

Hull Truck Theatre Company Limited
(A company limited by guarantee)

Consolidated Financial Statements

31st March 2021

Hull Truck Theatre Company Limited

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Hull Truck Theatre Company Limited

Reference and administrative details for the year ended 31st March 2021

Registered Company number

01210050 (England and Wales)

Registered Charity number

269645

Registered office

50 Ferensway
Hull
East Yorkshire
HU2 8LB

Trustees

E Beverley	- appointed 16.09.2020
S Buckley	
P Burgess	
P Clay	
P Coyle	
T Dearing	- appointed 23.06.2021
A Dix	
S Gallant	
N Hallifax	
J Hinson	
S McMurray	- resigned 23.06.2021
H O'Mullane	- resigned 16.09.2020
M Robson	
D Thompson	- appointed 19.07.2021
E Walsh	

Key management personnel:

M Babych	(Artistic Director and co-CEO)
J Mills-Ward	(Executive Director and co-CEO)
R Cooke	(Director of Communications)
O Brown	(Head of Production and Technical)
T Saunders	(Associate Director – Creative Learning)
J Wilson	(Financial Controller)

Company Secretary

J Mills-Ward

Auditors

Smailes Goldie
Chartered Accountants
Statutory Auditor
Regent's Court
Princess Street
Hull
East Yorkshire
HU2 8BA

Bankers

HSBC
3-4 Jameson Street
Hull
East Yorkshire
HU1 3JX

Hull Truck Theatre Company Limited

Report of the Trustees for the year ended 31st March 2021

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31st March 2021. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 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 published in October 2019.

OBJECTIVES AND ACTIVITIES

The objects for which the charity is established are to promote, maintain and advance education, particularly by the production of plays and the encouragement of the arts.

The Board of Trustees has considered the Charity Commission's guidance on public benefit in shaping the charity's objectives for the year and planning its activities.

VISION

To be a pioneering theatre with a unique northern voice that is locally rooted and global in outlook, inspiring artists, audiences and communities to reach their greatest potential.

MISSION

To produce and present exceptional theatre that reflects the diversity of a modern Britain. We will provide the resources, space and support to grow people and ideas. We are an ambassador for our city, a flagship for our region and a welcoming home for our communities.

VALUES

Inclusion

- We make enjoyable and enriching theatre that reflects the diversity of our nation
- We champion close contact with the arts to build a better, fairer and just society
- We provide a safe and welcoming environment for all to enjoy and be inspired by theatre
- We embed equality of opportunity throughout our organisation, regularly evaluating our work to ensure best practice

Innovation

- We use our talent and resources to grow people and ideas
- We work with exceptional artists to refresh and re-imagine great theatre
- We fire the imagination, raise aspiration and transform lives
- We develop new pathways to overcome social and economic barriers to participation
- We creatively respond and adapt to change, embrace new thinking when tackling obstacles and adopt imaginative solutions to the challenges before us

Integrity

- We make choices and decisions that align with our mission, vision and values
- We balance artistic ambition with financial stability
- We develop our resources to maximise opportunities and strengthen our capacity
- We deliver quality and excellence across our entire operation, knowing that every contact we make with people matters

Hull Truck Theatre Company Limited

Report of the Trustees for the year ended 31st March 2021

INTRODUCTION

The extreme impact of Covid-19 has presented Hull Truck Theatre with one of the greatest challenges in its history, affecting every aspect of the company's operations and activities. It particularly inhibited the capacity of the company to generate earned income, which forms 52% of turnover. Closure of the building and furloughing the majority of the company's staff for a substantial part of the year in a constantly changing environment required flexibility and responsiveness at all levels of the organisation. The Senior Management Team and Board were in daily communication within this new, fast-moving context. New structures and ways of working proved vital to facilitate decision making, maintain stability and ensure strong financial management. Novel strategies were developed almost overnight, testing the capabilities of individuals and departments in wholly unexpected ways. The dedication and passion of the workforce was extraordinary and a very real demonstration of the company's organisational strength and its commitment to the communities, audiences and stakeholders of Hull, East Yorkshire and the North of England.

