

ROYALTY THEATRE SUNDERLAND
(Charity Number 258246)

ANNUAL STATEMENT OF ACCOUNTS

YEAR ENDED 31 MARCH 2021

ROYALTY THEATRE SUNDERLAND

ANNUAL STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

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ROYALTY THEATRE SUNDERLAND

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2021

Reference and Administration Details

Patron:

D. Parfitt
BAFTA and Oscar Winning Film Producer

Trustees:

P. Reynolds
J. Elphinstone
M. Waine
C. Kilvington (appointed 08/10/2020)

Chair:

M. Fletcher

Artistic Director:

L. Breeze (resigned 25/09/2020)
H. Bowie (appointed 25/09/2020)

Secretary:

M. Waine

Treasurer:

C. R. J. Chapman, FCA

Registered Address & Place of Business:

25 The Royalty
Sunderland
SR2 7PP

Bankers:

Royal Bank of Scotland plc
1 Redheughs Avenue
Edinburgh
EH12 9JN

Solicitors:

Peter Dunn & Co
20 Athenaeum Street
Sunderland
SR1 1DH

Independent Examiner:

A. M. Henshaw FCCA
Torgersens
Chartered Accountants
Somerford Buildings
Norfolk Street
Sunderland
SR1 1EE

Status:

The Charity is registered with the Charity Commissioners as number 258246.

ROYALTY THEATRE SUNDERLAND

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2021

Structure, Governance and Management

Constitution:

The Royalty Theatre Sunderland ("the Charity") is incorporated under a Constitution which sets out the objectives and purposes of the Charity. The accounts comply with current statutory requirements and the requirements of the Constitution. The ultimate responsibility for the management is vested in the Trustees who delegate the management to the Executive Committee.

Trustees:

The Constitution provides for a maximum of four Trustees, such Trustees to be nominated by a resolution of members at an Annual or Special General Meeting of the Charity. Trustees hold office until death, resignation, or removal from office.

Executive Committee:

The Executive Committee, to whom the Trustees delegate the day to day management of the Charity, comprises the Chairman, Secretary, Treasurer, Artistic Director, two Trustees, and nine other members all of whom, with the exception of the Trustees, are elected annually at the Annual General Meeting.

The Executive Committee meets once a month throughout the year to review, monitor and discuss the affairs of the Charity. Sub-Committees deal with certain aspects such as play selection, casting, production, and marketing reporting to the Executive Committee.

The Trustees would like to take this opportunity to thank all the members of the Executive Committee and the Sub Committees for their efforts during the year.

Related Parties:

There are no formal links between the Charity and any other charities or organisations. However, the Charity does donate the tickets for the first night of each main theatre production (except the pantomime) to some 9 or so charities with local representation. Due to shows being cancelled there have been no beneficiaries during the year.

Statements of Trustee's Responsibilities for the Accounts:

The Charities Act 2011 requires the Trustees to keep proper books of account with respect to the affairs of the Charity, and to prepare statements of account for each accounting period consisting of an income and expenditure account and a balance sheet. The Trustees are also responsible for safeguarding the Charity's assets, and hence for taking reasonable steps for the prevention and detection of error, fraud and other irregularities.

In preparing the accounts the Trustees are expected to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Follow the recommendations of the Charity Commission and of the accounting profession with regard to form and content of the accounts or to disclose and explain any departures therefrom; and
- Prepare the accounts on the going concern basis unless it is inappropriate to assume that the charity will be able to continue to meet its objectives.

ROYALTY THEATRE SUNDERLAND

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2021

Objectives and Activities

The objectives of the Charity are to promote the art of drama and to develop the public appreciation therein, and towards these purposes, to accept subscriptions, donations, and gifts of all kinds. So as to achieve its objectives the Charity, through its members, performs several amateur drama productions during the year either in the main theatre (capacity 216) or the studio theatre (capacity 60).

Income arises from membership subscriptions, ticket sales, sponsorship, donations, external hires of both the main theatre and the studio theatre, raffles, entertainment and social evenings, sales of coffee, ice creams, sweets and from bar profits.

The Charity continually seeks sponsors for its productions and opportunities for the external hire of both theatres.

Achievement and Performance

Due to COVID-19 we, like everyone else, have been closed for over a year, but thanks to a grant from Suez we are able to have a commercial grade kitchen fitted which will provide a resourceful revenue in the future.

