

**Company No. 00926862**  
**Charity No. 255460**

**Leeds Theatre Trust Limited**

**(Limited by guarantee)**

**Trustees' annual report and financial statements**

**For the Year Ended 31 July 2020**

# Leeds Theatre Trust Limited

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# Leeds Theatre Trust Limited

## Charity Information

<b>Charity number</b>	255460
<b>Company number</b>	00926862
<b>Registered office</b>	Leeds Playhouse Playhouse Square Quarry Hill Leeds LS2 7UP
<b>Trustees</b>	Sir R Brooke CBE, Chairman (Resigned 31 July 2020) Rozina Breen, Chairman (Appointed 1 August 2020) Mr N Adleman Mr A Dix Mr M H Ellis Mr K H Emsley Ms S Friskney Cllr C Harrison Mr D Jones Cllr J Lennox Ms C Lowson Mr M Nabarro Ms R Pitt Miss S Pitter Mr M Rashid Mr K Reid Mr S Walker Mrs S Watson
<b>Secretary</b>	Mr C J Williams
<b>Artistic Directors and Joint Chief Executive</b>	Mr J Brining
<b>Executive Director and Joint Chief Executive</b>	Mr R Hawkes
<b>Bankers</b>	National Westminster Bank plc 8 Park Row Leeds LS1 5HD
<b>Auditors</b>	Garbutt & Elliott Audit Limited 33 Park Place Leeds LS1 2RY
<b>Investment Advisors</b>	Rathbone Investment Management Limited Port of Liverpool Building Pier Head Liverpool L3 1NW

# Leeds Theatre Trust Limited

## Trustees' Annual Report for the year ended 31 July 2020

The trustees, who are directors of Leeds Theatre Trust Limited ("The Trust") for the purposes of company law and trustees for the purpose of charity law, present the trustees' annual report (including the strategic report) together with the financial statements for the year ended 31 July 2020. Leeds Theatre Trust Limited operates as "Leeds Playhouse".

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

### Statement by the Chair and Joint Chief Executives

2019/20 should have been the second year of delivery against the Playhouse's 2018-22 Business Plan. This Plan was finalised at the start of 2018, and was centred around a major capital redevelopment of the theatre, and the subsequent application of the transformed working environment to achieve the growth and development of the organisation across a variety of fronts.

The capital project completed in late-summer 2019, allowing the theatre to reopen as planned in October of that year. The redevelopment has received significant critical and public acclaim for its delivery against four headline objectives (Opening up the building to the city, Improving Access within the building, the creation of the new Bramall Rock Void studio theatre, and Improving the sustainability of the organisation) as well as for its aesthetic outcomes. Whilst the Playhouse was left with a heavier than expected financial burden at reopening due to unanticipated construction cost increases, the positive response to the completed project created a strong sense of positive momentum.

The Playhouse reopened with the busiest and most diverse season in its history across the three strands of its Creative Ecosystem to celebrate its 50th anniversary in 2020. The impact of a sudden requirement to re-close the theatre after just 5 months of operation due to the Covid pandemic was therefore felt particularly acutely, and was especially financially challenging as our business model for the post-Redevelopment period was predicated on a trajectory of further audience growth and associated secondary spend.

From late-March 2020, the organisation moved immediately into an emergency operating mode, cancelling hundreds of scheduled performances, furloughing 90% of its staff team, and planning a contained restructure programme in an effort to survive. Emergency funding was also sought, including the receipt of £680k of ACE Emergency Relief Funding, and a further £2.38m from the Culture Recovery Fund post year end.

In the midst of the enormous uncertainty, the Playhouse quickly decided its first priority must be to support its most vulnerable and isolated participants and communities. Within 8 weeks we launched Playhouse Connect – a programme of activity that ensured the most vulnerable of our existing, and some new, participants, were protected from the impact of extreme isolation through 100s of weekly befriending phone-calls for older people; creative chain letters between young people with learning disabilities; online interactive drama sessions for our youth theatre; creative discussion groups with refugees and asylum seekers; video resources accessed by hundreds of vulnerable young people experiencing home schooling. This commitment has remained undiminished across the period of the pandemic, and we will have reached more than 10,000 participants within a year.

Digital and virtual activities have also become an important part of our offer during this period, and provided the platform to continue to deliver a creative, supportive response to the crisis, in relation not only to our performance programme but more broadly across the range of our participatory activities. We have adapted our workforce and increased our skill base significantly and we want to further develop this moving forward.

We continue to target reopening the theatre once again as soon as it is permissible and safe to do so, to support our city and communities, to provide employment opportunities for local artists and other freelancers, and also to rebuild our operating model.

# Leeds Theatre Trust Limited

## Structure, governance and management

### Governing document

Leeds Theatre Trust Limited (the Trust or the charitable company) is a company limited by guarantee governed by its Memorandum and Articles of Association dated 5 February 1968 and amended to allow for governance arrangements on 19 March 2013. It is registered as a charity with the Charity Commission. There are 17 members (2019: 17) each of whom agrees to contribute £1 in the event of the Trust winding up.

### Appointment of trustees and members

The board of trustees of the charitable company is made up of a minimum of five members and no maximum, although this can be varied by ordinary resolution. The trustees have the power to appoint any person who is able and willing to do so to be a trustee, at which time they automatically become a member of the company. The number of members of the company is the same as the maximum number of trustees. The company has a maximum of two Local Authority trustees who are appointed by Leeds City Council.

A rotation plan is in place for trustees in office at 19 March 2013. Trustees appointed after this date serve in office for an initial period of four years following which they may be reappointed by the trustees for a further term of four years. Any trustee who has served in office for two terms must retire for a period of at least one year, following which they may be reappointed. The Chair of the board is appointed by the board of trustees and is entitled to preside at meetings of the trustees and of the company.

### Trustee induction and training

All new trustees receive a welcome pack containing important information about the Trust's work, recent achievements, copies of key documents, including the Articles of Association, organisation chart, financial plans, annual accounts, and reports together with a schedule of forthcoming meeting dates and the artistic and education programmes for the next season. All trustees are invited to an induction day where they will meet with the Chief Executive and other members of the senior management team and take a tour of the Leeds Playhouse building. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

### Organisation

The trustees administer the charitable company and there are sub-committees covering Arts Development, Finance, Fundraising and Capital Development. The Joint Chief Executives are appointed by the trustees to manage the day-to-day operations.

### Arrangements for setting the pay and remuneration for key management personnel

The directors consider that the trustees and the senior management team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day-to-day basis. All directors give of their time freely and no director received remuneration in the year. Details of directors' expenses and related party transactions are disclosed in notes 10 and 22 to the accounts. The pay of the senior staff is reviewed annually and benchmarked against pay levels in other theatres of a similar size run on a voluntary basis.

# Leeds Theatre Trust Limited

## Trustees' Annual Report for the year ended 31 July 2020

### Members

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

Sir R Brooke CBE, Chairman – Resigned 31<sup>st</sup> July 2020

Rozina Breen, Chair – Appointed 1<sup>st</sup> August 2020

Mr N Adleman

Mr A Dix

Mr M H Ellis

Mr K H Emsley

Ms S Friskney

Cllr C Harrison

Mr D Jones

Cllr J Lennox\* appointed 24<sup>th</sup> September 2019

Ms C Lowson

Mr Michael Nabarro

Ms R Pitt appointed

Miss S Pitter

Mr M A Rashid

Mr K Reid

Mr S Walker

Mrs S Watson

\* denotes appointee of Leeds City Council.

### Related parties

The Trust has a close working relationship with Leeds City Council who provide essential core funding in support of both the artistic and education programmes for the benefit of local residents and the public. A summary of all transactions with Leeds City Council is set out in note 22 to the financial statements.

### Objectives and activities

The objectives of the Trust are to promote, maintain, improve and advance the education of the public in the performing arts. The vision of the theatre is centred on an eco-system of three interwoven strands of creative output: the artistic programme on our stages, our Furnace artist development programme and our Creative Engagement programme.

Leeds Playhouse is one of the country's leading theatres and delivers an exceptional range of work. The year-round stage programme brings major productions with leading artists, new writing for the stage, established classics, music theatre and family work to a wide and increasingly diverse audience. The Playhouse has successfully transferred work into the West End and produced national and international tours, taking its work beyond the region and ensuring a national reputation. The Playhouse makes a significant percentage of its own work; designing, building, costuming and producing nine or more major productions and co-productions per annum from its building in central Leeds. In addition, Leeds Playhouse collaborates with and presents work from some of Britain's leading touring theatre companies. The theatre hosts dance, comedy events and large-scale community performances.

Furnace is the Playhouse's development engine: it encompasses the work we do to develop artistic voices and new theatre for the stage. The Playhouse works with the community of artists in Leeds, Yorkshire and the wider North to strengthen the region's creative ecology by creating a broader, more diverse and highly skilled pool of artists living and working in Leeds, allowing skilled practitioners to build sustainable careers in the city.

Through the projects the Playhouse supports we provide a home for independent artists at all stages of their careers to create and share new work with audiences, allowing them to increase the ambition and scale of their work. The Playhouse also supports smaller, less established theatre and performance spaces and companies around Leeds and the region.

# Leeds Theatre Trust Limited

## Trustees' Annual Report for the year ended 31 July 2020

### Objectives and activities (continued)

A core element of the Playhouse's creative activity is an exemplary and award-winning Creative Engagement department which delivers a full programme of education and community initiatives. The aim of the Creative Engagement department is to use theatre to open up possibilities for people of all ages and abilities in the Leeds city region. Working with approximately 10,000 people each year, Creative Engagement comprises four strands of activity: Young People, Older People, Creative Education and Communities. Alongside these strands is also our pioneering work with refugees and asylum seekers as the UK's first Theatre of Sanctuary.

### Funding

The Trust received annual revenue grants to fund the Playhouse from Leeds City Council and Arts Council England. As the funding periods to which these grants relate do not coincide with the Trust's financial year, the receipts from the two bodies are split proportionately over two financial years. The annual grants are shown below together with the value of the funding recognised in the year ending 31 July 2019:

	For the year ended 31 March 2019	For the year ended 31 March 2020	12 months recognition of funding for the year ended 31 July 2020
	£	£	
Leeds City Council	588,655	588,655	588,655
Arts Council England	1,508,104	2,213,846	2,213,846
	2,096,759	2,802,511	2,802,511

### Investment powers and policy

Under the memorandum and articles of association, the Trust has the power to make any investment which the trustees see fit. With the completion of the Theatre Redevelopment Project, the time to spend a large portion of the investment is approaching and the Trust has therefore sought security of principle ahead of gains and income. A proportion of the portfolio is held in cash in readiness as the Trust will be due to pay over to Leeds City Council its proportion of the funding in due course.