ACHIEVEMENT AND PERFORMANCE

Due to the Covid-19 pandemic the theatre building was closed on 16th March 2020 and remained closed throughout the full financial year. Whilst unable to produce any live performance work in the building, we remained committed to serving our audience and communities and retaining our place in people's hearts and minds. To reaffirm our core purpose throughout this period, we set key objectives to:

- Stay creative
- Retain and engage audiences
- Ensure that those most at need can participate
- Protect jobs and support talent
- Ensure the financial health of the organisation

Securing support from Arts Council England/DCMS's Cultural Recovery Fund was crucial to our capability to operate in the pandemic environment. Funding was a catalyst that leveraged further investment, enabling us to: (a) make building improvements to ensure our audience and staff feel confident and safe when returning; (b) retrain/upskill staff to adapt to work in a new environment; (c) create the required infrastructure to disseminate work on digital platforms; (d) create new innovative projects (family stories with strong local resonance); (e) employ freelancers; (f) plan and commission work for future productions. The generosity of our audience was heartening, with many bookers making contributions to our newly-formed *Future Fund* rather than claim refunds for cancelled performances. Support from the Job Retention Scheme has enabled the company to avoid layoffs and redundancies, thus maintaining a skilled and capable workforce.

Stay creative and retain and engage audiences

Despite the enforced closure of our building, we were determined to keep the flame of creativity alive and maintain our important role as a key regional/producing theatre and a beacon for Hull. We reshaped our programme multiple times in accordance with changing public health guidelines, initially intending to reopen in Autumn 2020, then subsequently planning a new Christmas show *Prince Charming's Christmas Cracker*. Tier 3 restrictions meant that we were unable to perform the show to live audiences, but we were able to secure funding from both Hull City Council and East Riding of Yorkshire Council to stream the production online for all households in Hull and the East Riding. Forging this partnership meant over 25,000 people could watch the live stream with 4,598 tuning in for the premier performance (representing more than 10 times the reach of the auditorium capacity). The swift response of the local authorities in this time of crisis is testament to their appreciation of Hull Truck's work in bringing local residents together during a time of great economic and social difficulty.

Our immediate pivot to digital formats included streaming three past filmed productions which developed new projects for different audiences and provided vital employment opportunities for those members of our freelance creative workforce most adversely affected by the pandemic. Other new initiatives included:

- 3 minute theatre
- 10 minutes of kindness - an open play writing competition
- Kiss Me
- The Meanwhile Festival

Hull Truck Theatre Company Limited

Report of the Trustees for the year ended 31st March 2021

ACHIEVEMENT AND PERFORMANCE - continued

Despite the constraints of the lockdown environment, we forged a new corporate partnership with Hull's iconic communications provider KCOM. In December we developed *Miracle on the Humber* - four newly commissioned festive stories to bring families some much-needed Christmas cheer.

An innovative artistic intervention - *Setting the Stage* - provided a "drum roll" for the theatre's reopening towards the end of the financial year. The digital/visual installation consisted of vibrant, eye-catching window displays along our Ferensway frontage, animating the public realm frontage of our building for audiences and passers-by to enjoy. The displays changed as the theatre approached its reopening date and incorporated props and costumes from previous shows together with flowers made by the local community to symbolise growth.

The theatre worked tirelessly throughout the year to build the necessary trust and confidence for audience members to return. We increased emphasis on wider communications that went beyond promoting the artistic programme. By detailing all the COVID safe measures, government guidelines and protocols we were following, we were able to communicate the ways we were keeping all staff and audience members safe.

Ensure those most at need can participate

As the lockdown continued into 2021 and schools remained closed, our Creative Learning department developed a popular online home-schooling project, *Hull Truck @ Home* School which operated throughout January and February 2021. This project included online drama videos and learning resources for Key Stage 1 and Key Stage 2 and a successful production of the weekly Humberside soap opera, *Consequences*, co-created with students of local academies and colleges.

Through our *Community Dialogues* programme, we worked closely with the communities of Thornton and Orchard Park estates, two neighbourhoods which score highly in the national Indices of Multiple Deprivation. We were able to keep our strong commitment to forging and maintaining key relationships in these communities, delivering creative events and a range of activities. We are keen to increase participation further over the coming year.

We maintained our regular classes for young and older people, serving our Youth Theatre groups either over Zoom or in person with social distancing. A remote creative writing project targeted Act III (our over 55s group), and an online project worked with Hull's MS society. Both initiatives were designed to encourage positivity and reduce isolation, focussing on happiness and joy.

