

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 2025

Royal Exchange Theatre Company Limited

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Royal Exchange Theatre Company Limited

Reference and Administrative Details

| | |
|------------------------------------|---|
| Trustees | Joanna Taylor Alison Loveday Rachel Frazer Ian Squires Rajeevendra Mahapatra Benjamin Power Simon Johnson |
| Patron | HRH The Duke of Edinburgh KG GCVO |
| Secretary | Victoria Kirkpatrick (resigned 21 November 2025) |
| Executive Director | Stephen Freeman CEO (resigned March 2025) Selina Cartmell Artistic Director (from April 2025) Chris Stafford Co-CEO (from May 2025) |
| Charity Registration Number | 255424 |
| Company Registration Number | 00927203 |
| Registered Office | St Ann's Square Manchester M2 7DH |
| Auditor | Menzies LLP Chartered Accountants One Express 1 George Leigh Street Manchester M4 5DL |
| Solicitors | Myersons |
| Bankers | National Westminster Bank 19 Market Street Manchester M1 1WR |

Royal Exchange Theatre Company Limited

Trustees' Report

Objectives and activities

Vision

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

Mission

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.

Charitable objects

Our vision and mission have been created to enable us to further our purposes, otherwise known as 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.

Achievements, Performance and Engagement

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 2025.

Royal Exchange Theatre Company Limited

Trustees' Report

In 2024/25, we reached an audience of 86,350 through a programme that brought together leading artists and a critically acclaimed lineup of productions. Highlights included a reimagining of Oscar Wilde's *The Importance of Being Earnest*, Lynn Nottage's 2017 Pulitzer Prize-winning drama *Sweat*, and a rarely performed double bill of Caryl Churchill's *Escaped Alone* and *What If Only*. We also continued to offer audiences an alternative to the city's festive offerings with a new production of the Olivier Award-winning musical *Spend Spend Spend*.

★ ★ ★ ★ 'Spend Spend Spend may not be your traditional festive fare but it sparkles like a Christmas tree in a hall of mirrors.' *The Times*

In 2024/25, our engagement programme reached 8,526 participants through over 1,000 workshops and events. The programme of activities included our award-winning *Elders and Young Company*, work with schools, and our *Local Exchange* programme, which operated across five areas of Greater Manchester with low arts engagement. We also delivered a *Den* programme co-created with community ambassadors, partners, and artists.

"[The Den] was also the first-time culture had featured as a part of our town centre regeneration projects so clearly... It's meant we've been able to apply for additional funding for Stalybridge - with the government regeneration grant, investment in Stalybridge is now over £20m." *Tameside Borough Council*.

Across all programmes 42% of all participants were under the age of 25 and 25% were over 60. 21% of all participants were from the global majority, this increases to 37% for our children and young people programme. 24% of all children and young people were on pupil premium or in receipt of free school meals. 16% identified as D/deaf, disabled or with a long-term health condition. 95% of participants were from Greater Manchester.

"Before getting involved with the Exchange, I didn't leave the house really, ever. But now I actually leave the house for something I'm excited for. I've made friends. [...] If I hadn't made the change, I don't know where I'd be right now. I wouldn't be in a good place." *Local Exchange Front of House-training participant*

"This isn't the retirement I imagined, and it's made my retirement so wonderful - I've done things I'd never dreamt in my entire life that I would be able to do because of and at the Royal Exchange." *Elder's participant*

As we build the next artistic chapter for our 50th anniversary and beyond we are developing a new and groundbreaking engagement strategy for Greater Manchester residents - *CREATIVE EXCHANGE*. Creative Exchange focuses on the community as a creative collaborator and embeds the power of 'exchange' through between the theatre and our communities through the sharing of ideas, storytelling and talent development. Over the next three years, Creative Exchange will transform the Royal Exchange Theatre into a true civic forum, where communities engage in the artistic exchange of excellence and transformation.

"The biggest impact is in the playground, we have seen children go back to pretend play and creating little stories together on the playground, we haven't seen that in a long time." *Headteacher, St Peter's Primary School*.

Royal Exchange Theatre Company Limited

Trustees' Report

In August 2024, we signed up to actively use the Theatre Green Book as a commitment to making more sustainable theatre. Escaped Alone/What If If Only was our first production aiming to hit Baseline Level of sustainable practise using the Beta version of the Green Book as a guide:

We have since continued to strive to meet TGB Standards on subsequent productions now the guidance is out of Beta stage and at Version2 - Theatre Green Book

Our leadership team and Board (15 individuals in total) reflect a range of backgrounds, experiences, and perspectives. Currently, 73.5% identify as White British, with 26.5% representing Asian, mixed, or other ethnic backgrounds. 47% identify as women, and 6.5% as disabled. The Board and Executive represents a broad socioeconomic mix, with over half from professional or managerial backgrounds, and the remainder from a range of working-class and manual occupations.

Across our workforce of around 157 (both core and casual), 67.5% identify as women, and 10.5% of all staff identify as disabled. The team includes individuals from a wide range of ethnic backgrounds, with approximately a quarter of staff identifying as Global Majority, reflecting the wider demographic of Greater Manchester. Among our 123 volunteers, over 21% identify as Global Majority and 11% as disabled, with a strong gender balance and significant representation across generations.

