

ROYALTY THEATRE SUNDERLAND
(Charity Number 258246)

ANNUAL STATEMENT OF ACCOUNTS

YEAR ENDED 31 MARCH 2022

ROYALTY THEATRE SUNDERLAND

ANNUAL STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

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ROYALTY THEATRE SUNDERLAND

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2022

Reference and Administration Details

Patron:

D. Parfitt
BAFTA and Oscar Winning Film Producer

Trustees:

P. Reynolds
J. Elphinstone (resigned 23/07/2021)
M. Waine
C. Kilvington

Chair:

M. Fletcher (died 08/06/2022 – Andrew Barella acting as chair until AGM on 22/07/2022)

Artistic Director:

H. Bowie

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 2022

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, Vice Chairman, Secretary, Treasurer, Artistic Director, three Trustees, and seven 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.

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 2022

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, the theatre remained closed until August 2021 when we held a four-night musical extravaganza which raised a significant amount of revenue by way of tickets and bar sales.

We have had an influx of new acting talent which is always welcome, and we look forward to seeing them in future plays. We would always like more members to join to help backstage with set building, lighting and front of house, as without these people the show would not go on.

Audiences for the music nights and Pantomime were excellent, however the audiences for the main shows have been low. We know people are more reluctant to venture out for entertainment following Covid, however we do provide a safe environment and welcome everyone to the theatre. We hope that next year we will see more people returning, we have missed you and we need you.

Our next season starting on September 2022 promises to be varied and enjoyable and we look forward to seeing everyone again.

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 2022 show a profit on unrestricted reserves of £33,750 (2021: Loss £9,425). Income received on restricted funds related to the funding from SUEZ regarding the refurbishment of the kitchen.

Due to Covid-19 under Government guidelines, the theatre remained closed until August 2021. Any membership fee previously paid was held over again for the season September 2021 to June 2022.

Sunderland City Council paid us £15,934 over the financial year in the form of Covid grants. We also received loss of earnings from Hiscox insurance (due to a High Court ruling) amounting to £23,905. These two sums have carried us through this financial year together with a successful Pantomime and Music nights which provided us with approximately £23,000 profit overall.

The last quarter of the year saw the start of the increase in gas prices so we are fully aware that heating costs will rise significantly in the coming year.

The bank reserves at the end of March 2022 were £133,952 (2021: £101,515) and total reserves to carry forward were £322,755 (2021: £270,215). The Royalty Theatre reserves policy is well met with the reserves.

ROYALTY THEATRE SUNDERLAND

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2022

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.

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 2022.

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 2022

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £	Total Funds 2021 £
INCOME					
Donations, legacies and similar incoming resources	2	3,203	19,997	23,200	59,200
Income from charitable activities					
Theatre receipts	4	27,865	-	27,865	1,230
Bar sales		14,043	-	14,043	164
Other income	5	41,012	-	41,012	22,400
Income from investments	3	11	-	11	22
TOTAL INCOME		<u>86,134</u>	<u>19,997</u>	<u>106,131</u>	<u>83,016</u>
EXPENDITURE					
Expenditure on charitable activities					
Theatre running costs	6	40,718	-	40,718	28,277
Cost of running bar	7	9,738	-	9,738	803
Other expenditure	8	1,928	-	1,928	1,661
Expenditure on raising funds	9	-	-	-	2,500
Kitchen Refurbishment	10	-	1,207	1,207	-
TOTAL EXPENDITURE		<u>52,384</u>	<u>1,207</u>	<u>53,591</u>	<u>33,241</u>
Net income/(expenditure)		33,750	18,790	52,540	49,775
Transfer between funds		19,997	(19,997)	-	-
Net movement in funds		<u>53,747</u>	<u>(1,207)</u>	<u>52,540</u>	<u>49,775</u>
Funds brought forward at 1 April 2021		209,021	61,194	270,215	220,440
FUNDS CARRIED FORWARD AT 31 MARCH 2022		<u>262,768</u>	<u>59,987</u>	<u>322,755</u>	<u>270,215</u>