"The project ...made a huge positive impact on our members lives during this difficult time... (each session was delivered) ...in a professional but fun manner, ensuring everyone was involved and at each session there was something different to look forward to." Participant MS Society

Our commitment to removing barriers and increasing access meant we offered captioning and audio-description on all streamed work.

Protect jobs and support talent

The theatre made it a priority to support the core staff team and ensure it retained key creative skills and maintained resilience throughout the crisis. It was essential the company was able to emerge from the pandemic with the expertise and flexibility in the team for future growth. 27 out of the core team of 30 were either fully or flexibly furloughed and a further 23 casual posts were also supported through the Job Retention Scheme. There was regular communication with the team to keep them invested in the future and a well-being and training programme implemented for all staff.

As an important part of the company workforce, freelance creative workers were dramatically affected by the pandemic. Continuing to develop innovative projects meant we were able to commission and contract freelancers, employing 42 freelancers in the creation of work throughout the year.

Hull Truck also played a key role in supporting local companies and artists. We delivered 56 *staying in touch* sessions with Equity members in the North, delivered workshops as part of drama school professional practice and took an active role as partner in both the Sphinx 30 and Graeae Beyond professional development projects.

Hull Truck Theatre Company Limited

Report of the Trustees for the year ended 31st March 2021

FINANCIAL HEALTH AND REVIEW

Hull Truck has built a financially viable, mixed economy business model that avoids reliance on one area. This has included: profitable catering/conferencing/third-party ticketing (performance increased by 12% over 6 years), controlling costs, minimising lease commitments and paying off loans to improve the cash position. Responsible financial management has been supported by Theatre Tax Relief and 2017's exceptional box office to build reserves.

The prolonged closure in 2020-21 threatened almost all income streams with no way of generating ticket and ancillary income. Commercial income strands were decimated, and sponsorship opportunities severely reduced.

The theatre utilised every option to maintain resilience in the face of this huge challenge through: maximised income from the Job Retention Scheme; furloughing a high % of staff; planning workloads meticulously to benefit from a flexible approach to furlough and deferring VAT payments. Taking advantage of business rates exemption in 2020-21 and establishing a philanthropic future fund helped to secure viability, with supporters converting their purchases to donations and making additional gifts.

The group's principal funding sources continue to be grants/sponsorship from Arts Council England and Hull City Council. 2020-21 was the third year of a four-year funding agreement with Arts Council England as a National Portfolio Organisation (NPO). This agreement has been extended by a further year due to the Covid-19 pandemic. The theatre was also successful in securing a grant through the Culture Recover Fund and a Hull City Council Local Restrictions Support Grant to support the theatre and its work throughout the closure.

The 2020-21 financial year resulted in the Hull Truck Theatre group achieving a surplus of £342,905 (2020 £862 deficit) on unrestricted general funds. Following the transfers between funds, which included designations of £131,000 to assist the recovery of the theatre following the pandemic, the result for the year was a surplus of £211,905 (2020 £43,646 surplus) on unrestricted general funds.

The Theatre took the opportunity to implement a number of small projects using the surpluses from earlier years which had been included in unrestricted designated funds. Following the additional designations of £131,000 this resulted in an in-year surplus on unrestricted designated funds of £111,643 (2020 £140,529 deficit). Expenditure in the current year against income received in previous years alongside the ongoing depreciation of capital assets purchased from restricted funding resulted in an in-year deficit on restricted funds of £129,515 (2020 £126,135 deficit).

Overall, the Hull Truck Theatre group made a surplus for the year of £194,033 (2020 £223,018 deficit) and this was after the inclusion of depreciation totalling £151,341 (2020 £161,329).

Whilst our balance sheet reports net assets of £14,670,351, most of this figure (£13,386,596) relates to the theatre building, which is held on a restricted trust fund. Accordingly, the expendable assets available to Hull Truck stand at a much more modest level and require astute financial management. Further details of the expendable reserves are set out below.