We are committed to building on this foundation through inclusive recruitment, community outreach, and targeted Board development to ensure that our governance continues to reflect the communities of Greater Manchester. EDI training and regular reflection on representation are embedded into Board practice. In 2026, in conjunction with the arrival of our new Executive Director, we will undertake a review of our EDI action plan to ensure our approaches and activities are inclusive, impactful, and aligned with the evolving needs and diversity of Greater Manchester communities.

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.

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 Chief Executives.

The Fundraising 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 Executive Director. Any serious complaint would be escalated to the Leadership Team and Trustees so they can consider lessons learnt.

Royal Exchange Theatre Company Limited

Trustees' Report

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.

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 123 volunteers support the theatre in various roles including marketing, fundraising and front of house. In 2024/25 they provided over 2,940 volunteering hours. RET's Engagement and Volunteer manager is responsible for Volunteer recruitment, training and on-boarding.

Financial review

The grant agreements with Arts Council England and Greater Manchester Combined Authorities continue 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 £7.3m (2023/24 - £7.9m). £2.2m (2023/24 - £2.5m) was received from the operation of the theatre. Secondary income from events, hires, fundraising and trading continued to grow totalling £0.75m in 2024/25 (2023/24: £0.8m).

Expenditure during the year amounted to £8.1m (2023/24 - £8.3m) with £7.1m (2023/24 - £7.5m) being spent on charitable activities. The balance of £1m (2023/24 - £0.8m) was expenditure from commercial, trading and RET Trustees activities.

Cash and cash equivalents decreased from £3.6m at 31 March 2024 to £1.2m at 31 March 2025 primarily due to the timing of the Theatre Tax Relief claim (£1.1m outstanding at year end) and increased working capital requirements to support a full performance schedule. The Trustees consider that the Theatre maintains adequate liquidity to meet its short-term obligations.

Net current assets were £2.9m as at 31 March 2025 (2024: £3.5m) and total net assets were £4.6m as at 31 March 2025 (2024: £5.3m). Unrestricted reserves were £2.8m at 31 March 2025 (2024: £3.2m).

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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 2025, our free reserves were £2.83m (£1.43m designated and £1.4m general), substantially in excess of our target figure of £800k. We anticipate needing to use reserves on various items of capital expenditure not replaced during the year ended 31 March 2025, and also as a cushion against potential box office shortfalls in the coming year when rebuilding audiences will be a priority.

Plans for future periods

Aims and key objectives for future periods

2026 marks 50 years of the Royal Exchange and a time for renewal. Under new artistic leadership our programme of work aims to re-establish the Royal Exchange Theatre as a world-class artistic institution that places artists and communities at its heart while authentically representing and enriching Northern cultural identity, audiences and communities. We will harness the unique power of our distinctive space – a democratic in-the-round arena symbolizing the dynamic exchange of ideas and immersive theatrical experiences that defines and evolves our artistic identity locally, nationally and internationally.

As we continue to rebuild audiences, we have programmed a slate of work throughout 25/26 that will resonate with audiences from across Greater Manchester. Confirmed titles include;

ABIGAIL'S PARTY directed by Natalie Abrahams

LIBERATION directed by Monique Touko

DANCING AT LUGHNASA directed by Elizabeth Freeman

SINGIN' IN THE RAIN directed by Raz Shaw

ROAD directed by Selina Cartmell

We will also continue to deliver a rich programme of engagement activities including our year-round activities for elders, and our pop-up theatre 'The Den' taking residence in two Greater Manchester communities. 2025 will also mark the 20th anniversary of the Bruntwood Prize; we are indebted to the Oglesby Family and the team at Bruntwood for 20 years of incredible support.

Following the resignation of Stephen Freeman, and to reposition artists and artistic voices at the heart of the theatre, the Board of Trustees reviewed the leadership of the business and introduced a Co-CEO structure of Artistic Director and Executive Director. Selina Cartmell became Artistic Director/ Co-CEO in April 2025 working alongside Chris Stafford as Interim Executive Director/Co- CEO and Sheena Wrigley will join the business in January 2026 as permanent Executive Director/ Co-CEO. Under new leadership, we will mark our 50th anniversary in 2026 with a dynamic and bold programme of work celebrating half a century of producing world class work.

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 reserve 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 (resigned 6 January 2025) |
| | Joanne Taylor, Chair Finance and Scrutiny Committee (resigned 31 July 2025) |
| | Rachel Armstrong (resigned 29 June 2025) |
| | Afshan D'Sousa-Lodhi (resigned 3 July 2025) |
| | Ellen Hanlon (resigned 15 June 2025) |
| | Nicole May (resigned 28 January 2025) |
| | Eva Scott (appointed 12 June 2024 and resigned 26 September 2024) |
| | Joanna Taylor |
| | Gurjeet Singh (appointed 27 June 2024 and resigned 26 August 2025) |
| | Alison Loveday (appointed 12 December 2024) |
| | Rachel Frazer (appointed 14 January 2025) |
| | Ian Squires (appointed 24 July 2025) |
| | Rajeevendra Mahapatra (appointed 24 September 2025) |
| | Benjamin Power (appointed 24 September 2025) |
| | Simon Johnson (appointed 24 September 2025) |
| Executive Director: | Stephen Freeman CEO (resigned March 2025) |
| | Selina Cartmell Artistic Director (from April 2025) |
| | Chris Stafford Co-CEO (from May 2025) |

Royal Exchange Theatre Company Limited

Trustees' Report

Secretary: Stephen Freeman (resigned 28 March 2025)
Victoria Kirkpatrick (resigned 21 November 2025) (appointed 28 March 2025)

Patron: HRH The Duke of Edinburgh KG GCVO

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.