### Reserves policy

The Trust believes that it should hold financial reserves because:

- in order to meet its objectives of promoting artistic excellence, the Trust presents a programme of theatre productions and other events at the Playhouse which are aimed at the widest possible audience. This inevitably involves a degree of risk;
- the Trust has no endowment funding and is heavily dependent upon the financial support it receives from funding bodies; and
- the Trust needs to plan for the replacement of major items of capital equipment at the Playhouse.

It is the trustees' intention to build an appropriate level of free reserves over the coming years. To this end the Trust will focus on increasing audiences and self-generated income.

### Changes in fixed assets

Movements in fixed assets are set out in note 11 to the financial statements. The trustees are of the opinion that the market values of the Trust's properties are in excess of the amounts at which they are stated in the financial statements.

# Leeds Theatre Trust Limited

## Trustees' Annual Report for the year ended 31 July 2020

### Objectives and activities (continued)

#### Public benefit

Leeds Theatre Trust is a public benefit entity and has five main areas of activity with which it seeks to provide benefit to its customers and the public at large: Own theatre productions, Visiting theatre productions, Touring out and Creative Engagement and Furnace artist development. The trustees can confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities.

#### Strategic Report

#### Risk management

The Trust uses various financial instruments including investments, cash and items such as trade debtors and trade creditors that arise directly from its operations. The main risks arising from the financial instruments are market risk, cash flow risk, interest rate risk and liquidity risk.

The trustees have established a strategy for the management of risks including:

- a periodic review of the risks facing the charitable company;
- the establishment of systems and procedures to mitigate any risks identified, including regular financial and non-financial reports;
- the implementation of procedures designed to minimise any potential impact on the charitable company by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably; and
- regular reviews with the Trust's investment managers to actively manage the investment portfolio.

The principal risks facing the organisation have been reported under Principal Risks and Uncertainties.

#### Fundraising Activity

The Fundraising activity for Leeds Theatre Trust Limited is led by an in-house team employed directly by the charity. The dedicated team of three fundraising and development staff raises funds for charitable activity from a combination of sources including individuals, corporates, trusts and foundations, working to a fundraising strategy approved by the trustees. The team is managed by the Director of Fundraising, a member of the Senior Management Team who reports to the Executive Director and Joint Chief Executive.

Leeds Theatre Trust Limited has developed a clear and transparent strategy to deliver the new GDPR rules and part of this commitment is to ensure that we do not unintentionally contact vulnerable individuals who do not have a direct and obvious relationship with the Playhouse. We no longer include telephone fundraising as part of our strategy, and we carefully monitor the records we keep on previous and current donors. We never target our campaigns without applying these rules.

Leeds Theatre Trust Limited has received no complaints relating to its fundraising practice.



# Leeds Theatre Trust Limited

## Trustees' Annual Report for the year ended 31 July 2020

### Achievements and performance

#### Overview

The twelve months from August 2019 to July 2020 was a year in two halves: August 2019 to February 2020 saw the full re-opening of the Leeds Playhouse after the theatre's 16-month long Capital Redevelopment project; and March to July 2020 saw the Leeds Playhouse enter the lockdown imposed due to the Covid-19 pandemic.

#### Organisational development

In recent years, significant work has been undertaken to create an organisation with a much greater clarity of purpose which is better understood both by staff and stakeholders. A new artistic vision has firmly taken root and become embedded in the organisation's approach to all of its activities and this clarity of purpose was communicated externally through the newly developed brand of Leeds Playhouse throughout this period.

The Senior Management Team has worked together to deliver the Year 2 objectives in the 2018-22 Business Plan and in the first 6 months of the year, before Leeds Playhouse entered the lockdown, we attracted audiences of over 100,000 people. The plan provides clarity on mission and values for the organisation.

Because of the reduced output due to the Covid-19 lockdown from March 2020, Senior Managers across the organisation were working closely with the HR department to ensure maximum staff retention over this difficult period. Senior Managers maximised grant funding and Government subsidies to ensure the survival of Leeds Playhouse over this exceptional period.

#### Strategic Growth

Despite the Leeds Playhouse being closed to audiences for the period March to Jul 2020, the Playhouse saw an impressive number of performances staged prior to lockdown. The Playhouse anticipates that this will continue once the Covid-19 restrictions are eased.

	Number of events	Ticket yield £	Audience numbers	Capacity % achieved	Box Office Actual £
<b>2019/2020</b>	<b>422</b>	<b>22.03</b>	<b>103,786</b>	<b>63%</b>	<b>2,286,251</b>
<b>2018/2019</b>	<b>240</b>	<b>18.94</b>	<b>53,337</b>	<b>67%</b>	<b>1,010,437</b>
<b>Increase</b>	<b>182</b>	<b>3.09</b>	<b>50,449</b>		<b>1,275,814</b>
<b>Increase</b>	<b>76%</b>	<b>16%</b>	<b>95%</b>		<b>126%</b>

#### Strategic Partnerships

We consider partnership working to be fundamental to the resilience of the Playhouse, the theatre industry and the wider arts and culture sector. A strong example of this is the success of the partnership between the Playhouse and Leeds City Council to successfully deliver our major Redevelopment Project.

Our redeveloped theatre contributes more towards the City's key agendas and priorities, meeting the City Council's Corporate and Asset Management objectives, and making it fit to form part of the Leeds 2023 International Festival of Culture. It will contribute to both a strong economy and to a compassionate city by making Leeds a more attractive place to invest but also a better place to live, contributing to Child Friendly Leeds, and to Leeds' ambition to be best city by 2030. Our new building has significantly improved access facilities breaking down barriers and allowing more people to share their stories and our spaces.

# Leeds Theatre Trust Limited

## Trustees' Annual Report for the year ended 31 July 2020

### Access, Inclusion and Equality

The Playhouse has always been fiercely committed to engaging in meaningful ways with local communities, particularly those who are disconnected from mainstream cultural activity.

We believe that equality and diversity is essential to the vitality of arts and culture. We are committed to both participating in and advocating for diversity in the arts and we actively partner in shared networks and consortiums.

To allow us to focus our resource and energy on delivering our equality and diversity ambitions, we have chosen to set SMART objectives for 2019-20 on three of the protected characteristics set out in the Equality Act: Age, Race and Disability and on Socioeconomics, including levels of cultural engagement.

### Milestones on Our Journey to Re-opening

In summer 2019 we closed our Pop-Up theatre. This bespoke theatre was constructed by the Playhouse's in-house team in our technical workshop and gave audiences the opportunity to experience a season of exceptional creative work whilst our main building was closed for redevelopment.

In autumn 2019 we welcomed everyone to reclaim the Playhouse as a theatre for the people and a cultural destination for Leeds City Region.

Leeds Playhouse is Open - to mark our reopening we presented a month-long programme of welcome and celebrations for everyone in the city. Highlights of the programme included:

- Royal opening - Her Royal Highness The Princess Royal visited the Playhouse and unveiled a plaque to commemorate the reopening.
- Civic reception - we invited our stakeholders to join us in a celebration of our reopening. The event featured speeches praising the innovation, creativity and relevance of the theatre by LCC Leader Judith Blake and ACE Chief Executive Darren Henley.
- Open weekend - c. 2,000 people visited the Playhouse over the weekend with many participating in a range of free creative activities taking place throughout the building.
- In January 2020 Leeds Playhouse was awarded Theatre Building of the Year at the prestigious The Stage Awards, the first time the title has been awarded to an organisation outside of London.

### Artistic programme highlights

The theatre programme consisted of a series of productions produced by the Playhouse working with an ensemble of actors. The Playhouse used its own resources wherever possible to produce the productions, all of which were directed by core Playhouse staff members, and resources.

In total, before the March 2020 lockdown, the programme delivered:

- 422 performances
- 9 productions, including 2 co-productions
- 26 visiting productions

The programme as performed consisted of Hanif Kureishi's MY BEAUTIFUL LAUNDRETTE directed by Nikolai Foster, Charley Miles' THERE ARE NO BEGINNINGS directed by Amy Leach, Northern Ballet's production of DRACULA directed by Suzi Cabbage, Inua Ellams' BARBER SHOP CHRONICLES directed by Bijan Sheibani, Matt Haig's REASONS TO STAY ALIVE directed by Jonathan Watkins, Robert Alan Evans's THE NIGHT BEFORE CHRISTMAS directed by Amy Leach, John Kane's adaptation of THE WIZARD OF OZ directed by James Brining, David Greig's DR KORCZAK'S EXAMPLE directed by James Brining, BLACK WATERS produced by Phoenix Dance Theatre, NIGHT OF THE LIVING DEAD™ - REMIX directed by Pete Brooks and Andrew Quick, Carl Grose's UBU! A SINGALONG SATIRE directed by Carl Grose and Mike Shephard, Raymond Briggs' THE BEAR adapted by Pins and Needles Productions, Isobel McArthur's PRIDE AND PREJUDICE\* (\*SORT OF) directed by Paul Brotherston.

# Leeds Theatre Trust Limited

## Trustees' Annual Report for the year ended 31 July 2020

### Artistic programme highlights continued

Productions that were due to be performed during the Covid-19 lockdown but were able to be deferred to a later date consisted of THE NOT SO UGLY SISTERS written and directed by Elvi Piper, Pam Gems' PIAF directed by Adam Penford, Arpita Mukherjee and Sabrina Dhawan's MONSOON WEDDING directed by Mira Nair and Stephen Whitson.

Productions that were cancelled due the Covid-19 lockdown consisted of Brad Birch's MISSING PEOPLE, co-produced with Kani Public Arts Centre, Japan and directed by Mark Rosenblatt and Nobuhiro Nishikawa, Frances Poet's MAGGIE MAY directed by Jemima Levick, Bryony Lavery's adaptation of OLIVER TWIST directed by Amy Leach, Hugh Wheeler's A LITTLE NIGHT MUSIC with music and lyrics by Stephen Sondheim and directed by James Brining.

### Creative Engagement

A core element of the Playhouse's Creative Programme is its Creative Engagement department which is one of the largest engagement teams of permanent staff in the UK theatre industry outside London, engaging over 12,000 participants each year through: Playhouse Youth, Playhouse Older People (including our award-winning Dementia Friendly work), Playhouse Education and Playhouse Communities. This is enriched by a wrap-around theme: Theatre of Sanctuary.

