</u>
Net current assets		<u>3,518</u>	<u>3,616</u>
Net assets		<u>5,327</u>	<u>5,729</u>
Funds of the group:			
Restricted income funds			
Artistic projects	23	540	477
Long term projects / other	23	1,603	1,627
Total restricted funds		<u>2,143</u>	<u>2,104</u>
Unrestricted income funds			
Designated Funds		1,492	1,906
General Funds		1,692	1,719
Total unrestricted funds		<u>3,184</u>	<u>3,625</u>
Total funds	23	<u>5,327</u>	<u>5,729</u>

The financial statements on pages 17 to 44 were approved by the trustees, and authorised for issue on 23.12.24 and signed on their behalf by:


.....
Armoghan Mohammed, Chair
Trustee

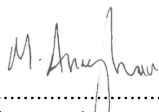
The notes on pages 21 to 44 form an integral part of these financial statements.

Royal Exchange Theatre Company Limited

(Registration number: 00927203)
Balance Sheet as at 31 March 2024

	Note	2024 £ 000	2023 £ 000
Tangible assets	17	1,809	2,113
Current assets			
Debtors	20	1,193	1,341
Cash at bank and in hand	21	<u>3,415</u>	<u>3,853</u>
		4,608	5,194
Creditors: Amounts falling due within one year	22	<u>(1,973)</u>	<u>(1,445)</u>
Net current assets		<u>2,635</u>	<u>3,749</u>
Net assets		<u>4,444</u>	<u>5,862</u>
Funds of the charity:			
Restricted income funds			
Restricted funds		2,143	2,104
Unrestricted income funds			
Unrestricted funds		<u>2,301</u>	<u>3,758</u>
Total funds	23	<u>4,444</u>	<u>5,862</u>

The financial statements on pages 17 to 44 were approved by the trustees, and authorised for issue on 23.12.24 and signed on their behalf by:


.....
Armoghan Mohammed, Chair
Trustee

The notes on pages 21 to 44 form an integral part of these financial statements.

Royal Exchange Theatre Company Limited

Consolidated Statement of Cash Flows for the Year Ended 31 March 2024

	Note	2024 £ 000	2023 £ 000 (As restated)
Cash flows from operating activities			
Net cash expenditure		(402)	(955)
Adjustments to cash flows from non-cash items			
Depreciation	17	354	1,145
Investment income	8	(46)	(17)
Loss on disposal of tangible fixed assets		-	27
		(94)	200
Working capital adjustments			
Increase in stocks	19	(4)	(8)
(Increase)/decrease in debtors	20	(929)	264
Increase/(decrease) in creditors	22	501	(7)
Net cash flows from operating activities		(526)	449
Cash flows from investing activities			
Interest receivable and similar income	8	46	17
Purchase of tangible fixed assets	17	(50)	(33)
Net cash flows from investing activities		(4)	(16)
Net (decrease)/increase in cash and cash equivalents		(530)	433
Cash and cash equivalents at 1 April		4,139	3,706
Cash and cash equivalents at 31 March		3,609	4,139

All of the cash flows are derived from continuing operations during the above two periods.

The notes on pages 21 to 44 form an integral part of these financial statements.

Royal Exchange Theatre Company Limited

Notes to the Financial Statements for the Year Ended 31 March 2024

1 Charity status

The charity is limited by guarantee, incorporated in England, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

The address of its registered office is:

St Ann's Square
Manchester
M2 7DH

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)) (issued in October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of preparation

Royal Exchange Theatre Company 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.

Basis of consolidation

The financial statements of the charitable company incorporate those of all funds and branches as required by the Charities SORP on a line by line basis. Therefore this shows the financial affairs of the Royal Exchange Theatre Company Limited, together with its branches Royal Exchange Theatre Appeal Fund, and Royal Exchange Theatre Trustees Limited.

The group financial statements consolidate those of the charitable company and of its subsidiary undertakings drawn up to 31 March 2024 on a line by line basis. These subsidiaries are Royal Exchange Theatre Trading Limited and Exchange Productions Limited.

All intra-group balances and transactions are eliminated on consolidation.

Accounting policies are consistent throughout the group.

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Income and Expenditure account. The Charity has taken advantage of the paragraph 1.11 Section 1, Cash flows, of FRS 102 and as such has not shown an individual charity cash flow statement within these financial statements on the basis that it is a qualifying entity and the Consolidated Statement of Cash Flows included within these financial statements includes the Charity's own cash flows.