Management

The board retains full and effective control of the company with approval for all major strategic decisions and has ultimate responsibility for the conduct of the company and its financial stability.

Day to day management of the company is delegated to the Co-Chief Executives. The Chief Executives works closely with an executive team comprising Director of Producing, Finance Director, Director of Production, Director of Buildings and Facilities (from October 2025), Director of Engagement and Director of Audiences and Visitor Experience (from December 2025) "Director" is a traditional title for these senior posts within our sector, but these individuals are not directors under the Companies Act, nor are any other members of the senior management team whose title includes the term "Director".

The board is responsible for appointing the Chief Executives and determining their contract of employment. The board monitors the performance and pay of the Chief Executives. Pay is determined by reference to benchmarks within the theatre sector.

Royal Exchange Theatre Company Limited

Trustees' Report

Principal risks and uncertainties

The organisation maintains a comprehensive risk management framework overseen by the Board. The Risk Register is reviewed monthly by the Executive team, and quarterly by Trustees.

Risks are assessed for likelihood and impact, with mitigation plans embedded into operational and strategic decision-making. The principal risks currently identified include:

- Building and Infrastructure Risks- including ongoing ceiling repairs and lease renewal; both are being proactively managed through a joint project with the landlord, designated reserves, and applications to external capital funds.
- Financial Sustainability- potential reductions in public funding and pressures on maintenance budgets; mitigated through strong funder relationships, multi-year financial planning, and a focus on income diversification.
- Safeguarding and Compliance- continuous monitoring of safeguarding, health and safety, and statutory obligations, supported by trained Designated Safeguarding Officers, external audits, and regular policy reviews.
- Reputation and External Factors- risks from adverse publicity or unforeseen cancellations; managed through established crisis communications procedures and tested contingency planning.
- People and Leadership- ongoing work to strengthen organisational culture, improve communication, and invest in staff development and leadership capacity.

We adopt a robust, proactive approach to governance and resilience, ensuring we are well-positioned to anticipate and respond effectively to potential challenges.

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.

Royal Exchange Theatre Company Limited

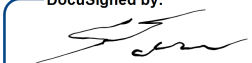
Trustees' Report

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 22 December 2025 and signed on its behalf by:

DocuSigned by:

.....DECA77969E004CC.....
Simon Johnson
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 2025, 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 2025 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 9), 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.

Menzies LLP

.....
Maria Hallows BA (Econs), FCA, DCha (Senior Statutory Auditor)
For and on behalf of Menzies LLP, Statutory Auditor

One Express
1 George Leigh Street
Manchester
M4 5DL

22 December 2025

Royal Exchange Theatre Company Limited

Consolidated Statement of Financial Activities for the Year Ended 31 March 2025 (Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

| | Note | Unrestricted funds £ 000 | Restricted funds £ 000 | Total 2025 £ 000 | Total 2024 £ 000 |
|------------------------------------|------|--------------------------------|------------------------------|------------------------|------------------------|
| Income and Endowments from: | | | | | |
| Donations and legacies | 4 | 2,839 | 10 | 2,849 | 3,134 |
| Charitable activities | 6 | 2,233 | 366 | 2,599 | 2,830 |
| Other trading activities | 7 | 751 | - | 751 | 830 |
| Investment income | 8 | 28 | - | 28 | 46 |
| Theatre tax relief income | | 1,116 | - | 1,116 | 1,018 |
| Total income | | <u>6,967</u> | <u>376</u> | <u>7,343</u> | <u>7,858</u> |
| Expenditure on: | | | | | |
| Raising funds | 9 | (973) | - | (973) | (807) |
| Charitable activities | 10 | <u>(6,457)</u> | <u>(665)</u> | <u>(7,122)</u> | <u>(7,453)</u> |
| Total expenditure | | <u>(7,430)</u> | <u>(665)</u> | <u>(8,095)</u> | <u>(8,260)</u> |
| Net expenditure | | (463) | (289) | (752) | (402) |
| Transfers between funds | | <u>116</u> | <u>(116)</u> | <u>-</u> | <u>-</u> |
| Net movement in funds | | (347) | (405) | (752) | (402) |
| Reconciliation of funds | | | | | |
| Total funds brought forward | | <u>3,184</u> | <u>2,143</u> | <u>5,327</u> | <u>5,729</u> |
| Total funds carried forward | 23 | <u><u>2,837</u></u> | <u><u>1,738</u></u> | <u><u>4,575</u></u> | <u><u>5,327</u></u> |

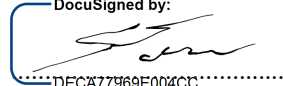
All of the group's activities derive from continuing operations during the above two periods.

The funds breakdown for 2024 is shown in note 23.