Our Young People's programme consists of creative projects, workshops, and productions for anyone aged 5 to 25. Over 500 young people access the Playhouse every week both in the theatre building but also in our dedicated creative space for young people, First Floor. The programme's innovative approach combines outstanding professional artists and qualified youth workers to offer creative experiences that encourage young people to explore the world and their place within it, building their confidence and raising aspirations. Deliveries for Playhouse Youth included: Passionate about Plays - a regular play reading group for young people; Drop-in sessions - Music Makers and Tuesday Night Drama; Buzz Creative Arts Course; Breeze Arts Foundation; Hearts - a weekly group for young male refugees and those seeking asylum; and Influence, a Youth Theatre show directed by Gemma Woffinden and performed at the Leeds City College.

People aged 55 and over are encouraged to participate in our Older People's Programme. The programme has been and continues to be shaped in response to the needs of older people involved in Heydays, the creative arts project for over 55's, who meet on a weekly basis to take part in visual arts, performance and discussion groups. The Playhouse leads the sector in its approach to people living with Dementia, having created the concept of Dementia Friendly Performances, as well as a guide for other theatres in how to approach this work.

Schools and Teachers are the central focus of our Creative Education strand of activity, though anyone working or learning in formal education setting can engage with this work. Projects, one-off workshops and CPD sessions for education professionals form the core of the offer. As the teaching of creative subjects in schools becomes more challenging, we aim to support the teaching of drama and theatre and aim to ensure that every child has access to an exciting and inspiring cultural education.

Our Communities strand aims to reach those areas where engagement with the arts is a particular low offering access and entry points for people regardless of their background. Throughout the year, we deliver workshops and performances in Community Partner Areas of the city as well as inviting local community leaders to bring their neighbours to the Playhouse.

Theatre of Sanctuary connecting and providing support for refugees or those seeking asylum through a women's choral group, Asmarina for younger children to engage in play sessions, Conversation Cafe - a weekly 'cafe' with those with English as a second language to chat and learn in a relaxed setting.

We offer projects to support learning disabled adults and create platforms for people from all walks of life to share their stories and perform on our renowned stages.

In 2019/20 despite the restrictions on space for activity caused by the Redevelopment project, the Creative Engagement department continued its work at alternative locations including temporary accommodation at 7 Eastgate, and at the Playhouse's permanent centre for young people, First Floor.

# Leeds Theatre Trust Limited

## Trustees' Annual Report for the year ended 31 July 2020

### **Creative Engagement continued**

Our Business plan target was to deliver 1,750 participatory workshops for 12,500 participants across each strand of our Creative Engagement work. By March 2020 we had delivered over 1,500 creative sessions for more than 11,050 individual participants. We engaged participants from every background, at every stage of their lives and across every part of our city.

In our 2018-22 Business Plan we set specific targets around Celebrating Age, continuing to grow and develop our ground-breaking and award-winning work with Older People.

### **Furnace (Artistic Development)**

Our Business plan target was to deliver 1,200 artistic development sessions for locally rooted artists. By March 2020 we had delivered over 1,400 sessions including residencies for more than 30 individual artists and dedicated sessions targeted at artists with protected characteristics (BAME, LGBT and d/Deaf and Disabled artists) significantly exceeding our target. Our secondary target was to provide qualitative data evidencing the progression of Furnace artists through every career stage resulting from Playhouse support.

The career progression of Furnace supported playwright Charley Miles was featured in local and national media in the lead up to the *There Are No Beginnings* the opening production in our brand-new studio theatre, the Bramall Rock Void.

Our work with Furnace supported playwright Frances Poet to develop her new play *Maggie May* co-produced by Leeds Playhouse, The Curve, Leicester and Queens Theatre, Hornchurch was featured in the inaugural issue of the Playhouse newspaper issue 1: Access.

### **Board activity & governance**

Sir R Brooke CBE resigned as Chairman on 31<sup>st</sup> July 2019. Rozina Breen was appointed as the new Chair on 1<sup>st</sup> August 2020 and Cllr J Lennox was appointed 24<sup>th</sup> September 2019.

### **Financial review**

The financial results for the period 2019/20 were impacted adversely by the closure of the theatre in March 2020 due to the COVID-19 pandemic, resulting in a deficit on unrestricted funds of £183,895 (2019: deficit of £1,371,205). The deficit for the prior year was impacted by the Redevelopment of the Playhouse which was closed for much of that year. We carry forward a consolidated deficit on unrestricted funds of £92,687 (2019: surplus £91,208). In future years we are aiming to rebuild reserves and become more sustainable by developing the trading areas and diversifying income streams, working more efficiently and expanding fundraising activities. The impact of the Covid-19 Pandemic will require us to review our current business plan and operating model to enable us to do this.

The Redevelopment of the theatre cost £16.5m and was completed in September 2019. It was originally financed by contributions from Arts Council England (ACE) £6.6m, Leeds City Council £5.1m, Leeds Playhouse £4.8m. The total amount due to Leeds City Council of £4,788,876 is shown in Note 17 to the accounts. After the year end, Leeds City Council have been awarded an ACE Capital Kickstart grant of £1,792,459 to reduce the overall contribution from the Playhouse due to the financial impact of Covid-19 and a subsequent shortfall in its capital redevelopment fundraising. After the agreed £1,538,876 cash contribution and the already agreed £500,000 Courtyard Loan, this leaves a residual amount outstanding of £957,541. It is proposed that this amount is converted to a loan repayable over a five-year period ending in September 2024.

# Leeds Theatre Trust Limited

## Trustees' Annual Report for the year ended 31 July 2020

### Plans for the future

2019/20 was a critical year for The Playhouse. Firstly, it re-opened to the public following the redevelopment project, and secondly, The Playhouse closed on 23<sup>rd</sup> March 2020 due to the Covid-19 pandemic.

The re-opening of The Playhouse was successful with audience numbers exceeding expectations for year two of the 2018/22 Business Plan. However, the closure due to the Covid-19 pandemic necessitated significant reviews of the Business Plan, especially of future cash flows and funding. The Senior Management Team have striven throughout to maximise support grants available under the pandemic, and they have taken full advantage of the Government's Job Retention Furlough scheme to retain as many staff as possible.

The progress made prior to the pandemic is fully expected to be resumed once The Playhouse can re-open over the summer/ early autumn of 2021. The Playhouse aims to attract new audiences to its newly revitalised spaces. It must also ensure that the spaces are working well and function according to their design to deliver on the Redevelopment Project's objectives to make the Playhouse a resilient organisation fit for the 21st Century. This will also require it to grow new revenues from the enhanced theatre and front of house offer, to maximise the benefits the Redevelopment has been designed to bring.

### Principal risks and uncertainties

The trustees have examined the major strategic, business and operational risks which the Trust faces and confirm that systems have been established and measures introduced to manage risks, accepting that it is not possible to eliminate all risks. The organisation maintains a risk register which is regularly scrutinised by the Trustees.

The principal risk areas normally relate to the costs and revenues associated with the artistic programme including theatre tax relief. The existing risks around physical hazards and health and safety continue to apply. The uncertainty as to the future impact on the Group of the recent COVID-19 outbreak is also significant and is detailed separately below:

### COVID-19

Uncertainties and risks relating to the COVID-19 outbreak include:

The inherent uncertainty on how and when the theatre will be able to re-open is ongoing. Guidance on socially distanced performances could mean a greatly reduced audience capacity and impact on the commercial viability of a traditional artistic programme.

Audience appetite to return to the theatre during a Pandemic remains uncertain adding further to the revenue risks associated with the artistic programme.

Reduced audience numbers due to reduced capacity and audience appetite could impact significantly on the Bar & Catering income.

The risk of a further outbreak remains and could lead to a further period of closure and cancelled shows.

# Leeds Theatre Trust Limited

## Trustees' Annual Report for the year ended 31 July 2020

### Principal risks and uncertainties continued

#### Affordability of Redevelopment Loans

The total amount due to Leeds City Council of £4,788,876 is shown in Note 17 to the accounts. After the year end, Leeds City Council have been awarded an ACE Capital Kickstart grant of £1,792,459 to reduce the overall contribution from the Playhouse due to the financial impact of Covid-19 and a subsequent shortfall in its capital redevelopment fundraising. After the agreed £1,538,876 cash contribution and the already agreed £500,000 Courtyard Loan, this leaves a residual amount outstanding of £957,541. It is proposed that this amount is converted to a loan repayable over a five-year period ending in September 2024. The Trustees have prepared forecasts and cashflows covering the period of the residual loan and consider that the loan repayments are affordable.

#### Cashflow

The uncertainties as to when the theatre can fully re-open and the impact on audience numbers gives rise to potential cashflow issues, which also need to consider the servicing of loans outstanding to the Leeds City Council. Since the year end, the Playhouse benefited from emergency funding including £3M from ACE's Culture Recovery Funds 1 and 2, and significant Government support through the Coronavirus Job Retention Scheme (Furlough Scheme). The Trustees have prepared forecasts and cashflows covering the period to October 2022 that showing a positive position of the financial stability of the Group and the Company.

#### Physical hazards

There are physical hazards inherent in the nature of the work we carry out: we construct and operate large-scale physical stage sets and there are large numbers of visitors every day to our premises. Failure to manage risks arising from these operations could result in major injuries or loss of life to staff, contractors and members of the public, significant disruption to the programme of work on our stages and damage to our reputation. The cost related to the recovery or resultant litigation could have a material financial impact.

# Leeds Theatre Trust Limited

## Trustees' Annual Report for the year ended 31 July 2020

### Trustees' responsibility statement

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

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. 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 charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company and group will continue in business.

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

The trustees confirm that:

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

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

# Leeds Theatre Trust Limited

## Trustees' Annual Report for the year ended 31 July 2020

### Going concern and post balance sheet events

The activities of the group, together with the factors likely to affect its future development and performance, are set out in the Report of the Trustees. The financial position of the group, its cashflow and liquidity are described in the Financial Statements and accompanying notes. The organisation was working to its Business Plan of which 2019/20 formed the second year and funding from Arts Council England and Leeds City Council is confirmed for the four-year period 2018 to 2022. The Business Plan is being reviewed in light of the ongoing impact on the business model caused by Covid-19.

The theatre has been closed since 23 March 2020 and this has had a significant impact on income and expenditure for the Group. The theatre has taken advantage of the Government's furlough scheme and other support. However, there is uncertainty over when theatres will be allowed to reopen and whether they will be able to generate sufficient income to cover the theatre's cost base.

The financial statements have been prepared on a going concern basis. The Trustees have taken note of the guidance issued by the Financial Reporting Council on Going Concern assessments in determining that this is the appropriate basis of preparation of the financial statements and have considered a number of factors.