Our hope is to introduce a host of new writing from local writers, as well as plenty of new young and older actors to bring lots of brilliant talent to our theatre.

Unfortunately due to COVID-19 a lot of the charitable trusts have not been meeting so therefore progress in getting our new entrance and frontage has been severely delayed.

Public Benefit Statement

The trustees have had regard to the Charity Commission guidance on their legal duty on public benefit, and are satisfied that the charity delivers public benefit, and due regard is paid to the guidance on public benefit when deciding on what new projects the charity should undertake.

Financial Review

Reserves:

The financial results for the year to 31 March 2021 show a loss on unrestricted reserves of £9,425 (2020: Loss £5,016) and restricted reserves profit of £59,200 (2020: £1,994). Income received on restricted funds related to donations received towards the refurbishment of the theatre.

Due to Covid 19 The Theatre was closed in March 2020 under Government guidelines. Unfortunately The Theatre remained closed and is not due to reopen until August 2021 all being well.

A musical night and pantomime performed on line were one source of income but thankfully Sunderland County Council paid £22,400 over the financial year to support us in the shutdown. They have continued to provide income following the year end with £8,000 restart grant to which we are grateful.

The bank reserves at the end of March 2021 were £101,515 (2020: £45,209) and total reserves to carry forward were £270,215 (2020: £220,440). The Royalty Theatre reserves policy means that we have sufficient funds to cover at least a six to eight month closure however we received £22,400 from Sunderland County Council as Covid support which has kept us going until we can hopefully reopen in August 2021 and look forward to seeing our theatre busy again.

ROYALTY THEATRE SUNDERLAND

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2021

Risk Assessment:

The Trustees assess the major risks to which the Charity is exposed on a continual basis and are satisfied that the administrative, investment and financial procedures which are in place minimise the risk of any loss to the Charity.

Plans for future periods

The theatre bar will be open for our Friday social evenings from 21st May 2021 strictly following government guidelines to hopefully get members returning with confidence to support the theatre.

We will again open in August with our annual show of A Night at the Musicals followed in September with the first main stage production of the season Gaslight by Patrick Hamilton.

Signed on behalf of the Trustees

M. Waine
Secretary

Date:

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF ROYALTY THEATRE SUNDERLAND

I report to the trustees on my examination of the financial statements of The Royalty Theatre Sunderland ('the Charity') for the year ended 31 March 2021.

Responsibilities and basis of report

As the trustees of the charity, you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

**A. M. Henshaw FCCA
Torgersens
Chartered Accountants
Somerford Buildings
Norfolk Street
Sunderland
SR1 1EE**

Date:

ROYALTY THEATRE SUNDERLAND**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Total Funds 2020 £
INCOME					
Donations, legacies and similar incoming resources	2	-	59,200	59,200	2,094
Income from charitable activities					
Theatre receipts	4	1,230	-	1,230	35,750
Bar sales		164	-	164	22,072
Other income	5	22,400	-	22,400	1,429
Income from investments	3	22	-	22	90
TOTAL INCOME		<u>23,816</u>	<u>59,200</u>	<u>83,016</u>	<u>61,435</u>
EXPENDITURE					
Expenditure on charitable activities					
Theatre running costs	6	28,277	-	28,277	46,467
Cost of running bar	7	803	-	803	13,116
Other expenditure	8	1,661	-	1,661	845
Expenditure on raising funds	9	2,500	-	2,500	4,029
TOTAL EXPENDITURE		<u>33,241</u>	<u>-</u>	<u>33,241</u>	<u>64,457</u>
Net income/(expenditure)		(9,425)	59,200	49,775	(3,022)
Funds brought forward at 1 April 2020		218,446	1,994	220,440	223,462
FUNDS CARRIED FORWARD AT 31 MARCH 2021		<u>209,021</u>	<u>61,194</u>	<u>270,215</u>	<u>220,440</u>