Royal Exchange Theatre Company Limited
(Registration number: 00927203)
Consolidated Balance Sheet as at 31 March 2025

| | Note | 2025 £ 000 | 2024 £ 000 |
|---|------|---------------|---------------|
| Fixed assets | | | |
| Tangible assets | 17 | 1,652 | 1,809 |
| Current assets | | | |
| Stocks | 19 | 14 | 12 |
| Debtors | 20 | 3,393 | 1,922 |
| Cash at bank and in hand | 21 | 1,237 | 3,609 |
| | | 4,644 | 5,543 |
| Creditors: Amounts falling due within one year | 22 | (1,721) | (2,025) |
| Net current assets | | 2,923 | 3,518 |
| Net assets | | 4,575 | 5,327 |
| Funds of the group: | | | |
| Restricted income funds | | | |
| Artistic projects | 23 | 525 | 540 |
| Long term projects / other | 23 | 1,213 | 1,603 |
| Total restricted funds | | 1,738 | 2,143 |
| Unrestricted income funds | | | |
| Designated Funds | | 1,430 | 1,492 |
| General Funds | | 1,407 | 1,692 |
| Total unrestricted funds | | 2,837 | 3,184 |
| Total funds | 23 | 4,575 | 5,327 |

The financial statements on pages 14 to 40 were approved by the trustees, and authorised for issue on 22 December 2025 and signed on their behalf by:

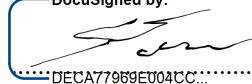
DocuSigned by:

 DECA77969E004CC...
 Simon Johnson
 Trustee

Royal Exchange Theatre Company Limited

(Registration number: 00927203)
Balance Sheet as at 31 March 2025

| | Note | 2025 £ 000 | 2024 £ 000 (As restated) |
|---|------|---------------|--------------------------------|
| Tangible assets | 17 | 1,652 | 1,809 |
| Current assets | | | |
| Debtors | 20 | 3,606 | 2,077 |
| Cash at bank and in hand | 21 | 1,017 | 3,415 |
| | | 4,623 | 5,492 |
| Creditors: Amounts falling due within one year | 22 | (1,700) | (1,974) |
| Net current assets | | 2,923 | 3,518 |
| Net assets | | 4,575 | 5,327 |
| Funds of the charity: | | | |
| Restricted income funds | | | |
| Restricted funds | | 1,738 | 2,143 |
| Unrestricted income funds | | | |
| Unrestricted funds | | 2,837 | 3,184 |
| Total funds | 23 | 4,575 | 5,327 |

The financial statements on pages 14 to 40 were approved by the trustees, and authorised for issue on 22 December 2025 and signed on their behalf by:

DocuSigned by:

 DECA77969E004CC...
 Simon Johnson
 Trustee

Royal Exchange Theatre Company Limited

Consolidated Statement of Cash Flows for the Year Ended 31 March 2025

| | Note | 2025 £ 000 | 2024 £ 000 |
|--|------|---------------------|---------------------|
| Cash flows from operating activities | | | |
| Net cash expenditure | | (752) | (402) |
| Adjustments to cash flows from non-cash items | | | |
| Depreciation | 17 | 219 | 354 |
| Investment income | 8 | <u>(28)</u> | <u>(46)</u> |
| | | (561) | (94) |
| Working capital adjustments | | | |
| Increase in stocks | 19 | (2) | (4) |
| Increase in debtors | 20 | (1,471) | (929) |
| (Decrease)/increase in creditors | 22 | <u>(304)</u> | <u>501</u> |
| Net cash flows from operating activities | | <u>(2,338)</u> | <u>(526)</u> |
| Cash flows from investing activities | | | |
| Interest receivable and similar income | 8 | 28 | 46 |
| Purchase of tangible fixed assets | 17 | (61) | (50) |
| Sale of tangible fixed assets | | <u>(1)</u> | <u>-</u> |
| Net cash flows from investing activities | | <u>(34)</u> | <u>(4)</u> |
| Net decrease in cash and cash equivalents | | (2,372) | (530) |
| Cash and cash equivalents at 1 April | | <u>3,609</u> | <u>4,139</u> |
| Cash and cash equivalents at 31 March | | <u><u>1,237</u></u> | <u><u>3,609</u></u> |

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

Royal Exchange Theatre Company Limited

Notes to the Financial Statements for the Year Ended 31 March 2025

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 2025 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 2025

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 2025

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 2025

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 2025

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.

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.

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 2025 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 £171,000 (2024: £25,000).

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 £1,652,000 (2024: £1,809,000).

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 2025 of £1,384,000 (2024: £1,500,000).