The total amount due to Leeds City Council of £4,788,876 is shown in Note 17 to the accounts. After the year end, Leeds City Council have been awarded an ACE Capital Kickstart grant of £1,792,459 to reduce the overall contribution from the Playhouse due to the financial impact of Covid-19 and a subsequent shortfall in its capital redevelopment fundraising. After the agreed £1,538,876 cash contribution and the already agreed £500,000 Courtyard Loan, this leaves a residual amount outstanding of £957,541. It is proposed that this amount is converted to a loan repayable over a five-year period ending in September 2024.

In addition to the regular Arts Council England funding, since the year end, the Group has been awarded significant emergency funding from Arts Council England amounting to £3,669,326. The awards include grants made under ACE Emergency Fund and Culture Recovery Funds rounds 1 and 2. The Group has also received significant Government assistance through the Coronavirus Job Retention Scheme (Furlough Scheme).

The Trustees have prepared forecasts and cashflows covering the period to October 2022 and approved by the Board in May 2021. The uncertainty as to the future impact on the Group of the recent COVID-19 outbreak has been separately considered as part of the Trustees' consideration of the going concern basis of preparation.

Notwithstanding the positive indications of the forecasts and cashflows of the financial stability of the Group and Company, there is a risk that the impact of COVID-19 could be more significant than can be currently anticipated, and the Trustees have concluded that these circumstances represent a material uncertainty which could cast significant doubt on the Group's ability to continue as a going concern. These financial statements do not include any adjustment that would arise if the going concern basis of preparation was not considered appropriate.



# Leeds Theatre Trust Limited

## Trustees' Annual Report for the year ended 31 July 2020

### Auditors

Garbutt & Elliott Audit Limited were appointed during the year and have indicated their willingness to stand for reappointment at the next Annual General Meeting.

### Statement of disclosure to the auditor

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

In approving the Report of the Trustees, the Trustees are also approving the Strategic Report in their capacity as company directors.

On behalf of the Board

*Rozina Breen*

Rozina Breen  
**Chair of Trustees**

17/05/2021

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# Leeds Theatre Trust Limited

## Independent Auditor's Report to the Members of Leeds Theatre Trust

### Opinion

We have audited the financial statements of Leeds Theatre Trust Limited (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 July 2020 which comprise the Consolidated Statement of Financial Activities (incorporating income and expenditure account), the Consolidated and Charitable Company Balance Sheets, the 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 applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102; The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 July 2020 and of the group's incoming resources and application of resources including, the group's 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 have been appointed as auditor under the Companies Act 2006 and report in accordance with regulations made under that Act. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and parent charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Emphasis of Matter in Respect of Going Concern

As at 31 July 2020 the group had a free reserves deficit of £92,687 and subsequent to the year end the UK continued to be heavily impacted by the COVID-19 pandemic with numerous regional and national lockdowns throughout the period to accounts approval, substantially curtailing the operation of the theatre.

In forming our opinion around going concern the matters described in note 1 to the financial statements are considered material to the going concern of the group. We would draw to your attention the matters raised in note 1 to the financial statements notably in respect of the post year end approval of an Arts Council England Capital Kickstart grant of £1,792,459 and an Arts Council England Cultural Recovery Fund grants totalling £3,669,326.

# **Leeds Theatre Trust Limited**

## **Independent Auditor's Report to the Members of Leeds Theatre Trust**

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report, set out on pages 3 to 15, 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. 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 matters prescribed by the Companies Act 2006**

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

- the information given in the Strategic Report and Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and Trustees' Annual Report has been prepared in accordance with applicable legal requirements.

### **Matter on which we are required to report under the Companies Act 2006**

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

Matters on which we are required to report by exception

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's 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

# Leeds Theatre Trust Limited

## Independent Auditor's Report to the Members of Leeds Theatre Trust

### Responsibilities of trustees for the financial statements

As explained more fully in the Trustees' Responsibilities Statement set out on pages 13 to 15, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### Auditor's responsibilities for the audit of the financial statements

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

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

### Use of our report

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

*Garbutt & Elliott Audit Limited*

Laura Masheder  
**Senior Statutory Auditor**

**For and on behalf of Garbutt & Elliott Audit Limited**  
**Statutory Auditor**

18/05/2021

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33 Park Place  
Leeds  
LS1 2RY

# Leeds Theatre Trust Limited

## Consolidated statement of financial activities (incorporating income and expenditure account)

	Note	Unrestricted funds £	Restricted funds £	Total Funds 2020 £	Total Funds 2019 £
<b>Income from:</b>					
Donations and legacies	<b>2,18</b>	128,923	879,984	1,008,907	1,231,516
Commercial trading operations		588,915	-	588,915	228,865
Income from investments		57,614	-	57,614	57,569
Income from charitable activities	<b>3</b>	6,036,118	-	6,036,118	3,359,947
Coronavirus Job Retention Scheme		621,449	-	621,449	-
<b>Total income</b>		<b>7,433,019</b>	<b>879,984</b>	<b>8,313,003</b>	<b>4,877,897</b>
<b>Expenditure on:</b>					
Raising funds	<b>4</b>	741,788	-	741,788	470,787
Expenditure on charitable activities	<b>4</b>	7,111,929	579,204	7,691,133	8,134,287
<b>Total expenditure</b>		<b>7,853,717</b>	<b>579,204</b>	<b>8,432,921</b>	<b>8,605,074</b>
<b>Net (expenditure)/ income before other (losses)/gains</b>		(420,698)	300,780	(119,918)	3,727,177
Losses/(gains) from investments	<b>12</b>	(49,431)	-	(49,431)	23,941
Net (expenditure)/income before transfers		(470,129)	300,780	(169,349)	(3,703,236)
Transfers between funds	<b>19</b>	286,234	(286,234)	-	-
<b>Net movement in funds</b>		<b>(183,895)</b>	<b>14,546</b>	<b>(169,349)</b>	<b>(3,703,236)</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward	<b>19</b>	91,206	5,124,187	5,215,395	8,918,631
Total funds carried forward	<b>19</b>	(92,687)	5,138,733	5,046,046	5,215,395

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

The statement of financial activities includes all gains and losses recognised in the period.

All income and expenditure derives from continuing activities.

A fully detailed Statement of Financial Activities for the year ended 31 July 2019 is shown at note 23.

# Leeds Theatre Trust Limited

## Consolidated Balance Sheet as at 31 July 2020

		Group		Company	
	Note	2020 £	2019 £	2020 £	2019 £
<b>Fixed assets</b>					
Tangible assets	<b>11</b>	6,278,698	6,428,414	6,278,698	6,428,414
Investments	<b>12</b>	586,206	635,639	586,208	635,641
		6,864,904	7,064,053	6,864,906	7,064,055
<b>Current assets</b>					
Stocks	<b>13</b>	32,426	16,449	16,928	14,271
Debtors	<b>14</b>	3,624,189	1,791,219	3,610,170	1,808,546
Cash at bank and in hand		924,018	1,708,232	844,476	1,629,597
		4,580,633	3,515,900	4,471,574	3,452,414
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	<b>15</b>	(1,443,210)	(1,282,076)	(1,379,402)	(1,218,840)
Net current assets		3,137,423	2,233,824	3,092,172	2,233,574
Total assets less current liabilities		10,002,327	9,297,877	9,957,078	9,297,629
Creditors: amounts falling due after more than one year	<b>17</b>	(4,956,281)	(4,082,482)	(4,911,281)	(4,082,482)
		5,046,046	5,215,395	5,045,797	5,215,147
<b>Funds of the charity</b>					
Restricted funds	<b>19</b>	5,138,733	5,124,187	5,138,734	5,124,187
Unrestricted funds	<b>19</b>	(92,687)	91,208	(92,937)	90,960
		5,046,046	5,215,395	5,045,796	5,215,147

The financial statements were approved by the Board of Trustees and signed on their behalf on 17/05/2021

*Rozina Breen*

Rozina Breen  
Chair of Trustees

# Leeds Theatre Trust Limited

## Consolidated Statement of Cash Flows for the year ended

	2020 £	2019 £
<b>Reconciliation of cashflow from operating activities</b>		
Net (expenditure) for the year	(169,349)	(3,703,236)
Depreciation	398,498	370,271
Losses/(gains) on investments	49,431	(23,941)
Investment income	(57,614)	(57,569)
(Increase)Decrease in stocks	(15,977)	7,956
(Increase)/decrease in debtors	(1,832,970)	(898,291)
Increase/(decrease) in creditors	787,434	4,225,219
<b>Net cash (used in)/provided by operating activities</b>	<b>(840,547)</b>	<b>(79,591)</b>
<b>Cash inflow from investing activity</b>		
Interest received	-	2,670
Interest paid	-	(20)
Income from investments	57,614	54,919
Cash inflow from sale of investments	-	665,000
Purchase of tangible fixed assets	(33,957)	(32,301)
<b>Cash used in investing activities</b>	<b>23,657</b>	<b>690,268</b>
<b>Cash inflow from financing activity</b>		
Payment of finance lease obligations	(12,324)	-
Other loans advanced	45,000	-
<b>Cash provided by financing activities</b>	<b>32,676</b>	<b>-</b>
<b>Change in cash and cash equivalents in the year</b>	<b>(784,214)</b>	<b>610,677</b>
Cash and cash equivalents at the beginning of the year	1,708,232	1,097,555
Cash and cash equivalents at the end of the year	924,018	1,708,232

### Analysis of changes in net debt

	1 August 2019 £000's	Cashflows £000's	31 July 2020 £000's
Cash at bank and in hand	1,708,232	(784,214)	924,018
Borrowings excluding overdrafts	(4,082,482)	(953,893)	(5,036,375)
<b>Net debt</b>	<b>2,374,250</b>	<b>1,738,107</b>	<b>4,112,357</b>

The purchase of fixed assets amounting to £214,823 (2019 - £Nil) was funded by finance leases, which represent major non cash transactions.

# Leeds Theatre Trust Limited

## Notes to the Financial Statements for the year ended 31 July 2020

### 1 Principal accounting policies

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

#### Charitable company information

The charitable company is a registered charity and a company limited by guarantee and registered in England.

Charity number:	255460
Company number:	0926862
Registered Office:	Leeds Playhouse, Playhouse Square, Quarry Hill, Leeds LS2 7UP

Leeds Playhouse (Enterprises) Limited is a wholly owned subsidiary of the charitable company.

#### Basis of preparation

The financial statements have been prepared on a going concern basis 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) (effective 1 January 2019) ("Charities SORP (FRS 102)"), the Financial Reporting Standard applicable in the UK and Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.