The notes set out on pages 8 to 13 form part of these accounts

ROYALTY THEATRE SUNDERLAND

BALANCE SHEET AT 31 MARCH 2021

	Notes	2021 £	2020 £
FIXED ASSETS			
Tangible assets	13	163,924	170,550
CURRENT ASSETS			
Stock		529	1,001
Debtors and prepayments	14	5,478	5,595
Cash at bank	15	101,515	45,209
Cash in hand	16	<u>293</u>	<u>805</u>
		<u>107,815</u>	<u>52,610</u>
CURRENT LIABILITIES: amounts falling due within one year			
Creditors and accruals	17	<u>1,524</u>	<u>2,720</u>
NET CURRENT ASSETS		<u>106,291</u>	<u>49,890</u>
NET ASSETS		<u>270,215</u>	<u>220,440</u>
FUNDS			
	18		
Restricted		61,194	1,994
Unrestricted			
- designated		163,924	170,550
- general		<u>45,097</u>	<u>47,896</u>
		<u>209,021</u>	<u>218,446</u>
		<u>270,215</u>	<u>220,440</u>

The accounts were approved by the Trustees on
and signed on their behalf by:

..... Chair
M. Fletcher

..... Secretary
M. Waine

..... Treasurer
C. R. J. Chapman

The notes set out on pages 8 to 13 form part of these accounts

ROYALTY THEATRE SUNDERLAND

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES

Basis of Preparation

These accounts have been prepared under the historical cost convention and in accordance with:

- i) the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) effective 1 January 2015 (SORP 2015)
- ii) the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)
- iii) the Charities Act 2011.

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

The principal accounting policies adopted are:

a) **Accounting for income**

Cash donations, legacies, income from productions in terms of ticket sales, bar income, membership subscriptions and other income are treated as income in the year in which they are received. Income from the sale of coffees, ice creams, sweets, raffles and theatre and studio hire are included in the statement of financial activities, net of directly related expenditure, in the year to which they relate.

Income from Investments

Bank interest is included in the Statement of Financial Activities on the accruals basis.

b) **Expenditure**

All revenue expenditure is accounted for when incurred. Expenditure relating to specialist activities or projects is shown under Charitable Activities. Expenditure relating to the general running of the charity and to adhere to laws and regulations is shown under other costs.

c) **Fixed assets**

Fixed assets are stated at cost less depreciation.

Depreciation is provided on the tangible fixed assets, at the following rates, based on the estimated useful life of these fixed assets and their anticipated residual value:

Freehold theatre	2%	straight line
New bar	10%	straight line
Bar fixtures and fittings	10%	straight line
Theatre fixtures and fittings	10%	straight line
Technical fixtures	10%	straight line

d) **Bar stocks**

Bar stock is valued at the lower of cost and net realisable value. Cost is determined on a first-in, first-out basis. Net realisable value is based on estimated selling price, less any further cost of realisation.

ROYALTY THEATRE SUNDERLAND

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES (continued)

e) Funds

Funds held by the charity are used for:

Unrestricted funds comprise those funds which the trustees are free to use in accordance with the charitable objectives.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

Restricted funds are funds which are to be used for specific purposes as laid down by the donor or by specific terms of the appeal under which the funds are raised. Expenditure which meets this criteria is charged to the fund, with a fair allocation of management and support costs.

f) Going concern

The trustees consider that there are no material uncertainties over the charities ability to continue as a going concern. The Covid-19 pandemic has had an impact on the charities income from ticket sales and hire of the main theatre and studio due to being closed for the financial year. The charity has received funding from Sunderland Council throughout the year to contribute towards general expenditure and upkeep of the premises. The trustees believe this will help keep the theatre ticking over until they are able to re-open, which they are hopeful will be in August 2021. Where licenses had been paid for upcoming plays which had to be rescheduled due to Covid-19, these licences have been carried over or refunded and the plays carried over, plus additional, are planned to go ahead when able to do so.

2. SPONSORSHIP AND DONATIONS

	Restricted	Unrestricted	Unrestricted
		Funds	Funds
	2021	2021	2020
	£	£	£
Sponsorship	-	-	1,994
Donations and legacies	59,200	-	100
	<u>59,200</u>	<u>-</u>	<u>2,094</u>

3. INVESTMENT INCOME

	Unrestricted	Unrestricted
	Funds	Funds
	2021	2020
	£	£
Bank interest (gross)	<u>22</u>	<u>90</u>

4. THEATRE RECEIPTS

	Unrestricted	Unrestricted
	Funds	Funds
	2021	2020
	£	£
Membership subscriptions	-	4,979
Ticket sales (net of commission)	1,230	27,667
Hire of main theatre	-	2,200
Hire of studio theatre	-	720
Entertainment and social committees	-	184
	<u>1,230</u>	<u>35,750</u>