Royal Exchange Theatre Company Limited

Notes to the Financial Statements for the Year Ended 31 March 2025

4 Income from donations and legacies

| | Unrestricted funds General £ 000 | Restricted funds £ 000 | Total 2025 £ 000 | Total 2024 £ 000 |
|--|---|------------------------------|------------------------|------------------------|
| Donations and legacies; | | | | |
| Income from public sector grants (note 5) | 2,474 | - | 2,474 | 2,594 |
| Donations and legacies | 365 | 10 | 375 | 540 |
| | <u>2,839</u> | <u>10</u> | <u>2,849</u> | <u>3,134</u> |

5 Income from public sector grants

| | Unrestricted funds General £ 000 | Total 2025 £ 000 |
|--|---|------------------------|
| Arts Council England (ACE) | 2,255 | 2,255 |
| Greater Manchester Combined Authority (GMCA) | 219 | 219 |
| | <u>2,474</u> | <u>2,474</u> |

| | 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> |

6 Income from charitable activities

| | Unrestricted funds General £ 000 | Restricted funds £ 000 | Total 2025 £ 000 | Total 2024 £ 000 |
|---|---|------------------------------|------------------------|------------------------|
| Box office income - own productions & co-productions | 2,205 | - | 2,205 | 2,480 |
| Creative Learning and Engagement income | 16 | 54 | 70 | 122 |
| Costume hire, theatre shop & programmes | 12 | - | 12 | 23 |
| Artistic and creative | - | 143 | 143 | - |
| Local Exchange | - | 169 | 169 | 205 |
| | <u>2,233</u> | <u>366</u> | <u>2,599</u> | <u>2,830</u> |

Royal Exchange Theatre Company Limited

Notes to the Financial Statements for the Year Ended 31 March 2025

7 Income from other trading activities

| | Unrestricted funds | Total | Total 2024 |
|-----------------------------------|-----------------------|---------------|------------------------|
| | General £ 000 | 2025 £ 000 | £ 000 (As restated) |
| Trading income; | | | |
| Operation of trading subsidiaries | 684 | 684 | 644 |
| Miscellaneous income | 67 | 67 | 186 |
| | 751 | 751 | 830 |
| | 751 | 751 | 830 |

Miscellaneous income includes sponsorship income.

8 Investment income

| | Unrestricted funds | Total | Total |
|---|-----------------------|---------------|---------------|
| | General £ 000 | 2025 £ 000 | 2024 £ 000 |
| Interest receivable and similar income; | | | |
| Interest receivable | 28 | 28 | 46 |
| | 28 | 28 | 46 |
| | 28 | 28 | 46 |

9 Expenditure on raising funds

| | Direct costs £ 000 | Total 2025 £ 000 |
|-------------------------------------|-----------------------|------------------------|
| Cost of sales (inc staff costs) | 643 | 643 |
| Administration expenses | 13 | 13 |
| Support costs reallocated (note 11) | 317 | 317 |
| | 973 | 973 |
| | 973 | 973 |
| | 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 |
| | 807 | 807 |

Royal Exchange Theatre Company Limited

Notes to the Financial Statements for the Year Ended 31 March 2025

10 Expenditure on charitable activities

| | Cost of performances £ 000 | Other charitable activities £ 000 | 2025 £ 000 |
|-------------------------------------|---|--|-----------------------|
| Artistic and creative | 171 | - | 171 |
| Performers and stage management | 727 | - | 727 |
| Production costs | 2,019 | - | 2,019 |
| Front of House | 331 | - | 331 |
| Creative learning and engagement | - | 289 | 289 |
| New writing and development | - | 124 | 124 |
| Local Exchange | - | 252 | 252 |
| Support costs reallocated (note 11) | 2,504 | 705 | 3,209 |
| | <u>5,752</u> | <u>1,370</u> | <u>7,122</u> |

| | Cost of performances £ 000 | Other charitable activities £ 000 | 2024 £ 000 |
|-------------------------------------|---|--|-----------------------|
| Artistic and creative | 429 | - | 429 |
| 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>6,074</u> | <u>1,379</u> | <u>7,453</u> |

Royal Exchange Theatre Company Limited

Notes to the Financial Statements for the Year Ended 31 March 2025

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 2025 £ 000 |
|-----------------------------------|---|----------------------------------|--|------------------------|
| Administration | 72 | 566 | 159 | 797 |
| Building Management & Maintenance | 119 | 941 | 265 | 1,325 |
| Depreciation | 24 | 188 | 53 | 265 |
| Finance | 60 | 472 | 133 | 665 |
| Governance | 3 | 26 | 7 | 36 |
| HR | 6 | 45 | 13 | 64 |
| IT | 6 | 51 | 14 | 71 |
| Marketing | 27 | 215 | 61 | 303 |
| | <u>317</u> | <u>2,504</u> | <u>705</u> | <u>3,526</u> |

| | Cost of generating funds £ 000 | Cost of performances £ 000 | Other charitable activities £ 000 | Total 2024 £ 000 |
|-----------------------------------|---|----------------------------------|--|------------------------|
| Administration | 31 | 250 | 122 | 403 |
| 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>293</u> | <u>2,307</u> | <u>645</u> | <u>3,245</u> |

All support costs have been allocated based upon a management review of the estimated usage, split 9% (2024: 9%) to costs of raising funds, 71% (2024: 71%) to costs of performances and 20% (2024: 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 2025

13 Staff costs

| | Group 2025 £000 | Group 2024 £000 | Company 2025 £000 | Company 2024 £000 |
|--|--------------------------------|-----------------------|----------------------------------|-------------------------|
| Wages and salaries | 3,458 | 3,121 | 3,149 | 2,867 |
| Social security costs | 242 | 198 | 228 | 185 |
| Restructuring costs | 59 | 35 | 59 | 35 |
| Contribution to defined contribution pension schemes | 68 | 57 | 63 | 52 |
| | <u>3,827</u> | <u>3,411</u> | <u>3,499</u> | <u>3,139</u> |