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

Assets and liabilities are initially recognised at cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1.

The principal accounting policies adopted in the preparation of the financial statements have remained unchanged from previous years and are set out below.

#### Basis of consolidation

These financial statements consolidate the results of the charity and its wholly owned subsidiary Leeds Playhouse (Enterprises) Limited on a line-by-line basis. A separate statement of financial activities and income and expenditure accounts are not presented for the charity itself following the exemptions afforded by the Companies Act 2006 and the SORP 2019.

#### Going concern

The activities of the group, together with the factors likely to affect its future development and performance, are set out in the Report of the Trustees. The financial position of the group, its cashflow and liquidity are described in the Financial Statements and accompanying notes. The organisation was working to its newly created Business Plan of which the capital redevelopment year 2018/19 forms the first year and funding from Arts Council England and Leeds City Council is confirmed for the four-year period 2018 to 2022. The Business Plan is being reviewed in light of the ongoing impact on the business model caused by Covid-19.

The theatre has been closed since 23 March 2020 and this has had a significant impact on income and expenditure for the Group. The theatre has taken advantage of the Government's furlough scheme and other support. However, there is uncertainty over when theatres will be allowed to reopen and whether they will be able to generate sufficient income to cover the theatre's cost base.



# Leeds Theatre Trust Limited

## Notes to the Financial Statements for the year ended 31 July 2020

### 1 Principal accounting policies

The financial statements have been prepared on a going concern basis. The trustees have taken note of the guidance issued by the Financial Reporting Council on Going Concern assessments in determining that this is the appropriate basis of preparation of the financial statements and have considered a number of factors.

The total amount due to Leeds City Council of £4,788,876 is shown in Note 17 to the accounts. After the year end, Leeds City Council have been awarded an ACE Capital Kickstart grant of £1,792,459 to reduce the overall contribution from the Playhouse due to the financial impact of Covid-19 and a subsequent shortfall in its capital redevelopment fundraising. After the agreed £1,538,876 cash contribution and the already agreed £500,000 Courtyard Loan, this leaves a residual amount outstanding of £957,541. It is proposed that this amount is converted to a loan repayable over a five-year period ending in September 2024.

In addition to the regular Arts Council England funding, since the year end, the Group has been awarded significant emergency funding from Arts Council England amounting to £3,669,326. The awards include grants made under ACE Emergency Fund and Culture Recovery Funds rounds 1 and 2. The Group has also received significant Government assistance through the Coronavirus Job Retention Scheme (Furlough Scheme).

The Trustees have prepared forecasts and cashflows covering the period to October 2022 and approved by the Board in May 2021. The uncertainty as to the future impact on the Group of the recent COVID-19 outbreak has been separately considered as part of the Trustees' consideration of the going concern basis of preparation.

As part of the financial forecasting work referred to in Going Concern as set out above, the Trustees have considered the impact of the pandemic on the business, including on its working capital and the availability of cash.

#### Income

Voluntary income including donations, gifts and legacies and grants that provide core funding or are of general nature are recognised where there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when:

- the donor specifies that the grant or donation must only be used in future accounting periods; or
- the donor has imposed conditions which must be met before the charity has unconditional entitlement.

Income from commercial trading activities is recognised as earned as the related goods and services are provided.

# Leeds Theatre Trust Limited

## Notes to the Financial Statements for the year ended 31 July 2020

### 1 Principal accounting policies

Investment income is recognised on a receivable basis.

Income from charitable activities includes income received under contract. Where entitlement to grant funding is subject to specific performance conditions, this is recognised as earned as the related goods or services are provided.

Grant income included in this category provides funding to support performance activities and is recognised where there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Income is deferred when admission fees or performance related grants are received in advance of the performances or event to which they relate.

Government grants in the form of Coronavirus Job Retention Scheme are recognised at entitlement and are shown separately on the face of the SoFA.

#### **Expenditure**

Expenditure is recognised when a liability is incurred.

**Costs of generating funds** are those costs incurred in attracting voluntary income and those incurred in trading activities that raise funds.

**Charitable activities** include expenditure associated with the staging of concerts, stage productions, art exhibitions and educational programmes and include both the direct costs and support costs relating to these activities. Production costs are written-off in the year in which the first performance of the related production takes place, unless the substantive part of the show's run is post year end, in which case both income and expenditure would be deferred.

**Governance costs** include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

**Support costs** include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, e.g., the proportion of turnover.

Production comprises the salaries and overhead costs of the production, literary and artistic teams. Executive comprises executive salaries and travel. Support services comprise IT, administration, finance and secretarial salaries and overheads as well as theatre management costs and legal and other professional fees. Promotion comprises marketing and press salaries and costs. Front of house comprises box office, reception and duty management salaries and costs. Occupancy costs comprise cleaning and maintenance salaries and costs as well as utilities.

The following bases of allocation are used: Production – direct production costs, Executive – unrestricted direct costs, Support services – unrestricted direct costs, Promotion – Box office income, Front of house – Box office income, Occupancy – unrestricted direct cost

#### **Fund accounting**

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

**Unrestricted funds** are donations and other income received or generated for expenditure on the general objectives of the charity.

When grants and donations are received for a specific purpose involving capital investment, the cash will be recorded against a restricted fund. When the investment has been made, the relevant capital asset will be recorded against the relevant fund, and depreciation of the asset charged against the fund. Once any restrictions on the use of the asset have expired, the asset will be transferred from the restricted fund to the Trust's unrestricted funds.

# Leeds Theatre Trust Limited

## Notes to the Financial Statements for the year ended 31 July 2020

### 1 Principal accounting policies

#### Stocks

Stocks are stated at the lower of cost and net realisable value, after making allowance for obsolete and slow moving items. Cost comprises the invoiced value of the goods and services received.

#### Tangible fixed assets and depreciation

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets except freehold land by equal annual instalments over their expected useful lives. The periods applicable are as follows:

Freehold buildings	50 years
Long leasehold buildings	50 years
Wardrobe equipment, office, bar and restaurant fixtures and fittings	4 - 10 years
Computer equipment	5 years
Electrical equipment	7 - 15 years
Theatre fixtures and fittings	6 - 12 years
Motor vehicles	4 years

Freehold land is not depreciated.

#### Investments

Investments are stated at market value at the balance sheet date.

The investment portfolio is held to generate returns and gains for the charity and accordingly is designated as fair value through profit and loss ("FVTPL"). Under this designation the portfolio is revalued at each period end to its fair value, as determined by reference to quoted market prices and values determined by independent fund managers, with any gains or losses going through the SoFA.

#### Staff costs

The costs of short-term employee benefits are recognised as a liability and an expense where settlement of obligations does not fall within the same period.

#### Pensions

Leeds Theatre Trust Limited operates a Group Personal Pension Plan with Standard Life which is a defined contribution contracted-in money purchase scheme.

Accordingly, these financial statements include pension costs payable on a defined contribution basis.

#### Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the SoFA on a straight-line basis over the period of the lease.

#### Financial instruments

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

#### Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity held for working capital.

# Leeds Theatre Trust Limited

## Notes to the Financial Statements for the year ended 31 July 2020

### 1 Principal accounting policies

#### Debtors

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

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in the income and expenditure account.

#### Creditors, loans and provisions

Creditors, loans and provisions are recognised where the group has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors, loans and provisions are normally recognised at their settlement amount after allowing for any trade discounts due. Financial liabilities are only derecognised when, and only when, the group's obligations are discharged, cancelled or they expire.

Amounts recognised as provisions are best estimates of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

As permitted by paragraph 34.90 of FRS 102, concessionary loans are initially recognised at the amount received or paid, with the carrying amount adjusted in subsequent years to reflect repayments and any accrued interest and adjusted if necessary for any impairment.

#### Taxation

Leeds Theatre Trust is a registered charity and as such is a charity within the meaning of schedule 6 of the Finance Act 2010. Accordingly, the charity is potentially entitled to tax exemption under part 11 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 in respect of income and gains arising.

### Critical accounting judgements and estimation uncertainty

#### Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 11 for the carrying amount of the property plant and equipment and the note below for the useful economic lives for each class of assets.

### 2 Income from donations and legacies

	2020 £	2019 £
Donations (Unrestricted)	128,923	22,482

In addition to the unrestricted voluntary income above, the Trust has received restricted grant income of £879,984 (2019: £1,209,034), which is analysed in note 18.

# Leeds Theatre Trust Limited

## Notes to the Financial Statements for the year ended 31 July 2020

### 3 Income from charitable activities

	2020 £	2019 £
<b>Core funding/performance grants:</b>		
- Arts Council England	2,213,846	1,508,104
- Leeds City Council	588,665	588,665
	2,802,511	2,096,769
<b>Income from theatre productions:</b>		
Admission charges	2,372,083	1,029,870
Co-production income	500,480	17,576
Recharge income	39,963	533
Touring out	148,756	22,969
Creative engagement: education and event income	55,462	100,846
Royalty income	17,450	2,221
Other income	99,413	89,163
	6,036,118	3,359,947

# Leeds Theatre Trust Limited

## Notes to the Financial Statements for the year ended 31 July 2020

### 4 Expenditure on charitable activities and raising funds

The Trust undertakes direct charitable activities only and does not make grant payments.