ROYALTY THEATRE SUNDERLAND

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

	Unrestricted Funds 2021 £	Unrestricted Funds 2020 £
5. OTHER INCOME		
Sunderland County Council- Covid Support	22,400	-
Net income from sale of sweets		
Coffees, ice creams and raffle tickets etc.	-	1,429
	<u>22,400</u>	<u>1,429</u>
6. THEATRE RUNNING COSTS	2021	2020
	£	£
Production costs	127	3,229
Royalties	69	2,445
Publicity (net of grants)	102	2,396
Wages and cleaning	9,480	7,149
Repairs and renewals	552	2,380
Insurance	4,349	1,354
Printing, postage and stationery	139	1,604
Rates and council tax	232	2,004
Heat, light and water	4,000	7,578
Telephone	356	578
Depreciation	7,191	7,472
LTG conference costs	-	82
Bank charges	94	416
Flowers for bar/foyer	-	179
Website	160	1,081
Scripts net of sales	-	545
Donation to Macmillan	-	1,631
Loss on disposal of asset	-	367
Irrecoverable VAT	264	1,736
Maintenance and tech consumables	780	685
TV licence and software	307	155
Programmes net of sales	-	358
Worldpay charges	75	148
Sponsorship	-	-
Training for first aid	-	320
Bad debt written off	-	575
	<u>28,277</u>	<u>46,467</u>

Theatre running costs were £28,277 (2020: £46,467) of which £28,277 was unrestricted (2020: £46,467) and £nil was restricted (2020: £nil).

	Unrestricted Funds 2021 £	Unrestricted Funds 2020 £
7. COSTS OF RUNNING BAR		
Cost of bar sales	216	12,559
Expenses	-	242
Depreciation of fixtures and fittings	115	115
Covid – write off of out of date stock	472	200
	<u>803</u>	<u>13,116</u>

ROYALTY THEATRE SUNDERLAND

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

	Unrestricted Funds 2021 £	Unrestricted Funds 2020 £
8. OTHER EXPENDITURE		
Subscriptions and licences	574	738
Sundries	3	56
Professional fees	1,084	35
AGM/Christmas refreshments	-	16
	<u>1,661</u>	<u>845</u>

	Unrestricted Funds 2021 £	Unrestricted Funds 2020 £
9. EXPENDITURE ON RAISING FUNDS		
Fundraising costs	<u>2,500</u>	<u>4,029</u>

10. EMPLOYEES

During the current and preceding year The Royalty Theatre employed no key management personnel.
During the current and preceding year the Royalty Theatre employed one member of staff.
The employee has had no employee benefits in excess of £60,000 (2020: £nil).

11. TRUSTEES

No Trustee received or is due to receive any remuneration or reimbursement of expenses directly or indirectly from the charity funds.

12. TAXATION

The charity considers its activities to be exempt from corporation tax by virtue of Section 505 of the Income and Corporation Taxes Act 1988.

13. TANGIBLE FIXED ASSETS

	Freehold Theatre £	New Bar £	Theatre £	Technical Equipment £	Bar £	Total £
Cost						
At 1 April 2020	193,434	7,784	88,826	10,446	2,638	303,128
Additions	-	-	680	-	-	680
Disposals	-	-	-	-	-	-
At 31 March 2021	<u>193,434</u>	<u>7,784</u>	<u>89,506</u>	<u>10,446</u>	<u>2,638</u>	<u>303,808</u>
Depreciation						
At 1 April 2020	41,136	7,783	78,322	3,551	1,786	132,578
Charge for year	3,869	-	2,283	1,039	115	7,306
Disposals	-	-	-	-	-	-
At 31 March 2021	<u>45,005</u>	<u>7,783</u>	<u>80,605</u>	<u>4,590</u>	<u>1,901</u>	<u>139,884</u>
Net Book Value						
At 31 March 2021	<u>148,429</u>	<u>1</u>	<u>8,901</u>	<u>5,856</u>	<u>737</u>	<u>163,924</u>
At 31 March 2020	<u>152,298</u>	<u>1</u>	<u>10,504</u>	<u>6,895</u>	<u>852</u>	<u>170,550</u>