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

| | Group 2025 No. | Group 2024 No. |
|---------------------|-------------------------------|----------------------|
| Full time employees | 78 | 64 |
| Part time employees | 97 | 76 |
| | <u>175</u> | <u>140</u> |

The average number of employees fell into the following categories:

| | Group 2025 No. | Group 2024 No. |
|----------------------------|-------------------------------|----------------------|
| Engagement & Participation | 12 | 12 |
| Funded Projects | 5 | 7 |
| Facilitating | 30 | 16 |
| Production & Technical | 96 | 79 |
| Rivals | 32 | 26 |
| | <u>175</u> | <u>140</u> |

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

| | 2025 No | 2024 No |
|---------------------|--------------------|--------------------|
| £60,001 - £70,000 | 1 | - |
| £80,001 - £90,000 | - | 1 |
| £140,001 - £150,000 | <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 £283,161 (2024 - £240,734).

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 2025

14 Auditors' remuneration

| | 2025 £ 000 | 2024 £ 000 |
|---|---------------|---------------|
| The auditing of accounts for the Company and those of its subsidiaries and branches | 22 | 22 |
| All other tax advisory services | 4 | 4 |
| All other non-audit services | 6 | 6 |
| | <u>32</u> | <u>32</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 £752,000 (2024: net out going resources of £402,000).

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 2025

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 2024 | 177 | 1,500 | 26,224 | 1,049 | 28,950 |
| Additions | - | - | 40 | 21 | 61 |
| Disposals | - | - | - | (450) | (450) |
| At 31 March 2025 | 177 | 1,500 | 26,264 | 620 | 28,561 |
| Depreciation | | | | | |
| At 1 April 2024 | 91 | 1,500 | 24,752 | 798 | 27,141 |
| Charge for the year | 2 | - | 190 | 27 | 219 |
| Eliminated on disposals | - | - | - | (451) | (451) |
| At 31 March 2025 | 93 | 1,500 | 24,942 | 374 | 26,909 |
| Net book value | | | | | |
| At 31 March 2025 | 84 | - | 1,322 | 246 | 1,652 |
| At 31 March 2024 | 86 | - | 1,472 | 251 | 1,809 |

18 Fixed asset investments

Charity

| | 2025 £ | 2024 £ |
|-----------------------------------|-----------|-----------|
| 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 2025

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 |
|--|--------------------------|----------|---|------|--|
| | | | 2025 | 2024 | |
| 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 £127,000 (2024: £130,000) this was paid to the parent company through Gift Aid leaving retained earnings for the year of £Nil (2024: £Nil). The aggregate amount of capital and reserves at the end of the period was £Nil (2024: £Nil).

The gross loss for the financial period of Exchange Productions Limited was £1,115,874 (2024: £1,017,565) this was covered by a Theatre Tax Relief claim leaving retained losses for the year of £Nil (2024: £Nil). The aggregate amount of capital and reserves at the end of the period was £2 (2024: £2).

19 Stock

| | Group | | Charity | |
|----------------|---------------|---------------|---------------|---------------|
| | 2025 £ 000 | 2024 £ 000 | 2025 £ 000 | 2024 £ 000 |
| Finished goods | 14 | 12 | - | - |

Royal Exchange Theatre Company Limited

Notes to the Financial Statements for the Year Ended 31 March 2025

20 Debtors

| | Group | | Charity | |
|--------------------------------|---------------|---------------|---------------|-----------------------------|
| | 2025 £ 000 | 2024 £ 000 | 2025 £ 000 | 2024 £ 000 (As restated) |
| Trade debtors | 171 | 25 | 147 | 17 |
| Due from group undertakings | - | - | 3,042 | 1,709 |
| Prepayments and accrued income | 506 | 291 | 356 | 291 |
| Theatre tax relief income | 2,654 | 1,538 | - | - |
| Other debtors | 62 | 68 | 61 | 60 |
| | <u>3,393</u> | <u>1,922</u> | <u>3,606</u> | <u>2,077</u> |

Within prepayments and accrued income is an amount of £319,064 (2024: £120,000) relating to pre-production costs for 3 (2024: 1) shows.

21 Cash and cash equivalents

| | Group | | Charity | |
|--------------|---------------|---------------|---------------|---------------|
| | 2025 £ 000 | 2024 £ 000 | 2025 £ 000 | 2024 £ 000 |
| Cash at bank | <u>1,237</u> | <u>3,609</u> | <u>1,017</u> | <u>3,415</u> |

22 Creditors: amounts falling due within one year

| | Group | | Charity | |
|------------------------------------|---------------|---------------|---------------|---------------|
| | 2025 £ 000 | 2024 £ 000 | 2025 £ 000 | 2024 £ 000 |
| Trade creditors | 253 | 375 | 250 | 359 |
| Other taxation and social security | 28 | 113 | 28 | 85 |
| Other creditors | 56 | 37 | 50 | 38 |
| Accruals and deferred income | <u>1,384</u> | <u>1,500</u> | <u>1,372</u> | <u>1,492</u> |
| | <u>1,721</u> | <u>2,025</u> | <u>1,700</u> | <u>1,974</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 2025, 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 2025