Royal Exchange Theatre Company Limited

Notes to the Financial Statements for the Year Ended 31 March 2024

Going concern

In deciding to prepare the financial statements on a going concern basis, the trustees have considered all available information about the future for a period of at least 12 months from the date of approval. The information includes financial forecasts which are underpinned by a level of guaranteed funding from key stakeholders Arts Council England and, to a lesser extent, the Greater Manchester Combined Authority. These forecasts take into account the current economic climate and likely levels of funding support. The Royal Exchange Theatre places significant reliance on Arts Council England grant funding in order to balance income and expenditure on an annual basis, and NPO funding from the Arts Council is now confirmed through to March 2026. Other funding sources are assumed in the forecasts that are not yet guaranteed but the trustees believe that there is a realistic prospect of securing them. Based on these forecasts, the trustees believe that the theatre can continue in operational existence for at least the next 12 months.

Income and endowments

Donations and legacies

All monetary donations and gifts are included in full in the statement of financial activities when receivable, provided that there are no donor-imposed restrictions as to the timing of the related expenditure, in which case recognition is deferred until the pre-condition has been met.

Investments donated to the company during the year are included in income at the mid-market value at the date of the donation. Subsequent unrealised and realised gains or losses on the value of the investments are shown separately in the Statement of Financial Activities. Donations made under Gift Aid together with the associated income tax recoveries are credited as income when the donations are received.

Donated services and facilities are included at the value to the charity where this can be quantified. No amounts are included in the financial statements for time donated by volunteers.

Grants receivable

Revenue grants are credited as incoming resources when they are receivable provided the conditions for receipt have been complied with, unless they relate to a specified future period, in which case they are deferred.

Grants for the purchase of fixed assets are credited to restricted incoming resources when receivable. Depreciation of the fixed assets purchased with such grants is charged against the restricted fund.

Grants and related income subject to pre-conditions for use have been deferred to be released to the statement of financial activities as the pre-conditions are satisfied.

Grants of a revenue nature are recognised in the Consolidated statement of financial activities in the same period as the related expenditure.

Other trading activities

Income from trading activities comprises income from catering, sponsorship and corporate membership plus income from other ancillary or non-primary purpose trading activities (programme sales, theatre shop, costume hire and room hires). Membership and sponsorship income is recognised on a receivable basis.

Investment income

Investment income comprises interest receivable on cash balances held in interest-bearing accounts and is recognised on an accruals basis.

Royal Exchange Theatre Company Limited

Notes to the Financial Statements for the Year Ended 31 March 2024

Charitable activities

Income from charitable activities comprises ticket sales for performances at the Royal Exchange, co-production income in respect of Royal Exchange productions, income for Royal Exchange tours, plus ancillary and non primary purpose income and income from other artistic activities including Creative Learning and Engagement activities. Income relating to productions is deferred until the relevant performances have taken place.

Theatre tax relief

Theatre tax relief represents income due from HMRC in respect of Theatre Tax Relief relating to productions that took place during the year. This income is recognised on a receivable basis.

Expenditure

Raising funds

Cost of raising funds from commercial and trading operations and donations/legacies comprises costs relating to income generated from catering, sponsorship and corporate membership.

Charitable activities

Cost of performances comprises the costs of all Royal Exchange productions and those of visiting companies presented in the Main House, the Studio and on tour.

Costs incurred in relation to scenery materials, costumes and props and production costs for future productions are prepaid and released to the Statement of Financial Activities in the year in which the first night of the related production takes place.

Expenditure on other charitable activities consists of costs relating to other artistic activities including Creative Learning and Engagement activities, new writing, and customer services. Expenditure on ancillary and non-primary purpose trading activities is included here.

All expenditure is accounted for on an accruals basis.

Provision has been made, where appropriate, for relevant expenses where a present obligation exists at the balance sheet date in accordance with the requirements of FRS 102.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Taxation

The Company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The Charity is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

Royal Exchange Theatre Company Limited

Notes to the Financial Statements for the Year Ended 31 March 2024

Tangible fixed assets

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Freehold property	Over the period of the lease
Long-term leasehold property	50 years straight line
Short-term leasehold property	Over the period of the lease
Fixtures and fittings	4-10 years straight line

Investments

Investments in subsidiaries are valued at cost less provision for impairment.

Mixed motive investments are measured at their fair value, or if fair value cannot be reliably measured, at cost less impairment.

Stock

Stocks consist of goods for re-sale and are valued at the lower of cost and net realisable value.

Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash and cash equivalents

Cash at bank and 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.

Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Fund structure

Unrestricted (general) funds are donations and other incoming resources received or generated for expenditure on the general objectives of the charity.

Royal Exchange Theatre Company Limited

Notes to the Financial Statements for the Year Ended 31 March 2024

Unrestricted (designated) funds are unrestricted funds which have been designated for specific purposes by the trustees.

Restricted funds are to be used for specified purposes laid down by the donor. Expenditure for those purposes is charged to the fund.