The notes set out on pages 8 to 14 form part of these accounts

ROYALTY THEATRE SUNDERLAND

BALANCE SHEET AT 31 MARCH 2022

	Notes	2022 £	2021 £
FIXED ASSETS			
Tangible assets	14	184,532	163,924
CURRENT ASSETS			
Stock		949	529
Debtors and prepayments	15	6,420	5,478
Cash at bank	16	133,952	101,515
Cash in hand	17	<u>341</u>	<u>293</u>
		<u>141,662</u>	<u>107,815</u>
CURRENT LIABILITIES: amounts falling due within one year			
Creditors and accruals	18	<u>3,439</u>	<u>1,524</u>
NET CURRENT ASSETS		<u>138,223</u>	<u>106,291</u>
TOTAL ASSETS		<u>322,755</u>	<u>270,215</u>
FUNDS			
	19		
Restricted		59,987	61,194
Unrestricted			
- designated		184,532	163,924
- general		<u>78,236</u>	<u>45,097</u>
		<u>262,768</u>	<u>209,021</u>
		<u>322,755</u>	<u>270,215</u>

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

..... Vice Chair
A. Barella

..... Secretary
M. Waine

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

The notes set out on pages 8 to 14 form part of these accounts

ROYALTY THEATRE SUNDERLAND

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

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 accrual's 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 2022

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 4 months of the financial year, however from August 2021 onwards the charity was able to operate as normal.. The charity has received funding from Sunderland Council throughout the first portion of the year to contribute towards general expenditure and upkeep of the premises.

2. DONATIONS, LEGACIES AND SIMILAR INCOMING RESOURCES

	Restricted	Unrestricted	Unrestricted
	2022	Funds	Funds
	£	2022	2021
Donations	-	£ 536	£ 59,200
SUEZ Kitchen Refurbishment Grant	19,997	2,667	-
	<u>19,997</u>	<u>3,203</u>	<u>59,200</u>

3. INVESTMENT INCOME

	Unrestricted	Unrestricted
	Funds	Funds
	2022	2021
	£	£
Bank interest (gross)	<u>11</u>	<u>22</u>

4. THEATRE RECEIPTS

	Unrestricted	Unrestricted
	Funds	Funds
	2022	2021
	£	£
Membership subscriptions	355	-
Ticket sales (net of commission)	25,710	1,230
Hire of main theatre	<u>1,800</u>	<u>-</u>
	<u>27,865</u>	<u>1,230</u>

ROYALTY THEATRE SUNDERLAND

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

	Unrestricted Funds 2022 £	Unrestricted Funds 2021 £
5. OTHER INCOME		
Sunderland County Council- Covid Support	15,934	22,400
Hiscox Insurance Income	23,905	-
Net income from sale of sweets		
Coffees, ice creams and raffle tickets etc	1,173	-
	<u>41,012</u>	<u>22,400</u>
6. THEATRE RUNNING COSTS	2022 £	2021 £
Production costs	1,389	127
Royalties	2,650	69
Publicity (net of grants)	1,402	102
Wages and cleaning	9,846	9,480
Repairs and renewals	1,364	552
Theatre Canopy Repair (net of insurance)	158	-
Insurance	3,980	4,349
Printing, postage and stationery	86	139
Rates and council tax	437	232
Heat, light and water	6,870	4,000
Telephone	457	356
Depreciation	9,627	7,191
LTG conference costs	88	-
Bank charges	330	94
Sum up charges	160	-
Website	694	160
Scripts net of sales	612	-
Donations	216	-
Irrecoverable VAT	-	264
Maintenance and tech consumables	-	780
TV licence and software	289	307
Worldpay charges	63	75
	<u>40,718</u>	<u>28,277</u>

Theatre running costs were £40,718 (2021: £28,277) of which £40,718 was unrestricted (2021: £28,277) and £nil was restricted (2021: £nil).

	Unrestricted Funds 2022 £	Unrestricted Funds 2021 £
7. COSTS OF RUNNING BAR		
Cost of bar sales	9,571	216
Expenses	34	-
Depreciation of fixtures and fittings	133	115
Covid – write off of out of date stock	-	472
	<u>9,738</u>	<u>803</u>

ROYALTY THEATRE SUNDERLAND

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

	Unrestricted Funds 2022 £	Unrestricted Funds 2021 £
8. OTHER EXPENDITURE		
Subscriptions and licences	440	574
Sundries	149	3
Professional fees	1,300	1,084
AGM/Christmas refreshments	39	-
	<u>1,928</u>	<u>1,661</u>

	Unrestricted Funds 2022 £	Unrestricted Funds 2021 £
9. EXPENDITURE ON RAISING FUNDS		
Fundraising costs	-	<u>2,500</u>

	2022 £	2021 £
10. KITCHEN REFURBISHMENT		
Kitchen Refurbishment	<u>1,207</u>	<u>-</u>

11. 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 (2021: £nil).