Deferred income

Group

| | 2025 £ 000 | 2024 £ 000 |
|----------------------------------|-------------------|-------------------|
| Deferred income at 1 April 2024 | 689 | 801 |
| Resources deferred in the period | <u>(562)</u> | <u>(112)</u> |
| Deferred income at year end | <u><u>127</u></u> | <u><u>689</u></u> |

Charity

| | 2025 £ 000 | 2024 £ 000 |
|----------------------------------|-------------------|-------------------|
| Deferred income at 1 April 2024 | 689 | 801 |
| Resources deferred in the period | <u>(550)</u> | <u>(112)</u> |
| Deferred income at year end | <u><u>139</u></u> | <u><u>689</u></u> |

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 2025

23 Funds

Group

| | Balance at 1 April 2024 £ 000 | Incoming resources £ 000 | Resources expended £ 000 | Transfers £ 000 | Balance at 31 March 2025 £ 000 |
|--|--|--------------------------------|--------------------------------|--------------------|---|
| Unrestricted funds | | | | | |
| <i>General</i> | | | | | |
| General funds | 1,692 | 6,967 | (7,393) | 141 | 1,407 |
| <i>Designated</i> | | | | | |
| Theatre refurbishment project 1997 | 42 | - | (27) | (15) | - |
| Capital project 2023 | 180 | - | (10) | (10) | 160 |
| Fixed asset fund | 784 | - | - | 486 | 1,270 |
| Programme Reserves | 486 | - | - | (486) | - |
| | <u>1,492</u> | <u>-</u> | <u>(37)</u> | <u>(25)</u> | <u>1,430</u> |
| Total unrestricted funds | <u>3,184</u> | <u>6,967</u> | <u>(7,430)</u> | <u>116</u> | <u>2,837</u> |
| Restricted funds - Long term projects / other | | | | | |
| Other | 8 | - | - | (8) | - |
| Theatre refurbishment project 1997 | 1,194 | - | (179) | (116) | 899 |
| Capital project 2013 | 249 | - | (16) | (35) | 198 |
| Other restricted funds | 152 | - | (34) | (2) | 116 |
| | <u>1,603</u> | <u>-</u> | <u>(229)</u> | <u>(161)</u> | <u>1,213</u> |
| Total | | | | | |
| Restricted funds - Artistic projects | | | | | |
| Creative Learning and Engagement | 23 | 64 | (60) | 1 | 28 |
| New writing and talent development | 144 | 143 | (124) | (19) | 144 |
| Local Exchange | 373 | 169 | (252) | 63 | 353 |
| | <u>540</u> | <u>376</u> | <u>(436)</u> | <u>45</u> | <u>525</u> |
| Total | | | | | |
| Total restricted funds | <u>2,143</u> | <u>376</u> | <u>(665)</u> | <u>(116)</u> | <u>1,738</u> |
| Total funds | <u>5,327</u> | <u>7,343</u> | <u>(8,095)</u> | <u>-</u> | <u>4,575</u> |

Royal Exchange Theatre Company Limited

Notes to the Financial Statements for the Year Ended 31 March 2025

| | Balance at 1 April 2023 £ 000 | Incoming resources £ 000 | Resources expended £ 000 | Transfers £ 000 | Balance at 31 March 2024 £ 000 (As restated) |
|--|-------------------------------------|--------------------------------|--------------------------------|--------------------|--|
| Group Funds | | | | | |
| Unrestricted funds | | | | | |
| <i>General</i> | | | | | |
| General funds | 1,719 | 7,319 | (7,760) | 414 | 1,692 |
| <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> |
| 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 restricted funds | <u>2,104</u> | <u>539</u> | <u>(500)</u> | <u>-</u> | <u>2,143</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 2025

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 2025

Charity

| | Balance at 1 April 2024 £ 000 | Incoming resources £ 000 | Resources expended £ 000 | Transfers £ 000 | Balance at 31 March 2025 £ 000 |
|--|-------------------------------------|--------------------------------|--------------------------------|--------------------|---|
| Unrestricted funds | | | | | |
| <i>General</i> | | | | | |
| General funds | 1,692 | 5,294 | (5,720) | 141 | 1,407 |
| <i>Designated</i> | | | | | |
| Theatre refurbishment project 1997 | 42 | - | (27) | (15) | - |
| Capital project 2023 | 180 | - | (10) | (10) | 160 |
| Fixed asset fund | 784 | - | - | 486 | 1,270 |
| Programme Reserves | 486 | - | - | (486) | - |
| | <u>1,492</u> | <u>-</u> | <u>(37)</u> | <u>(25)</u> | <u>1,430</u> |
| Total unrestricted funds | <u>3,184</u> | <u>5,294</u> | <u>(5,757)</u> | <u>116</u> | <u>2,837</u> |
| Restricted funds - Long term projects / other | | | | | |
| Other | 8 | - | - | (8) | - |
| Theatre refurbishment project 1997 | 1,194 | - | (179) | (116) | 899 |
| Capital project 2013 | 249 | - | (16) | (35) | 198 |
| Other restricted funds | 152 | - | (34) | (2) | 116 |
| | <u>1,603</u> | <u>-</u> | <u>(229)</u> | <u>(161)</u> | <u>1,213</u> |
| Total | | | | | |
| Restricted funds - Artistic projects | | | | | |
| Creative Learning and Engagement | 23 | 64 | (60) | 1 | 28 |
| New writing and talent development | 144 | 143 | (124) | (19) | 144 |
| Local Exchange | 373 | 169 | (252) | 63 | 353 |
| | <u>540</u> | <u>376</u> | <u>(436)</u> | <u>45</u> | <u>525</u> |
| Total | | | | | |
| Total funds | <u>5,327</u> | <u>5,670</u> | <u>(6,422)</u> | <u>-</u> | <u>4,575</u> |