Operating leases

Rents payable under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

Pensions

The Royal Exchange Theatre Company Limited operates two defined contribution schemes. The assets of the schemes are held in separately administered funds. The pension costs charged to the Statement of Financial Activities represent the amount of contributions payable to the schemes by the charitable company in respect of the accounting period. The liability and expenses for defined contribution plans are allocated to unrestricted funds and restricted funds on the same basis as other employee-related costs.

VAT (Value added tax)

Income is stated net of VAT where applicable. Expenditure is stated net of any recoverable VAT. Any irrecoverable VAT is recognised as a cost against the activity for which the expenditure was incurred.

Financial instruments

Classification

The 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Royal Exchange Theatre Company Limited

Notes to the Financial Statements for the Year Ended 31 March 2024

3 Critical accounting estimates and areas of judgement

Preparation of the financial statements requires management to make significant judgements and estimates that affect amounts recognised for assets and liabilities at the reporting date and the amounts of revenue and expenses incurred during the reporting period. Actual outcomes may differ from these judgements, estimates and assumptions. The judgements, estimates and assumptions that have the most significant effect on the carrying value of assets and liabilities of the charity at 31 March 2024 are discussed below.

Critical accounting estimates and assumptions:

Recoverable value of trade debtors

The recoverability of trade debtors is regularly reviewed in the light of the available economic information specific to each debtor and specific provisions are recognised for balances considered to be at risk or irrecoverable. At the year end, the value of trade debtors totalled £25,000 (2023: £189,000).

Property, plant and equipment

Management exercises judgement in estimating the useful life of property, plant and equipment. At the year end, the net book value of property, plant and equipment is £1,809,000 (2023: £2,113,000).

Accruals and deferred income

Accruals and deferred income are entered into the financial statements based on management expectations. The group recognised accruals and deferred income at 31 March 2023 of £1,500,000 (2023: £1,179,000).

4 Income from donations and legacies

	Unrestricted funds General £ 000	Restricted funds £ 000	Total 2024 £ 000	Total 2023 £ 000
Donations and legacies;				
Income from public sector grants (note 5)	2,594	-	2,594	2,594
Donations and legacies	332	208	540	445
	<u>2,926</u>	<u>208</u>	<u>3,134</u>	<u>3,039</u>

Royal Exchange Theatre Company Limited

Notes to the Financial Statements for the Year Ended 31 March 2024

5 Income from public sector grants

	Unrestricted funds General £ 000	Total 2024 £ 000
Arts Council England (ACE)	2,375	2,375
Greater Manchester Combined Authority (GMCA)	219	219
	<u>2,594</u>	<u>2,594</u>
	Unrestricted funds General £ 000	Total 2023 £ 000
Arts Council England (ACE)	2,375	2,375
Greater Manchester Combined Authority (GMCA)	219	219
	<u>2,594</u>	<u>2,594</u>

6 Income from charitable activities

	Unrestricted funds General £ 000	Restricted funds £ 000	Total 2024 £ 000	Total 2023 £ 000
Box office income - own productions & co-productions	2,480	-	2,480	1,666
Creative Learning and Engagement income	6	116	122	27
Costume hire, theatre shop & programmes	23	-	23	18
Local Exchange	-	205	205	7
	<u>2,509</u>	<u>321</u>	<u>2,830</u>	<u>1,718</u>

7 Income from other trading activities

	Unrestricted funds General £ 000	Restricted funds £ 000	Total 2024 £ 000	Total 2023 £ 000 (As restated)
Trading income;				
Operation of trading subsidiaries	644	-	644	542
Miscellaneous income	176	10	186	166
	<u>820</u>	<u>10</u>	<u>830</u>	<u>708</u>

Miscellaneous income includes sponsorship income.

Royal Exchange Theatre Company Limited

Notes to the Financial Statements for the Year Ended 31 March 2024

8 Investment income

	Unrestricted funds General £ 000	Total 2024 £ 000	Total 2023 £ 000
Interest receivable and similar income;			
Interest receivable	46	46	17

9 Expenditure on raising funds

	Direct costs £ 000	Total 2024 £ 000
Cost of sales (inc staff costs)	451	451
Administration expenses	3	3
Sponsorship and corporate members	60	60
Support costs reallocated (note 11)	293	293
	807	807
	Direct costs £ 000	Total 2023 £ 000
Cost of sales (inc staff costs)	350	350
Administration expenses	4	4
Sponsorship and corporate members	69	69
Support costs reallocated (note 11)	198	198
	621	621

Royal Exchange Theatre Company Limited

Notes to the Financial Statements for the Year Ended 31 March 2024

10 Expenditure on charitable activities

	Cost of performances £ 000	Other charitable activities £ 000	2024 £ 000
Artistic and creative	419	-	419
Performers and stage management	964	-	964
Production costs	2,100	-	2,100
Front of House	274	-	274
Creative learning and engagement	-	362	362
New writing and development	-	214	214
Local Exchange	-	158	158
Support costs reallocated (note 11)	2,307	645	2,952
	<u>6,064</u>	<u>1,379</u>	<u>7,443</u>