For the year to 31 July 2020	Unrestricted direct costs	Unrestricted support costs (Note 5)	Unrestricted total costs	Costs against designated fund	Restricted total costs	Total 2020
Expenditure on charitable activities:	£	£	£	£	£	£
Own theatre productions	2,267,123	2,341,791	4,608,914	-	172,939	4,781,853
Visiting theatre productions	502,267	489,948	992,215	-	-	992,215
Touring out	233,036	167,119	400,155	-	-	400,155
Creative Engagement	113,307	226,580	339,887	-	406,265	746,152
	3,115,733	3,225,438	6,341,171	-	579,204	6,920,375
Depreciation	398,498	-	398,498	-	-	398,498
Capital build project costs	331,883	-	331,883	-	-	331,883
Governance	28,951	11,426	40,377	-	-	40,377
<b>Total expenditure on charitable activities</b>	<b>3,875,065</b>	<b>3,236,864</b>	<b>7,111,929</b>	<b>-</b>	<b>579,204</b>	<b>7,691,133</b>
<b>Expenditure on raising funds:</b>						
Fundraising expenses	139,930	55,911	195,841	-	-	195,841
Trading expenses	545,947	-	545,947	-	-	545,947
<b>Total expenditure on raising funds</b>	<b>685,877</b>	<b>55,911</b>	<b>741,788</b>	<b>-</b>	<b>-</b>	<b>741,788</b>
<b>Total expenditure</b>	<b>4,560,942</b>	<b>3,292,775</b>	<b>7,853,717</b>	<b>-</b>	<b>579,204</b>	<b>8,432,921</b>

# Leeds Theatre Trust Limited

## Notes to the Financial Statements for the year ended 31 July 2020

### 4 Expenditure on charitable activities and raising funds (continued)

For the year to 31 July 2019	Unrestricted direct costs	Unrestricted support costs (Note 5)	Unrestricted total costs	Costs against designated fund	Restricted total costs	Total 2019
Expenditure on charitable activities:	£	£	£	£	£	£
Own theatre productions	733,871	1,475,861	2,209,732	-	84,572	2,294,304
Visiting theatre productions	9,022	44,399	53,421	-	-	53,421
Touring out	47,015	72,078	119,093	-	-	119,093
Creative Engagement	164,977	857,008	1,021,985	-	415,932	1,437,917
	954,885	2,449,346	3,404,231	-	500,504	3,904,735
Depreciation	370,271	-	370,271	-	-	370,271
Capital build project costs	-	-	-	1,084,871	2,750,000	3,834,871
Governance	13,760	10,652	24,412	-	-	24,412
<b>Total expenditure on charitable activities</b>	<b>1,338,916</b>	<b>2,459,998</b>	<b>3,798,914</b>	<b>1,084,871</b>	<b>3,250,504</b>	<b>8,134,289</b>
<b>Expenditure on raising funds:</b>						
Fundraising expenses	196,983	118,351	315,334	-	-	315,334
Trading expenses	155,453	-	155,453	-	-	155,453
<b>Total expenditure on raising funds</b>	<b>352,436</b>	<b>118,351</b>	<b>470,787</b>	<b>-</b>	<b>-</b>	<b>470,787</b>
<b>Total expenditure</b>	<b>1,691,352</b>	<b>2,578,349</b>	<b>4,269,701</b>	<b>1,084,871</b>	<b>3,250,504</b>	<b>8,605,076</b>

# Leeds Theatre Trust Limited

## Notes to the Financial Statements for the year ended 31 July 2020

### 5 Analysis of support costs

The Trust allocates its support costs between the charitable activities undertaken as shown in the table below.

For the year to 31 July 2020	Production	Executive	Support services	Promotion	Front of house	Occupancy	Total support costs 2020
<b>Allocated to cost of charitable activity:</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Own theatre productions	825,888	138,054	537,382	209,931	268,057	362,479	2,341,791
Visiting theatre productions	159,662	26,687	103,880	56,942	72,708	70,069	489,948
Touring out	74,038	12,381	48,193	-	-	32,507	167,119
Creative Engagement	99,065	16,555	64,442	1,341	1,712	43,465	226,580
	1,158,653	193,677	753,897	268,214	342,477	508,520	3,225,438
Allocated to costs of generating donations	-	7,437	28,948	-	-	19,526	55,911
Governance	-	1,520	5,916	-	-	3,990	11,426
<b>Total support costs</b>	<b>1,158,653</b>	<b>202,634</b>	<b>788,761</b>	<b>268,214</b>	<b>342,477</b>	<b>532,036</b>	<b>3,292,775</b>

For the year to 31 July 2019	Production	Executive	Support services	Promotion	Front of house	Occupancy	Total support costs 2019
<b>Allocated to cost of charitable activity:</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Own theatre productions	509,189	91,658	296,176	231,850	176,201	170,787	1,475,861
Visiting theatre productions	20,175	3,690	11,922	987	750	6,875	44,399
Touring out	32,665	5,826	18,825	2,220	1,687	10,855	72,078
Creative Engagement	398,705	71,850	232,171	11,593	8,810	133,879	857,008
	960,734	173,024	559,094	246,650	187,448	322,396	2,449,346
Allocated to costs of generating donations	-	19,419	62,749	-	-	36,183	118,351
Governance	-	1,748	5,647	-	-	3,257	10,652
<b>Total support costs</b>	<b>960,734</b>	<b>194,191</b>	<b>627,490</b>	<b>246,650</b>	<b>187,448</b>	<b>361,836</b>	<b>2,578,349</b>



# Leeds Theatre Trust Limited

## Notes to the Financial Statements for the year ended 31 July 2020

### 6 Analysis of funding support for charitable activities

This table shows the cost of the main charitable activities and the sources of revenue directly to support those activities.

For the year to 31 July 2020	Own theatre productions £	Visiting theatre productions £	Touring out £	Creative Engagement £	Total 2020 £
Admission charges	1,865,993	506,090	148,756	31,925	2,552,764
Co-production income	500,480	-	-	-	500,480
Recharge income	-	39,963	-	-	39,963
Other income	10,000	-	-	23,537	33,537
Total direct revenue	2,376,473	546,053	148,756	55,462	3,126,744
Unrestricted total costs (Note 4)	(4,608,914)	(992,215)	(400,155)	(339,887)	(6,341,171)
Net cost funded from grants and other income	(2,232,441)	(446,162)	(251,399)	(284,425)	(3,214,427)
For the year to 31 July 2019	Own theatre productions £	Visiting theatre productions £	Touring out £	Creative Engagement £	Total 2019 £
Admission charges	1,025,394	4,475	9,512	51,721	1,091,102
Co-production income	17,576	-	-	-	17,576
Recharge income	-	533	-	-	533
Other income	-	-	-	49,125	49,125
Total direct revenue	1,042,970	5,008	9,512	100,846	1,158,336
Unrestricted total costs (Note 4)	(1,209,734)	(53,421)	(119,091)	(1,021,985)	(3,404,231)
Net cost funded from grants and other income	(1,166,764)	(48,413)	(109,579)	(921,139)	(2,245,895)

# Leeds Theatre Trust Limited

## Notes to the Financial Statements

### 7 Financial activities of the charity

The Charity has taken advantage of section 408 of the Companies Act 2006 and has not included its own income and expenditure accounts in these financial statements.

A summary of the financial activities undertaken by the Trust is set out below:

	2020 £	2019 £
Income	7,766,728	4,681,444
Expenditure on charitable activities	(7,691,133)	(8,134,289)
Expenditure on raising funds	(195,841)	(274,334)
Gains on investments	(49,104)	23,941
Net movements in funds	(169,350)	(3,703,236)
Total funds brought forward	5,215,147	8,918,383
Total funds carried forward	5,045,797	5,215,147
<b>Represented by:</b>		
Restricted funds	5,138,734	5,124,187
Unrestricted funds	(92,937)	90,960
	5,045,797	5,215,3147

Operating costs are stated after charging: Auditor's remuneration of £15,750 (2019: £18,000) for audit services in respect of the Group and £2,700 (2019: £3,680) for taxation services.

### 8 Operations of trading subsidiary

The wholly-owned trading subsidiary, Leeds Playhouse (Enterprises) Limited, registered in England and Wales, pays all its profits to its parent charitable company under gift aid. Leeds Playhouse (Enterprises) Limited operates the bars, restaurant, coffee lounge and all commercial trading operations carried on at the Leeds Playhouse and is commissioned by Leeds Theatre Trust Limited and other theatre companies to produce theatre productions. Leeds Theatre Trust Limited owns the entire issued share capital of 2 ordinary shares of £1 each. A summary of the trading results and financial position of Leeds Playhouse (Enterprises) Limited is shown below.

	2020 £	2019 £
Turnover	3,857,835	2,646,102
Cost of sales	(3,457,116)	(2,509,657)
Gross profit	400,719	136,442
Administrative expenses	(393,131)	(109,134)
Operating profit	7,588	27,311
Interest receivable	380	101
Operating profit	7,968	27,412
Tax on profit on ordinary activities	-	-
Profit for the financial year after taxation	7,968	27,412

# Leeds Theatre Trust Limited

## Notes to the Financial Statements

### 8 Operations of trading subsidiary (continued)

	2020	2019
	£	£
Current assets	870,882	879,995
Creditors: amounts falling due within one year	(870,632)	(879,745)
Total net assets	250	250
Share capital and reserves	250	250

### 9 Taxation

The Trust has charitable status and its investment income and gains are exempt from corporation tax by virtue of the provisions of section 488, Corporation Taxes Act 2010. Furthermore, it is considered that the trading activities of the Trust are carried out as the primary purpose of the charitable company and, accordingly, any element of the operating surplus attributable to such activities is also exempt from corporation tax under the provisions of that section.

### 10 Staff costs

	Group 2020 £	2019 £
Wages and salaries	4,011,852	2,648,885
Redundancy	-	538
Social security costs	246,181	196,051
Pension costs	75,720	48,260
	4,333,753	2,893,734

The average number of full time equivalent employees (including casual and part-time staff) during the period was as follows:

	Group 2020 Number	2019 Number
Trading	30	7
Stage performances	70	44
Box office and front of house	43	31
Creative Engagement	16	17
Administration	21	19
	180	118

The number of employees whose emoluments (excluding pension contributions, employer's social security costs but including benefits in kind) fell within the following bands:

	2020 Number	2019 Number
£60,001 to £70,000	-	-
£70,001 to £80,000	2	2

The key management personnel of the charity comprise the trustees, the Executive Director and Joint Chief Executive, Artistic Director and Joint Chief Executive, Finance Director, Technical Director, Marketing & Communications Director, Director - Creative Engagement, Strategic Director of Fundraising and Development, HR & Learning Director, Commercial Director, Associate Director and the Senior Producer. The total cost of their employment was £494,560 (2019: £500,473).

# Leeds Theatre Trust Limited

## Notes to the Financial Statements for the year ended 31 July 2020

### 10 Staff costs (continued)

Regular benchmarking exercises are carried out to ensure that staff salary rates are consistent with market rates for the sector. An annual pay review is implemented in April of each year.

During the year Neil Adleman (trustee) was reimbursed for out-of-pocket expenses of £125 (2019: £99).

The directors of the charity are also the Trustees under charity law and received no remuneration either from the Charity or its subsidiary. The Charity has taken out indemnity insurance that protects both the Charity and its Trustees from losses arising from neglect or default by the Trustees, employees or other agents of the Group.