Reserves policy

During the year the group further consolidated its underlying financial position and at 31st March 2021 had unrestricted general reserves of £697,920 (2020 £486,015). In line with the reserves policy, the trustees are committed to continuing to build these reserves to a level which is equivalent to at least six months' operational expenditure (approximately £1,000,000) in order to secure the theatre's long-term financial resilience. With detailed knowledge of the local environment and operating conditions, strengthening of the company's reserves was seen as essential due to the uncertain financial position of the entire cultural sector. Unpredictable audience behaviour, the possibility of further periods of closure, and the difficulty of forward planning mean that the company anticipates setting a deficit budget for at least the next two financial years.

It is therefore essential that reserves are sufficient to ensure a viable trading position throughout (and beyond) this period. Continuing our responsible financial management through close control of spending and regular monitoring of budgets will prove crucial whilst we drive forward new income generation initiatives (both charitable and commercial).

Hull Truck Theatre Company Limited

Report of the Trustees for the year ended 31st March 2021

FINANCIAL HEALTH AND REVIEW - continued

The group has developed a set of designated reserves, one purpose of which is to protect against three major areas of risk identified by the trustees: repairs and renewals (the theatre building is now ten years old), production costs (the scale and ambition of productions can be curtailed by lack of financial resource), and staff costs (to mitigate the effects of a rising National Living Wage against the backdrop of standstill public subsidy). In the longer term the trustees propose to rebuild - and if possible grow - these designated amounts year on year for the purposes of long-term strategic protection.

In most years, additional designations are made annually as part of a forward-thinking approach to financial planning as internal and external circumstances continually change and evolve. Amounts are designated by the trustees either to resource events and initiatives outside the normal annual operational pattern, or for the purposes of risk mitigation. Due to not being able to reopen when originally planned the theatre was able to designate additional reserves at the end of the 2020-21 financial year. However, these will be essential to assist the theatre in its recovery in 2021-22, as we anticipate making a significant in-year deficit due to the ongoing impact of the pandemic.

Going concern

The Finance & General Purposes sub-committee of the Board regularly reviews the group's reserves and cash flow projections to ensure it is able to meet its financial obligations as they fall due.

Towards the end of the 2019-20 financial year the Covid-19 pandemic caused the temporary closure of the theatre for more than a year. The theatre has utilised all available sources of government financial support, secured significant additional grant funding from both the Culture Recovery Fund and the Weston Culture Fund and has minimised costs to enable it to survive and continue in business. Robust plans and financial forecasts have been prepared to demonstrate how the theatre will adapt and continue in operation in a covid-secure environment. The theatre has a strong reserves base which can be utilised to assist the finances until more normal operations resume. As a result, the trustees are of the view that the charity and group are a going concern.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is governed by its Articles of Association (which were updated for the first time in 2018) and constitutes a company limited by guarantee as defined by the Companies Act 2006. The liability of the members in the event of the company being wound up is limited to £1.

Organisational structure

A Board of Trustees which meets four times per annum has ultimate responsibility for the affairs of the theatre. The trustees appoint the Artistic and Executive Directors, who manage the day-to-day operations of the theatre as co-CEOs. The Strategic Management Team (SMT) makes regular reports to the trustees, and SMT members attend Board meetings as appropriate.

In addition to the full Board there are two sub-committees which meet regularly; namely the Finance & General Purposes and Personnel & Appointments sub-committees. Furthermore, there is a nominated trustee who sits on the theatre's internal Health & Safety committee. Through these mechanisms and structures the Board of Trustees is able to fulfil its duties of care, diligence and skill.

Hull Truck Theatre Company Limited

Report of the Trustees for the year ended 31st March 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT - continued

Appointment, induction and training of trustees

As a significant funder and stakeholder, Hull City Council has the right to nominate at any one time two trustees. Other trustees are appointed via a robust recruitment process involving the active participation of the Board and co-CEOs. The membership of the Board of Trustees is regularly reviewed to ensure its skills and experience are fit for purpose and that it is truly diverse and inclusive. Suitable trustees are appointed to fill any vacancies as soon as possible.

Newly appointed trustees undergo a process of induction which includes a discussion with the Chair, a tour of the building, introduction to key staff and opportunities to familiarise themselves with the organisation's work. Throughout the year invitations to attend a range of theatre, education and community events are extended to trustees. Board Away Days covering a variety of relevant topics are held on a relatively regular basis.

Pay policy for senior staff

Pay for senior staff is authorised by the theatre's Personnel & Appointments sub-committee, with pay bands benchmarked against other theatres of a similar size.