	Cost of performances £ 000	Other charitable activities £ 000	2023 £ 000
Artistic and creative	651	-	651
Performers and stage management	964	-	964
Production costs	1,413	-	1,413
Front of House	91	-	91
Creative learning and engagement	-	652	652
New writing and development	-	268	268
Local Exchange	-	165	165
Support costs reallocated (note 11)	1,561	440	2,001
	<u>4,680</u>	<u>1,525</u>	<u>6,205</u>

Expenditure on charitable activities was £7,453,000 (2023: £6,205,000) of which £500,000 (2023: £1,420,000) was restricted and £6,953,000 was unrestricted (2023: £4,785,000).

Royal Exchange Theatre Company Limited

Notes to the Financial Statements for the Year Ended 31 March 2024

11 Analysis of support costs

Support costs allocated to charitable activities

	Cost of generating funds £ 000	Cost of performances £ 000	Other charitable activities £ 000	Total 2024 £ 000
Administration	38	298	83	419
Building Management & Maintenance	132	1,034	239	1,405
Depreciation	27	207	57	291
Finance	42	331	92	465
Governance	3	22	6	31
HR	7	59	16	82
IT	9	72	20	101
Marketing	42	332	93	467
	<u>300</u>	<u>2,355</u>	<u>606</u>	<u>3,261</u>

	Cost of generating funds £ 000	Cost of performances £ 000	Other charitable activities £ 000	Total 2023 £ 000
Administration	25	197	55	277
Building Management & Maintenance	73	577	163	813
Depreciation	16	124	35	175
Finance	38	300	84	422
Governance	3	27	8	38
HR	7	56	16	79
IT	9	72	20	101
Marketing	27	208	59	294
	<u>198</u>	<u>1,561</u>	<u>440</u>	<u>2,199</u>

All support costs have been allocated based upon a management review of the estimated usage, split 9% (2023: 9%) to costs of raising funds, 71% (2023: 71%) to costs of performances and 20% (2023: 20%) to other charitable activities.

12 Trustees remuneration and expenses

No trustees received any remuneration or reimbursement for expense from the group during the year or in the previous year.

Trustees are offered two tickets on Press Night for each main production to enable them to carry out their duties.

Royal Exchange Theatre Company Limited

Notes to the Financial Statements for the Year Ended 31 March 2024

13 Staff costs

	Group 2024 £000	Group 2023 £000	Company 2024 £000	Company 2023 £000
Wages and salaries	3,121	2,370	2,867	2,209
Social security costs	198	156	185	149
Staff termination costs	35	-	35	-
Contribution to defined contribution pension schemes	57	47	52	44
	<u>3,411</u>	<u>2,573</u>	<u>3,139</u>	<u>2,402</u>

The average number of persons employed by the Group during the year was as follows:

	Group 2024 No.	Group 2023 No.
Full time employees	64	62
Part time employees	76	55
	<u>140</u>	<u>117</u>

The average number of employees fell into the following categories:

	Group 2024 No.	Group 2023 No.
Engagement & Participation	12	15
Funded Projects	7	7
Facilitating	16	15
Production & Technical	79	67
Rivals	26	13
	<u>140</u>	<u>117</u>

The number of employees whose emoluments fell within the following bands was:

	2024 No	2023 No
£60,001 - £70,000	-	2
£70,001 - £80,000	-	1
£80,001 - £90,000	<u>1</u>	<u>-</u>

During the year, the key management personnel of the parent charity comprised the trustees, the Artistic Directors and Executive Director.

The total employee benefits of the key management personnel of the group were £240,734 (2023 - £191,316).

The key management personnel of the group are the same as those of the parent charity.

Royal Exchange Theatre Company Limited

Notes to the Financial Statements for the Year Ended 31 March 2024

14 Auditors' remuneration

	2024 £ 000	2023 £ 000
The auditing of accounts for the Company and those of its subsidiaries and branches	22	22
All other tax advisory services	4	2
All other non-audit services	6	1
	<u>32</u>	<u>25</u>

15 Results of the charitable company

The company has taken advantage of Section 408 of the Companies Act 2006 and not included its own income and expenditure account in these financial statements. The net outgoing resources for the company (including its branches) for the year was £1,136,000 (2023: net outgoing resources of £742,000).

16 Taxation

The income and gains of the charity are exempt from taxation to the extent that they are applied to its charitable objectives.