Royal Exchange Theatre Company Limited

Notes to the Financial Statements for the Year Ended 31 March 2025

| | Balance at 1 April 2023 £ 000 | Incoming resources £ 000 | Resources expended £ 000 | Transfers £ 000 | Balance at 31 March 2024 £ 000 (As restated) |
|---------------------------------------|-------------------------------------|--------------------------------|--------------------------------|--------------------|--|
| Charity Funds | | | | | |
| Unrestricted funds | | | | | |
| <i>General</i> | | | | | |
| General funds | 835 | 5,788 | (6,228) | 414 | 809 |
| Prior year adjustment | 883 | - | - | - | 883 |
| | <u>1,718</u> | <u>5,788</u> | <u>(6,228)</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>3,624</u> | <u>5,788</u> | <u>(6,228)</u> | <u>-</u> | <u>3,184</u> |
| Restricted funds | | | | | |
| Other | 34 | 9 | (34) | - | 9 |
| Theatre refurbishment project 1997 | 1,194 | - | - | - | 1,194 |
| Capital project 2013 | 249 | - | - | - | 249 |
| Other restricted funds | 151 | - | - | - | 151 |
| | <u>1,628</u> | <u>9</u> | <u>(34)</u> | <u>-</u> | <u>1,603</u> |
| Total restricted funds | <u>1,628</u> | <u>9</u> | <u>(34)</u> | <u>-</u> | <u>1,603</u> |
| Other funds | | | | | |
| 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 other funds | <u>476</u> | <u>530</u> | <u>(466)</u> | <u>-</u> | <u>540</u> |
| Total funds | <u>5,728</u> | <u>6,327</u> | <u>(6,728)</u> | <u>-</u> | <u>5,327</u> |

Royal Exchange Theatre Company Limited

Notes to the Financial Statements for the Year Ended 31 March 2025

24 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 2025 £ 000 |
|-----------------------|--------------------------------|---|---|---|
| Tangible fixed assets | 330 | - | 1,322 | 1,652 |
| Current assets | 4,119 | 525 | - | 4,644 |
| Current liabilities | (1,612) | - | (109) | (1,721) |
| Total net assets | <u>2,837</u> | <u>525</u> | <u>1,213</u> | <u>4,575</u> |

| | 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> |

25 Analysis of changes in net debt

Group

| | At 1 April 2024 £ 000 | Financing cash flows £ 000 | At 31 March 2025 £ 000 |
|--------------------------|-----------------------------|----------------------------------|------------------------------|
| Cash at bank and in hand | <u>3,609</u> | <u>(2,372)</u> | <u>1,237</u> |
| Net debt | <u>3,609</u> | <u>(2,372)</u> | <u>1,237</u> |

| | 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>(530)</u> | <u>3,609</u> |
| Net debt | <u>4,139</u> | <u>(530)</u> | <u>3,609</u> |

26 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 £68,000 (2024: £57,000). At 31 March 2025, £17,000 (2024: £17,000) was owed to schemes.

Royal Exchange Theatre Company Limited

Notes to the Financial Statements for the Year Ended 31 March 2025

27 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 | |
|---|---|--------------|--------------------------------------|--------------|
| | 2025 £000 | 2024 £000 | 2025 £000 | 2024 £000 |
| Royal Exchange Theatre Appeal Fund | 8 | 8 | 135 | 128 |
| Royal Exchange Theatre Trustees Limited | (8) | (8) | 226 | 234 |

28 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.

29 Related party transactions

The company received a donation from its subsidiary, Royal Exchange Theatre Trading Limited of £126,624 (2024: £129,988). At the year end, Royal Exchange Theatre Trading Limited owed Royal Exchange Theatre Company Limited £238,224 (2024: £170,374).

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 £5,352,359 (2024: £5,393,688) in the year. Amounts due from Exchange Productions Limited in relation to these costs at the year end totalled £2,654,257 (2024: £1,538,384).

Amounts invoiced by Exchange Productions Limited to Royal Exchange Theatre Company Limited totalled £4,236,485 (2024: £4,376,123).

Donations from trustees amounted to £29 (2024: £119,911). This amount includes both donations from individuals and donations from trusts and companies related to trustees.

During the year, no trustees received any payments for services provided to the charity.

Royal Exchange Theatre Company Limited

Notes to the Financial Statements for the Year Ended 31 March 2025

30 Prior year restatement

The parent charitable company's figures have been restated to fully incorporate commission fees with its subsidiary company, Exchange Productions Limited. The impact on the parent charity accounts is as follows:

| | £'000 |
|--------------------------------------|--------------|
| Increase in reserves brought forward | 883 |
| Increase in debtors | 883 |
| Increase in income | 883 |

31 Prior year Statement of Financial Activities

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