### 11 Fixed Assets

#### Group and company

	Freehold land and buildings £	Long Leasehold buildings £	Fixtures, Fittings and motor vehicles £	Total £
<b>Cost</b>				
At 31 July 2019	467,578	14,041,461	979,648	15,488,687
Additions	-	-	248,782	248,782
Disposals	-	-	160,000	160,000
At 31 July 2020	467,578	14,041,461	1,388,430	15,897,469
<b>Depreciation</b>				
At 31 July 2019	112,372	8,160,333	787,568	9,060,273
Provided in the period	6,537	280,000	111,961	398,498
Eliminated on disposal	-	-	160,000	160,000
At 31 July 2020	118,909	8,440,333	1,059,529	9,618,771
<b>Book values</b>				
At 31 July 2020	348,669	5,601,128	328,901	6,278,698
At 31 July 2019	355,206	5,881,128	192,080	6,428,414

All tangible fixed assets were used for charitable purposes. The bar, restaurant and conference facilities were also used by the trading subsidiary to generate funds.

Fixed assets includes assets held under hire purchase leases with a cost of £214,823, a book value of £171,858 and depreciation of £42,965 has been charged in the year.

# Leeds Theatre Trust Limited

## Notes to the Financial Statements for the year ended 31 July 2020

### 12 Investments

#### Group and company

	Listed Investments £
<b>Cost or valuation</b>	
At 31 July 2019	635,639
Less: sale of investments	-
Net investment gains/(losses)	(49,431)
At 31 July 2020	586,206
<b>Net book amount</b>	
At 31 July 2020	586,206
At 31 July 2019	635,639

Investments are listed on a recognised stock exchange and are valued at fair value through the statement of financial activities.

The allocation of investments held at the period end was as follows:

	2020 £	2019 £
UK and overseas equities	67,903	101,251
UK and overseas Fixed interest	376,599	484,599
Short term cash deposits	141,704	49,787
Book value at 31 July	586,206	635,637
Historical cost at 31 July	635,639	471,381

The Charitable company also holds a £2 investment in its subsidiary (2019: £2).

The £2 investment is stated at cost and represents 100% of the ordinary share capital of Leeds Playhouse (Enterprises) Limited, company number 02441300 registered in England and Wales with its registered office at the same address as its parent company. The results and aggregate amount of capital and reserves of the subsidiary at 31 July 2020 are disclosed in note 8 to these financial statements.

Leeds Playhouse (Enterprises) Limited is controlled by virtue of the parent Charity holding 100% of the issued share capital. It has a reporting date which is coterminous with the Charity and its registered office is the same as that of the parent company.

### 13 Stocks

	Group 2020 £	2019 £	Charitable company 2020 £	2019 £
Raw materials and goods for resale	32,426	16,449	16,928	14,271

# Leeds Theatre Trust Limited

## Notes to the Financial Statements for the year ended 31 July 2020

### 14 Debtors

	<b>Group</b>		<b>Charitable company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	139,299	114,452	130,315	99,397
Debtors arising on operations	1,573,007	544,600	1,555,982	544,600
Other debtors	749,499	783,790	-	-
Other taxes and social security	-	16,428	-	16,428
Prepayments	238,023	325,977	237,688	325,640
Accrued income	924,361	5,972	924,361	5,972
Amounts owed by subsidiary undertaking	-	-	761,824	816,509
	<b>3,624,189</b>	<b>1,791,219</b>	<b>3,610,170</b>	<b>1,808,546</b>

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

	<b>Group</b>		<b>Charitable company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade creditors	193,494	148,852	198,592	147,472
Other taxes and social security	99,605	44,896	93,915	44,369
Other creditors	160,088	70,973	139,670	36,055
Finance lease creditor	80,094	-	80,094	-
Accruals	352,447	149,700	309,649	129,289
Deferred income (note 18)	557,482	867,655	557,482	861,655
	<b>1,443,210</b>	<b>1,282,076</b>	<b>1,379,402</b>	<b>1,218,840</b>

A bank overdraft facility is secured by a fixed and floating charge over the group and charitable company's freehold land and buildings.

### 16 Finance lease obligations

	<b>Group</b>		<b>Charitable company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Future minimum lease payments:</b>				
Amounts due within one year	76,316	-	76,316	-
Amounts due in two to five years	143,662	-	143,662	-
	219,978		219,978	
Less future finance changes	(17,479)	-	(17,479)	-
	<b>202,499</b>	<b>-</b>	<b>202,499</b>	<b>-</b>

# Leeds Theatre Trust Limited

## Notes to the Financial Statements for the year ended 31 July 2020

### 17 Creditors: amounts falling due after more than one year

	<b>Group</b>		<b>Charitable company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Other creditors	4,788,876	4,082,482	4,788,876	4,082,482
Finance lease creditor	122,405	-	122,405	-
Other loans	45,000	-	-	-
	<b>4,956,281</b>	<b>4,082,482</b>	<b>4,911,281</b>	<b>4,082,482</b>

Other creditors are the amount payable to Leeds City Council representing the current value of Leeds Theatre Trust Limited's grant contribution to the Council's scheme for the redevelopment of Leeds Playhouse and is summarised as follows:

- £1,538,876 cash contribution due
- £1,792,459 ACE Kickstarter Grant awarded to Leeds City Council after the year end to reduce the redevelopment debt owed by The Playhouse (see Trustees Annual Report page 11)
- £500,000 loan agreement payable over 15 years from September 2021
- £957,541 residual amount outstanding. It is proposed that this is converted to a loan repayable over a five-year period ending September 2024

Other loans represent a 3-year loan advanced to Leeds Playhouse (Enterprises) Limited by the brewery, the loan is interest free but this is conditional on minimum purchasing commitments.

### 18 Deferred income

The movements in deferred income during the year were as follows. Contractual income is deferred when income is invoiced or received in advance of delivery of the associated service. The majority of deferred income relates to ticket sales for shows in the next financial year: the income is released when the performances take place.

	<b>Group</b>		<b>Charitable company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 August 2019	867,655	617,079	861,655	606,579
Released in year	(867,655)	(617,079)	(861,655)	(606,579)
Deferred in year	557,482	867,655	557,482	61,655
At 31 July 2020	<b>557,482</b>	<b>867,655</b>	<b>557,482</b>	<b>861,655</b>

# Leeds Theatre Trust Limited

## Notes to the Financial Statements for the year ended 31 July 2020

### 19 Analysis of charitable funds

For the year ended 31 July 2020	Balance at 31 July 2019	Movement in period		Transfers between funds	Balance at 31 July 2020
Restricted Funds	£	Income £	Expenditure £	£	£
<b>Grants of a capital nature:</b>					
Premises fund - long leasehold theatre complex	5,861,972	-	-	(280,000)	5,581,972
Total capital grants	5,861,972	-	-	(280,000)	5,581,972
<b>Grants of a revenue nature:</b>					
First Floor	3,476	-	(3,476)	-	-
Theatre of Sanctuary	-	10,000	-	-	10,000
Theatre redevelopment project	(1,327,504)	540,171	(14,961)	-	(802,294)
The Liz and Terry Bramall Charitable Trust	182,272	-	(150,000)	-	32,272
National Lottery Community Fund	6,741	99,346	(99,432)	-	6,745
ACE Celebrating Age	-	9,995	-	-	9,995
Esmée Fairbairn	101,790	66,159	(101,791)	-	66,159
Literary fund	21,233	-	-	-	21,233
Ramps On The Moon	14,998	-	-	-	14,998
Theatre Productions	46,676	-	(46,676)	-	-
ACE Action Research	111,628	-	-	(6,234)	105,394
Andrew Lloyd Webber Foundation	10,000	-	(7,497)	-	2,503
Comic Relief	4,868	23,973	(5,097)	-	23,744
Stage One Theatre Investment Fund	18,030	-	(9,512)	-	8,518
Creative Arts & Dementia Project	8,007	-	(7,656)	-	351
Emerald Foundation	60,000	60,000	(60,000)	-	60,000
Talent Development	-	9,250	(13,107)	-	(3,857)
Society for Theatre Research	-	1,000	-	-	1,000
Burberry Inspire	-	60,000	(60,000)	-	-
Total revenue grants	(737,785)	879,984	(579,204)	(6,234)	(443,239)
<b>Total Restricted Funds</b>	<b>5,124,187</b>	<b>879,984</b>	<b>(579,204)</b>	<b>(286,234)</b>	<b>5,138,733</b>



# Leeds Theatre Trust Limited

## Notes to the Financial Statements for the year ended 31 July 2020

### 19 Analysis of charitable funds (continued)

For the year to 31 July 2020	Balance at 31 July 2019 £	Movement in period Income £	Expenditure £	Transfers between funds £	Balance at 31 July 2020 £
<b>Unrestricted Funds</b>					
<b>Designated:</b>					
Capital Equipment fund	-	19,817	-	-	19,817
<b>Unrestricted – general:</b>					
Unrestricted funds	91,208	7,413,202	(7,903,148)	286,234	(112,504)
<b>Total Funds</b>	<b>5,215,395</b>	<b>8,313,003</b>	<b>(8,482,352)</b>	<b>-</b>	<b>5,046,046</b>

  

For the year to 31 July 2019	Balance at 31 July 2018 £	Movement in period Income £	Expenditure £	Transfers between funds £	Balance at 31 July 2019 £
<b>Restricted Funds</b>					
<b>Grants of a capital nature:</b>					
Premises fund - long leasehold theatre complex	6,141,972	-	-	(280,000)	5,861,972
Total capital grants	6,141,972	-	-	(280,000)	5,861,972
<b>Grants of a revenue nature:</b>					
First Floor	3,496	15,135	(15,155)	-	3,476
Theatre of Sanctuary	4,398	2,663	(7,601)	-	-
Theatre redevelopment project	777,730	644,766	(2,750,000)	-	(1,327,504)
The Liz and Terry Bramall Charitable Trust	200,000	150,000	(167,728)	-	182,272
National Lottery Community Fund	-	94,401	(87,660)	-	6,741
ACE Celebrating Age	-	29,985	(29,985)	-	-
Esmée Fairbairn	87,449	77,500	(63,159)	-	101,790
Literary fund	21,233	-	-	-	21,233
Ramps On The Moon	16,725	8,769	(10,496)	-	14,998
Theatre Productions	42,056	4,620	-	-	46,676
ACE Action Research	122,189	-	-	(10,561)	111,628
ACE Catalyst	7,311	-	(7,311)	-	-
Andrew Lloyd Webber Foundation	10,100	10,000	(10,100)	-	10,000
Comic Relief	21,559	19,559	(36,250)	-	4,868
Stage One Theatre Investment Fund	-	21,636	(3,606)	-	18,030
Creative Arts & Dementia Project	-	10,000	(1,993)	-	8,007
Emerald Foundation	-	60,000	-	-	60,000
Burberry Inspire	-	60,000	(60,000)	-	-
Total revenue grants	1,314,246	1,209,034	(3,250,504)	(10,561)	737,785
<b>Total Restricted Funds</b>	<b>7,456,218</b>	<b>1,209,034</b>	<b>(3,250,504)</b>	<b>(290,561)</b>	<b>5,124,187</b>
<b>Unrestricted Funds</b>					
<b>Designated:</b>					
Capital Equipment fund	1,060,930	23,941	(1,084,871)	-	-
<b>Unrestricted – general:</b>					
Unrestricted funds	401,483	3,627,863	(4,228,699)	(290,561)	91,208
<b>Total Funds</b>	<b>8,918,631</b>	<b>4,860,838</b>	<b>(8,564,074)</b>	<b>-</b>	<b>5,215,395</b>

# Leeds Theatre Trust Limited

## Notes to the Financial Statements for the year ended 31 July 2020

### 19 Analysis of charitable funds (continued)

#### Grants of a capital nature

Restricted funds in respect of the long leasehold theatre complex are transferred to unrestricted funds over 50 years, being the period over which the theatre complex is depreciated. The Equipment fund represents the value of grants received towards the costs of specific theatre assets.