Royal Exchange Theatre Company Limited

Notes to the Financial Statements for the Year Ended 31 March 2024

17 Tangible fixed assets

Group and company

	Freehold property and long leasehold buildings £ 000	Short-term leasehold property £ 000	Leasehold improvements £ 000	Fixtures and fittings £ 000	Total £ 000
Cost					
At 1 April 2023	177	1,500	26,224	999	28,900
Additions	-	-	-	50	50
At 31 March 2024	177	1,500	26,224	1,049	28,950
Depreciation					
At 1 April 2023	88	1,500	24,493	706	26,787
Charge for the year	3	-	259	92	354
At 31 March 2024	91	1,500	24,752	798	27,141
Net book value					
At 31 March 2024	86	-	1,472	251	1,809
At 31 March 2023	89	-	1,731	293	2,113

18 Fixed asset investments

Charity

	2024 £	2023 £
Shares in subsidiary undertakings	101	101
Mixed motive investments	1	1
	102	102

Mixed motive investments:

	Class of shares	Proportion of NV held	Nature of business
Lear the Film Limited	£1 ordinary	33.3%	Film production company

Royal Exchange Theatre Company Limited

Notes to the Financial Statements for the Year Ended 31 March 2024

Details of undertakings

Details of the investments in which the charity holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held		Principal activity
			2024	2023	
Subsidiary undertakings					
Royal Exchange Theatre Trading Limited	England and Wales	Ordinary	100%	100%	Operation of theatre bars and cafe and other non-primary purpose trading
Exchange Productions Limited	England and Wales	Ordinary	100%	100%	Presentation of productions

One share of Exchange Productions Limited is held by a nominee on behalf of the Royal Exchange Theatre Company Limited.

Subsidiaries

The operating profit for the financial period of Royal Exchange Theatre Trading Limited was £130,000 (2023: £188,00) this was paid to the parent company through Gift Aid leaving retained earnings for the year of £Nil (2023: £Nil). The aggregate amount of capital and reserves at the end of the period was £Nil (2023: £Nil).

The gross loss for the financial period of Exchange Productions Limited was £2,930,168 (2023: Profit £138,143) this was covered by a Theatre Tax Relief claim leaving retained losses for the year of £1,912,603 (2023: profits £251,238). The aggregate amount of capital and reserves at the end of the period was negative £1,532,650 (2023: £379,953).

19 Stock

	Group		Charity	
	2024 £ 000	2023 £ 000	2024 £ 000	2023 £ 000
Finished goods	12	8	-	-

Royal Exchange Theatre Company Limited

Notes to the Financial Statements for the Year Ended 31 March 2024

20 Debtors

	Group		Charity	
	2024	2023	2024	2023
	£ 000	£ 000 (As restated)	£ 000	£ 000
Trade debtors	25	189	17	162
Due from group undertakings	-	-	825	915
Prepayments and accrued income	291	185	291	186
Theatre tax relief income	1,538	520	-	-
Other debtors	68	99	60	78
	<u>1,922</u>	<u>993</u>	<u>1,193</u>	<u>1,341</u>

Within prepayments and accrued income is an amount of £120,000 (2023: £71,000) relating to pre-production costs for 1 (2023: 4) show.

21 Cash and cash equivalents

	Group		Charity	
	2024	2023	2024	2023
	£ 000	£ 000	£ 000	£ 000
Cash at bank	<u>3,609</u>	<u>4,139</u>	<u>3,415</u>	<u>3,853</u>

22 Creditors: amounts falling due within one year

	Group		Charity	
	2024	2023	2024	2023
	£ 000	£ 000	£ 000	£ 000
Trade creditors	375	211	359	205
Other taxation and social security	113	99	85	37
Other creditors	37	35	38	38
Accruals and deferred income	<u>1,500</u>	<u>1,179</u>	<u>1,491</u>	<u>1,165</u>
	<u>2,025</u>	<u>1,524</u>	<u>1,973</u>	<u>1,445</u>

Arts Council England has a legal charge over one leasehold property held by the Royal Exchange. This is in relation to any amounts due to that body in respect of capital grants made by Arts Council England to the Royal Exchange Theatre Company Limited pre-2000. At 31 March 2024, no amounts fall due to be repaid in respect of the grants.

Royal Exchange Theatre Company Limited

Notes to the Financial Statements for the Year Ended 31 March 2024

Deferred income

Group

	2024 £ 000	2023 £ 000
Deferred income at 1 April 2023	801	705
Resources deferred in the period	(112)	96
Deferred income at year end	689	801

Charity

	2024 £ 000	2023 £ 000
Deferred income at 1 April 2023	801	684
Resources deferred in the period	(112)	117
Deferred income at year end	689	801

Deferred income consists largely of box office income in respect of future performances and refunds and credits not yet claimed for shows that were cancelled due to the previous Covid-19 lockdowns. Box office advances are released to the income and expenditure account when these performances occur and refunds and credits are either claimed or allowed to lapse after 2 years.