ROYALTY THEATRE SUNDERLAND

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

14. DEBTORS AND PREPAYMENTS		2021	2020		
		£	£		
Other debtors		-	588		
VAT		-	76		
Prepayments		<u>5,478</u>	<u>4,931</u>		
		<u>5,478</u>	<u>5,595</u>		
15. CASH AT BANK		2021	2020		
		£	£		
Royal Bank of Scotland plc		<u>101,515</u>	<u>45,209</u>		
16. CASH IN HAND		2021	2020		
		£	£		
Theatre float		-	600		
Bar		110	22		
Entertainment committee		<u>183</u>	<u>183</u>		
		<u>293</u>	<u>805</u>		
17. CREDITORS AND ACCRUALS		2021	2020		
		£	£		
Other creditors and accruals		1,176	2,720		
VAT		<u>348</u>	<u>-</u>		
		<u>1,524</u>	<u>2,720</u>		
18. FUNDS	B/fwd				Balance
	@ 01.04.20	Income	Expenditure	Transfers	@ 31.03.21
Unrestricted Funds					
Designated					
Capital account	170,550	-	(7,306)	680	163,924
General fund	<u>47,896</u>	<u>23,816</u>	<u>(25,935)</u>	<u>(680)</u>	<u>45,097</u>
Total Unrestricted Funds	<u>218,446</u>	<u>23,816</u>	<u>(33,241)</u>	<u>-</u>	<u>209,021</u>
Restricted Funds					
Refurbishment fund	<u>1,994</u>	<u>59,200</u>	<u>-</u>	<u>-</u>	<u>61,194</u>
Total Funds	<u>220,440</u>	<u>83,016</u>	<u>(33,241)</u>	<u>-</u>	<u>270,215</u>

ROYALTY THEATRE SUNDERLAND

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

18. FUNDS (continued)

FUNDS – prior year	B/fwd @ 01.04.19	Income	Expenditure	Transfers	Balance @ 31.03.20
Unrestricted Funds					
Designated					
Capital account	167,216	-	(7,587)	10,921	170,550
General fund	<u>56,246</u>	<u>59,441</u>	<u>(56,870)</u>	<u>(10,921)</u>	<u>47,896</u>
Total Unrestricted Funds	<u>223,462</u>	<u>59,441</u>	<u>(64,457)</u>	<u>-</u>	<u>218,446</u>
Restricted Funds					
Refurbishment fund	<u>-</u>	<u>1,994</u>	<u>-</u>	<u>-</u>	<u>1,994</u>
Total Funds	<u>223,462</u>	<u>61,435</u>	<u>(64,457)</u>	<u>-</u>	<u>220,440</u>

The capital account represents the net book value of tangible fixed assets held at the balance sheet date. Transfers represent the movement in assets during the year.

The restricted refurbishment fund represents donations received from fundraising undertaken specifically for refurbishment plans.

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted	Unrestricted		
	£	General	Designated	Total
		£	£	£
Fixed assets	-	-	163,924	163,924
Net current assets	61,194	45,097	-	106,291
	<u>61,194</u>	<u>45,097</u>	<u>163,924</u>	<u>270,215</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS- prior year

	Restricted	Unrestricted		
	£	General	Designated	Total
		£	£	£
Fixed assets	-	-	170,550	170,550
Net current assets	1,994	47,896	-	49,890
	<u>1,994</u>	<u>47,896</u>	<u>170,550</u>	<u>220,440</u>

ROYALTY THEATRE SUNDERLAND**BAR PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2021**

	2021		2020	
	£	£	£	£
SALES		164		22,072
DEDUCT: COST OF SALES				
Stock at 1 April 2020	830		1,072	
Add: Purchases	<u>216</u>		<u>12,317</u>	
	1,046		13,389	
Less: Stock at 31 March 2021	<u>358</u>	<u>688</u>	<u>830</u>	<u>12,559</u>
GROSS PROFIT / (LOSS)	(-320%)	(524)	(43.1%)	9,513
DEDUCT: EXPENSES				
Glasses	-		25	
Cleaning & stationery	-		130	
Plastic cups, members coffee, ice & straws	-		87	
Wastages	-	<u>-</u>	<u>200</u>	<u>442</u>
		(524)		9,071
DEDUCT: DEPRECIATION				
Fixtures and fittings		115		115
NET PROFIT / (LOSS)		<u>(639)</u>		<u>8,956</u>