12. TRUSTEES

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

13. 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.

ROYALTY THEATRE SUNDERLAND

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

14. TANGIBLE FIXED ASSETS

	Freehold Theatre £	New Bar £	Theatre £	Technical Equipment £	Bar £	Total £
Cost						
At 1 April 2021	193,434	7,784	89,506	10,446	2,638	303,808
Additions	-	-	28,394	1,792	182	30,368
Disposals	-	-	(4,517)	-	-	(4,517)
At 31 March 2022	<u>193,434</u>	<u>7,784</u>	<u>113,383</u>	<u>12,238</u>	<u>2,820</u>	<u>329,659</u>
Depreciation						
At 1 April 2021	45,005	7,783	80,605	4,590	1,901	139,884
Charge for year	3,869	-	4,544	1,214	133	9,760
Disposals	-	-	(4,517)	-	-	(4,517)
At 31 March 2022	<u>48,874</u>	<u>7,783</u>	<u>80,632</u>	<u>5,804</u>	<u>2,034</u>	<u>145,127</u>
Net Book Value						
At 31 March 2022	<u>144,560</u>	<u>1</u>	<u>32,751</u>	<u>6,434</u>	<u>786</u>	<u>184,532</u>
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>

15. DEBTORS AND PREPAYMENTS

	2022 £	2021 £
Other debtors	-	-
VAT	1,408	-
Prepayments	<u>5,012</u>	<u>5,478</u>
	<u>6,420</u>	<u>5,478</u>

16. CASH AT BANK

	2022 £	2021 £
Royal Bank of Scotland plc	<u>133,952</u>	<u>101,515</u>

17. CASH IN HAND

	2022 £	2021 £
Theatre float	100	-
Bar	58	110
Entertainment committee	<u>183</u>	<u>183</u>
	<u>341</u>	<u>293</u>

18. CREDITORS : Amounts falling due within one year

	2022 £	2021 £
Other creditors and accruals	3,236	1,176
VAT	203	348
	<u>3,439</u>	<u>1,524</u>

ROYALTY THEATRE SUNDERLAND

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

19. FUNDS	B/fwd @ 01.04.21	Income	Expenditure	Transfers	Balance @ 31.03.22
Unrestricted Funds					
Designated					
Capital account	163,924	-	(9,760)	30,368	184,532
General fund	<u>45,097</u>	<u>86,134</u>	<u>(42,624)</u>	<u>(10,371)</u>	<u>78,236</u>
Total Unrestricted Funds	<u>209,021</u>	<u>86,134</u>	<u>(52,384)</u>	<u>19,997</u>	<u>262,768</u>
Restricted Funds					
Refurbishment fund	<u>61,194</u>	<u>19,997</u>	<u>(1,207)</u>	<u>(19,997)</u>	<u>59,987</u>
Total Funds	<u>270,215</u>	<u>106,131</u>	<u>(53,591)</u>	<u>-</u>	<u>322,755</u>

FUNDS – prior year	B/fwd @ 01.04.20	Income	Expenditure	Transfers	Balance @ 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>

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 and grants received from fundraising undertaken specifically for refurbishment plans.

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted	General	Unrestricted Designated	Total
	£	£	£	£
Fixed assets	-	-	184,532	184,532
Net current assets	59,987	78,236	-	138,223
	<u>59,987</u>	<u>78,236</u>	<u>184,532</u>	<u>322,755</u>

ROYALTY THEATRE SUNDERLAND

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS- prior year

	Restricted	Unrestricted		Total
	£	General	Designated	£
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>

ROYALTY THEATRE SUNDERLAND**BAR PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2022**

	2022		2021	
	£	£	£	£
SALES		14,043		164
DEDUCT: COST OF SALES				
Stock at 1 April 2021	358		830	
Add: Purchases	<u>9,821</u>		<u>216</u>	
	10,179		1,046	
Less: Stock at 31 March 2022	<u>608</u>	<u>9,571</u>	<u>358</u>	<u>688</u>
GROSS PROFIT / (LOSS)	(31.8%)	4,472	(-320%)	(524)
DEDUCT: EXPENSES				
Cleaning & stationery		<u>34</u>		<u>-</u>
		4,438		(524)
DEDUCT: DEPRECIATION				
Fixtures and fittings		133		115
NET PROFIT / (LOSS)		<u>4,305</u>		<u>(639)</u>