Royal Exchange Theatre Company Limited

Notes to the Financial Statements for the Year Ended 31 March 2024

23 Funds

Group

	Balance at 1 April 2023 £ 000	Incoming resources £ 000	Resources expended £ 000	Transfers £ 000	Balance at 31 March 2024 £ 000
Unrestricted funds					
<i>General</i>					
General funds	1,851	7,319	(7,760)	414	1,824
Prior year adjustment	(132)	-	-	-	(132)
	<u>1,719</u>	<u>7,319</u>	<u>(7,760)</u>	<u>414</u>	<u>1,692</u>
<i>Designated</i>					
Theatre refurbishment project 1997	42	-	-	-	42
Capital project 2023	180	-	-	-	180
Fixed asset fund	784	-	-	-	784
Programme Reserves	900	-	-	(414)	486
	<u>1,906</u>	<u>-</u>	<u>-</u>	<u>(414)</u>	<u>1,492</u>
Total unrestricted funds	<u>3,625</u>	<u>7,319</u>	<u>(7,760)</u>	<u>-</u>	<u>3,184</u>
Restricted funds - Long term projects / other					
Other	33	9	(34)	-	8
Theatre refurbishment project 1997	1,194	-	-	-	1,194
Capital project 2013	249	-	-	-	249
Other restricted funds	152	-	-	-	152
	<u>1,628</u>	<u>9</u>	<u>(34)</u>	<u>-</u>	<u>1,603</u>
Total	<u>1,628</u>	<u>9</u>	<u>(34)</u>	<u>-</u>	<u>1,603</u>
Restricted funds - Artistic projects					
Creative Learning and Engagement	122	117	(216)	-	23
New writing and talent development	25	208	(89)	-	144
Local Exchange	329	205	(161)	-	373
	<u>476</u>	<u>530</u>	<u>(466)</u>	<u>-</u>	<u>540</u>
Total	<u>476</u>	<u>530</u>	<u>(466)</u>	<u>-</u>	<u>540</u>
Total funds	<u>5,729</u>	<u>7,858</u>	<u>(8,260)</u>	<u>-</u>	<u>5,327</u>

Royal Exchange Theatre Company Limited

Notes to the Financial Statements for the Year Ended 31 March 2024

	Balance at 1 April 2022 £ 000	Incoming resources £ 000	Resources expended £ 000	Transfers £ 000	Balance at 31 March 2023 £ 000
Group Funds - as restated					
Unrestricted funds					
<i>General</i>					
General funds	2,366	5,600	(5,347)	(900)	1,719
<i>Designated</i>					
Theatre refurbishment project 1997	82	-	(40)	-	42
Capital project 2023	190	-	(10)	-	180
Fixed asset fund	684	-	-	100	784
Investment fund	100	-	-	(100)	-
Programme Reserves	-	-	-	900	900
	<u>1,056</u>	<u>-</u>	<u>(50)</u>	<u>900</u>	<u>1,906</u>
Total unrestricted funds	<u>3,422</u>	<u>5,600</u>	<u>(5,397)</u>	<u>-</u>	<u>3,625</u>
Restricted funds - Long term projects / other					
Other	48	-	-	(48)	-
Theatre refurbishment project 1997	2,150	-	(956)	-	1,194
Capital project 2013	269	-	(20)	-	249
Other restricted funds	<u>184</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>184</u>
Total	<u>2,651</u>	<u>-</u>	<u>(976)</u>	<u>(48)</u>	<u>1,627</u>
Restricted funds - Artistic projects					
Creative Learning and Engagement	53	133	(64)	-	122
New writing and talent development	38	131	(191)	48	26
Local Exchange	<u>520</u>	<u>7</u>	<u>(198)</u>	<u>-</u>	<u>329</u>
Total	<u>611</u>	<u>271</u>	<u>(453)</u>	<u>48</u>	<u>477</u>
Total funds	<u>6,684</u>	<u>5,871</u>	<u>(6,826)</u>	<u>-</u>	<u>5,729</u>

Royal Exchange Theatre Company Limited

Notes to the Financial Statements for the Year Ended 31 March 2024

Restricted funds

Artistic project funds represent restricted funding and related expenditure in respect of our participation and learning work, new writing programmes, talent development initiatives and other artistic activities.

Long-term project funds represent restricted funding and related expenditure in respect of the following capital projects.

The Theatre refurbishment project 1997 fund relates to the major capital project undertaken after the IRA bomb blast in 1996 and covers ongoing depreciation in respect of this.

The capital project 2013 fund represents funds raised and expended on the Royal Exchange's capital project, financed with the support of Arts Council England.

Designated Funds

Designated funds include funds set aside for the theatre refurbishment project and capital project 2013 referred to above. Designated funds also relate to a capital replacement fund with reference to funds previously spent on capital items which are now being depreciated.