#### Grants of a revenue nature

The Theatre of Sanctuary fund of £10,000 includes grants towards the Playhouse's work with refugee organisations and with volunteers from the refugee and asylum seeker community in Leeds to offer a range of creative and practical projects.

Grants of £540,171 were received towards the Theatre redevelopment project including £50,000 from Sir Rodney and Dr Lady Clare Brooke, £200,000 from The Liz and Terry Bramall Charitable Trust as a fourth instalment of the £1,000,000 total commitment from the Trust to the project, the Backstage Trust £45,000, Fidelity UK £75,000 and £100,000 from the Foyle Foundation. All the funds donated will be given as grant funds to Leeds City Council towards its project to redevelop the Leeds Playhouse.

The Liz and Terry Bramall Charitable Trust, a Playhouse Community Partner, provided a grant of £150,000 towards the work Leeds Playhouse does with hard-to-reach communities in the city and to help to continue and grow the Playhouse's commitment to emerging talent, creating opportunity in Leeds and retaining talent in the north.

The National Lottery Community Fund provided funds of £99,346 for the third year of the Buzz Programme which offers arts education opportunities for young people aged 14 to 25 with learning disabilities.

Arts Council England provided a Celebrating Age grant instalment of £9,995 towards the Every Third Minute Festival of Theatre & Dementia exploring the experience of living with dementia through creative means.

In the prior year £10,000 was received from NHS Leeds to fund a Creative Arts & Dementia programme much of this fund was spent in the current financial year.

£66,159 was received from the Esmée Fairbairn Foundation towards furthering talent from local Leeds communities and integrating communities in the core operations of the Playhouse, including the development of access and an enhanced visitor experience.

Ramps On The Moon is a collaboration between Birmingham Repertory Theatre, New Wolsey Theatre Ipswich, Nottingham Playhouse, Leeds Playhouse, Sheffield Theatres, Theatre Royal Stratford East and Graeae Theatre funded by Arts Council England aiming to lead a fundamental change across the theatre industry in the development of deaf and disabled people as performers, audiences and participants.

The ACE Action Research fund was received from Arts Council England for the Action Research project, the two-year Arts Council-funded programme of exploration, review and pilot testing to bring about organisational change. Catalyst was Arts Council England's culture sector-wide private giving investment scheme to help cultural organisations diversify their income streams and access more funding from private sources.

Comic Relief provided the third instalment of £23,973 of a three-year grant towards Active Ageing: Creating Change in Communities which is an older people's outreach project.

The Emerald Foundation provided a £60,000 grant to fund Leeds Playhouse Youth Project consisting of creative projects, workshops and production for anyone aged 5-25 years old.

# Leeds Theatre Trust Limited

## Notes to the Financial Statements for the year ended 31 July 2020

### 19 Analysis of charitable funds (continued)

The Burberry Foundation provided £60,000 in the previous year to enable Leeds Playhouse to work as a key partner in the Burberry Cultural Capital in Yorkshire project delivering engaging and impactful experiences, through participating schools, giving young people the creative agency to become theatre-makers in their own right.

The Regional Theatres Young Directors Scheme provided a grant of £9,250 for talent development of a Resident Director

The Society of Theatre Research provided a grant of £1,000 towards professional training as part of our Furnace programme.

#### Unrestricted designated funds

The trustees have determined that the Trust needs to plan for the replacement of major items of capital expenditure at the Playhouse and funds have been earmarked into a designated Capital Equipment fund for this purpose. General unrestricted funds are those funds expendable at the discretion of the trustees in pursuance of the Trust's objects.

### 20 Analysis of group net assets between funds

As at 31 July 2020	Unrestricted			Total Funds £
	General funds	Designated funds	Restricted funds	
	£	£	£	
Tangible fixed assets	696,727	-	5,581,971	6,278,698
Investments	586,206	-	-	586,206
Current assets	5,004,054	19,817	(443,238)	4,580,633
Current liabilities	(1,443,210)	-	-	(1,443,210)
Long term liabilities	(4,956,281)	-	-	(4,956,281)
	(112,504)	19,817	5,138,733	5,046,046

As at 31 July 2019	Unrestricted			Total Funds £
	General funds	Designated funds	Restricted funds	
	£	£	£	
Tangible fixed assets	566,442	-	5,861,972	6,428,414
Investments	-	635,639	-	635,639
Current assets	4,889,324	(635,639)	(737,785)	3,515,900
Current liabilities	(1,282,076)	-	-	(1,282,076)
Long term liabilities	(4,082,482)	-	-	(4,082,482)
	91,208	-	5,124,187	5,215,395

### 21 Financial commitments

The group and charitable company had capital commitments of £nil at 31 July 2020 (2019: £nil).

# Leeds Theatre Trust Limited

## Notes to the Financial Statements for the year ended 31 July 2020

### 22 Related party transactions

The Trust has a close working relationship with Leeds City Council, which has nominated two trustees and provides funding by means of an annual grant to enable the charitable company to carry out its charitable objectives. The following is a summary of financial transactions with Leeds City Council (excluding business rates and similar charges):

	2020 £	2019 £
Grants received	588,665	588,665

Grant funding was received either as fees under contract or by grant funding conditional on the staging of specific performances or drama training events. This income has been included in the financial statements under incoming resources from charitable activities.

The land on which the theatre complex is situated is owned by Leeds City Council and occupied by Leeds Theatre Trust Limited at a peppercorn rent, under a 250-year lease dated 3 May 2007. A balance of £4,788,876 (2019 - £4,082,482) included in other creditors due after more than one year in the balance sheet is payable to Leeds City Council representing the current value of Leeds Theatre Trust Limited's grant contribution to the Council's scheme for the redevelopment of Leeds Playhouse.

During the year Leeds Theatre Trust Limited paid £0 (2019: £7,334) to Reggie London for rebranding and marketing services. Claire Lowson, who is a trustee of Leeds Theatre Trust Limited, is contracted on occasion by Reggie London. Leeds Theatre Trust Limited paid £1,800 (2019: £nil) for legal services to Harbottle & Lewis LLP. Neil Adleman (trustee) is a partner at Harbottle & Lewis. Leeds Theatre Trust Limited also paid £52,092 (2019: £34,795) to Spektrix Ltd for box office services. Michael Nabarro, who is a trustee of Leeds Theatre Trust Limited, is CEO of Spektrix Limited. Sarah Friskney, trustee, was employed as Senior Development Surveyor at Caddick Developments Ltd. Caddick Group PLC, the parent company of Caddick Developments paid £24,000 (2019:£nil) in capital sponsorship to Leeds Playhouse (Enterprises) Limited, and Moda Living Limited, the sister company, paid £2,033 (2019:£nil) FOR CATERING to Leeds Playhouse (Enterprises) Limited during the year; Caddick Group PLC paid £157 (2019 £nil) for catering. Sharon Watson, trustee, is the Artistic Director of Phoenix Dance Theatre; Leeds Theatre Trust paid Phoenix Dance Theatre £19,256 for choreography fees (2019:£2,400 for choreography fees) and Phoenix Dance Theatre paid Leeds Theatre Trust Limited £4,870 (2019:£nil). During the year Neil Adleman, trustee, was reimbursed for out of pocket expenses of £125 (2019:£99) and Claire Lowson, trustee, £nil (2019: £nil).

During the year Sir Rodney, trustee, and Lady Clare Brooke donated £50,000 to the capital fundraising campaign (2019: £100,000) and £1,200 (2019:£1,200) to the patron scheme. Mike Ellis, trustee, donated £3,000 (2019: £3,000) to the capital fundraising campaign and £600 (2019: £600) to the patron scheme. Neil Adleman, trustee, donated £nil (2019 £4,500) to the capital fundraising campaign and £nil (2019:£500) to the patron scheme. Ali Rashid, trustee, donated £300 (2019: £300) to the patron scheme.

Other creditors include a balance of £4,788,876 payable to Leeds City Council representing the current value of Leeds Theatre Trust Limited's grant contribution to the Council's scheme for the redevelopment of Leeds Playhouse.

# Leeds Theatre Trust Limited

## Notes to the Financial Statements for the year ended 31 July 2020

### 23 Comparative statement of financial activity for the year ended 31 July 2019

	Unrestricted funds £	Restricted funds £	Total Funds 2019 £
<b>Income from:</b>			
Donations and legacies	22,482	1,209,034	1,231,516
Commercial trading operations	187,865	-	228,865
Income from investments	57,569	-	57,569
Income from charitable activities	3,359,947	-	3,359,947
<b>Total income</b>	<b>3,627,863</b>	<b>1,209,034</b>	<b>4,877,897</b>
<b>Expenditure on:</b>			
Raising funds	274,334	-	470,787
Expenditure on charitable activities	5,039,238	3,250,504	8,134,289
<b>Total expenditure</b>	<b>5,313,572</b>	<b>3,250,504</b>	<b>8,605,076</b>
<b>Net (expenditure)/ income before other gains/(losses)</b>	<b>(1,685,709)</b>	<b>(2,041,470)</b>	<b>(3,727,179)</b>
Gains from investments	23,941	-	23,941
Net (expenditure)/income before transfers	(1,661,768)	(2,041,470)	(3,703,238)
Transfers between funds	290,561	(290,561)	-
Net movement in funds	(1,371,207)	(2,332,031)	(3,703,238)
<b>Reconciliation of funds:</b>			
Total funds brought forward	1,462,413	7,456,218	8,918,631
Total funds carried forward	91,206	5,124,187	5,215,393