The fixed asset fund represents funds set aside for capital items or other one-off investment expenditure which cannot be met from within the operating budget, but which will provide ongoing savings or benefits for the charity. The programme reserve has been designated to support the artistic programme while audiences continue to recover audiences following the pandemic.

Royal Exchange Theatre Company Limited

Notes to the Financial Statements for the Year Ended 31 March 2024

Charity

	Balance at 1 April 2023 £ 000	Incoming resources £ 000	Resources expended £ 000	Transfers £ 000	Balance at 31 March 2024 £ 000
Unrestricted funds					
<i>General</i>					
General funds	1,851	5,785	(7,242)	414	808
<i>Designated</i>					
Theatre refurbishment project 1997	42	-	-	-	42
Capital project 2023	180	-	-	-	180
Fixed asset fund	784	-	-	-	784
Programme Reserves	900	-	-	(414)	486
	<u>1,906</u>	<u>-</u>	<u>-</u>	<u>(414)</u>	<u>1,492</u>
Total unrestricted funds	<u>3,757</u>	<u>5,785</u>	<u>(7,242)</u>	<u>-</u>	<u>2,300</u>
Restricted funds - Long term projects / other					
Other	34	9	(34)	-	9
Theatre refurbishment project 1997	1,194	-	-	-	1,194
Capital project 2013	249	-	-	-	249
Other restricted funds	152	-	-	-	152
	<u>1,629</u>	<u>9</u>	<u>(34)</u>	<u>-</u>	<u>1,604</u>
Total	<u>1,629</u>	<u>9</u>	<u>(34)</u>	<u>-</u>	<u>1,604</u>
Restricted funds - Artistic projects					
Creative Learning and Engagement	122	117	(216)	-	23
New writing and talent development	25	208	(89)	-	144
Local Exchange	329	205	(161)	-	373
	<u>476</u>	<u>530</u>	<u>(466)</u>	<u>-</u>	<u>540</u>
Total	<u>476</u>	<u>530</u>	<u>(466)</u>	<u>-</u>	<u>540</u>
Total funds	<u>5,862</u>	<u>6,324</u>	<u>(7,742)</u>	<u>-</u>	<u>4,444</u>

Royal Exchange Theatre Company Limited

Notes to the Financial Statements for the Year Ended 31 March 2024

	Balance at 1 April 2022 £ 000	Incoming resources £ 000	Resources expended £ 000	Transfers £ 000	Balance at 31 March 2023 £ 000
Charity Funds					
Unrestricted funds					
<i>General</i>					
General funds	2,366	5,732	(5,347)	(900)	1,851
<i>Designated</i>					
Theatre refurbishment project 1997	82	-	(40)	-	42
Capital project 2023	190	-	(10)	-	180
Fixed asset fund	684	-	-	100	784
Investment fund	100	-	-	(100)	-
Programme Reserves	-	-	-	900	900
	<u>1,056</u>	<u>-</u>	<u>(50)</u>	<u>900</u>	<u>1,906</u>
Total unrestricted funds	<u>3,422</u>	<u>5,732</u>	<u>(5,397)</u>	<u>-</u>	<u>3,757</u>
Restricted funds					
Other	48	-	-	(48)	-
Theatre refurbishment project 1997	2,150	-	(956)	-	1,194
Capital project 2013	269	-	(20)	-	249
Other restricted funds	<u>184</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>184</u>
Total restricted funds	<u>2,651</u>	<u>-</u>	<u>(976)</u>	<u>(48)</u>	<u>1,627</u>
Other funds					
Creative Learning and Engagement	53	133	(63)	-	123
New writing and talent development	38	131	(191)	48	26
Local Exchange	<u>520</u>	<u>7</u>	<u>(198)</u>	<u>-</u>	<u>329</u>
Total other funds	<u>611</u>	<u>271</u>	<u>(452)</u>	<u>48</u>	<u>478</u>
Total funds	<u>6,684</u>	<u>6,003</u>	<u>(6,825)</u>	<u>-</u>	<u>5,862</u>

24 Prior year adjustment

The accounts have been restated to incorporate costs and income that should have been charged to Exchange Productions Limited. The impact on the consolidated accounts only impacts the Theatre Tax Relief claim as follows:

Summary of the prior year accounting impact	£'000
Reduction in Theatre tax relief income	132
Reduction in debtor	132

Royal Exchange Theatre Company Limited

Notes to the Financial Statements for the Year Ended 31 March 2024

25 Analysis of net assets between funds

Group

	Unrestricted funds £ 000	Restricted funds - Artistic projects £ 000	Restricted funds - Long term projects / other £ 000	Total funds at 31 March 2024 £ 000
Tangible fixed assets	390	-	1,419	1,809
Current assets	4,819	540	184	5,543
Current liabilities	(2,025)	-	-	(2,025)
Total net assets	<u>3,184</u>	<u>540</u>	<u>1,603</u>	<u>5,327</u>

	Unrestricted funds £ 000	Restricted funds - Artistic projects £ 000	Restricted funds - Long term projects /other £ 000	Total funds at 31 March 2023 £ 000
Tangible fixed assets	670	-	1,443	2,113
Current assets	4,479	477	184	5,140
Current liabilities	(1,524)	-	-	(1,524)
Total net assets	<u>3,625</u>	<u>477</u>	<u>1,627</u>	<u>5,729</u>

26 Analysis of changes in net debt

Group

	At 1 April 2023 £ 000	Financing cash flows £ 000	At 31 March 2024 £ 000
Cash at bank and in hand	<u>4,139</u>	<u>(529)</u>	<u>3,610</u>
Net debt	<u>4,139</u>	<u>(529)</u>	<u>3,610</u>

	At 1 April 2022 £ 000	Financing cash flows £ 000	At 31 March 2023 £ 000
Cash at bank and in hand	<u>3,706</u>	<u>433</u>	<u>4,139</u>
Net debt	<u>3,706</u>	<u>433</u>	<u>4,139</u>

27 Pension commitments

The group operates two defined contribution pension schemes for the benefit of its employees. The assets of the schemes are held in independently administered funds. The contributions paid by the group during the year were £52,000 (2023: £47,000). At 31 March 2024, £17,000 (2023: £26,000) was owed to schemes.

Royal Exchange Theatre Company Limited

Notes to the Financial Statements for the Year Ended 31 March 2024

28 Branches

The branches as defined by the Statement of Recommended Practice: Accounting by Charities, incorporated into the company financial statements are as follows:

	Net incoming/(outgoing) resources		Capital reserves and income funds	
	2024 £000	2023 £000	2024 £000	2023 £000
Royal Exchange Theatre Appeal Fund	8	8	128	119
Royal Exchange Theatre Trustees Limited	(8)	(24)	234	242

29 Indemnity insurance

The group has purchased qualifying third party indemnity insurance for the trustees and officers of the group against liability arising for wrongful acts in relation to the group.

30 Related party transactions

The company received a donation from its subsidiary, Royal Exchange Theatre Trading Limited of £96,000 (2023: £188,000). At the year end, Royal Exchange Theatre Trading Limited owed Royal Exchange Theatre Company Limited £137,000 (2023:£324,000).

Exchange Productions Limited, a subsidiary, acts as a production company for the charity. Exchange Productions Limited, in turn, subcontracts the production of its show to the charity. The costs incurred by Royal Exchange Theatre Company Limited are recharged to Exchange Productions Limited: these totalled £5,393,688 (2023: £1,795,828) in the year. Amounts due from Exchange Productions Limited in relation to these costs at the year end totalled £3,071,034 (2023: £140,866).

Amounts invoiced by Exchange Productions Limited to Royal Exchange Theatre Company Limited totalled £2,463,520 (2023: £1,657,685).

Donations from trustees amounted to £119,911 (2023: £146,074). This amount includes both donations from individuals and donations from trusts and companies related to trustees.

During the year a trustee, A d'Souza-Lodhi received £266 for services provided to the charity.

31 Non-adjusting events after the financial period

In September 2024 subsequent to the balance sheet date of 31 March 2024, Royal Exchange Theatre cancelled a planned run of A Midsummer Night's Dream as the production was about to open. This event does not adjust the financial results for the year ended 31 March 2024. The financial impact of the cancellation is being assessed and RET plans to take appropriate steps to address any implications arising from this event.

Royal Exchange Theatre Company Limited

Notes to the Financial Statements for the Year Ended 31 March 2024

32 Prior year Statement of Financial Activities

	Note	Unrestricted funds £ 000	Restricted funds £ 000	Total 2023 £ 000 (As restated)
Income and Endowments from:				
Donations and legacies	4	2,832	207	3,039
Charitable activities	6	1,711	7	1,718
Other trading activities	7	651	57	708
Investment income	8	17	-	17
Theatre tax relief income		389	-	389
Total income		<u>5,600</u>	<u>271</u>	<u>5,871</u>
Expenditure on:				
Raising funds	9	(612)	(9)	(621)
Charitable activities	10	<u>(4,785)</u>	<u>(1,420)</u>	<u>(6,205)</u>
Total expenditure		<u>(5,397)</u>	<u>(1,429)</u>	<u>(6,826)</u>
Net income/(expenditure)		<u>203</u>	<u>(1,158)</u>	<u>(955)</u>
Net movement in funds		203	(1,158)	(955)
Reconciliation of funds				
Total funds brought forward		<u>3,422</u>	<u>3,262</u>	<u>6,684</u>
Total funds carried forward	23	<u><u>3,625</u></u>	<u><u>2,104</u></u>	<u><u>5,729</u></u>