PLANS FOR THE FUTURE

In a landscape of uncertain income and increasing costs following Covid-19 and above average inflation, the theatre will focus on re-building its income and conducting a review of all income streams. We will build a business model that will work within the new environment and identify the best route for growing income in order to increase resilience and ensure sustainability for the longer term.

The theatre will build on this recovery trajectory by investing in a range of productions. Since the end of the 2020-21 financial year a monologues series and a new outdoor production have taken place and a Christmas show is planned at the scale that will rebuild our audience base. A stream of digital productions will ensure we continue to work with vulnerable and under-engaged communities.

Due to the recent and imminent retirement of Board members, a vigorous recruitment process will be initiated to ensure a Board membership able to deliver the theatre's mission over the coming years. The current Chair, Alan Dix, has extended his tenure until May 2022, and by April 2021 steps were being taken to recruit a new Chair at an early enough stage to ensure a smooth process of transition. There is a need to diversify the Board membership and the company is part of a city-wide project to attract and train young trustees onto the Boards of Hull cultural organisations.

We will also develop imaginative ways to engage with our audiences and the local community in the build up to celebrating our 50th anniversary in 2022. A 50th anniversary fundraising campaign will provide opportunities to build and deepen relationships with funders, stakeholders and sponsors. A key component of the 50th anniversary will be *71 Coltman Street* by Richard Bean, a large-scale production that celebrates the origins of Hull Truck Theatre in the 1970s.

Hull Truck Theatre Company Limited

Report of the Trustees for the year ended 31st March 2021

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Hull Truck Theatre Company Limited for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the trustees to prepare financial statements for each financial year which 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 company and the group for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and 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 will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and the group and to 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the group's auditors are 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 auditors are aware of that information.

AUDITORS

The auditors, Smailes Goldie, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 24th November 2021 and signed on its behalf by:



A Dix - Chair

Report of the Independent Auditors to the Members of Hull Truck Theatre Company Limited

Opinion

We have audited the financial statements of Hull Truck Theatre Company Limited (the 'charitable company') for the year ended 31st March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st March 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of Hull Truck Theatre Company Limited

Matters on which we are required to report by exception

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

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 or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Our 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 a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was focused on specific laws and regulations which we considered may have a direct material effect on the charity only and consolidated financial statements or the operations of the charitable company and the group, including the Companies Act 2006, the Charities Act 2011, data protection, anti-bribery, employment and health and safety legislation. An understanding of these laws and regulations and the extent of compliance was obtained through discussion with management and inspecting legal and regulatory correspondence.

We assessed the susceptibility of the charitable company's and consolidated financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management and considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we performed analytical procedures to identify any unusual or unexpected relationships; tested journal entries to identify unusual transactions; assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and investigated the rationale behind significant or unusual transactions.

Report of the Independent Auditors to the Members of Hull Truck Theatre Company Limited

Our responsibilities for the audit of the financial statements (continued)

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to agreeing charity only and consolidated financial statement disclosures to underlying supporting documentation; reading the minutes of meetings of those charged with governance; enquiring of management as to actual and potential litigation and claims; and reviewing correspondence with HMRC, relevant regulators and the charitable company's legal advisors.

Due to the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission, or misrepresentation.

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. This description forms part of our Report of the Independent Auditors.

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 auditors' 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.



Stephen Bramall BSc FCA (Senior Statutory Auditor)
for and on behalf of Smailes Goldie
Chartered Accountants
Statutory Auditor
Regent's Court
Princess Street
Hull
East Yorkshire
HU2 8BA

24th November 2021

Hull Truck Theatre Company Limited

Consolidated Statement of Financial Activities
for the year ended 31st March 2021

		Unrestricted funds - General £	Unrestricted funds - Designated £	Restricted funds £	2021 Total funds £	2020 Total funds £
	Notes					
INCOME						
Donations and legacies	2	38,728	-	-	38,728	43,511
Charitable activities	4					
Operation of theatre		32,916	-	-	32,916	834,786
Grants received		1,394,548	-	229,097	1,623,645	1,114,767
Other trading activities	3	14,630	-	-	14,630	168,032
Total income		1,480,822	-	229,097	1,709,919	2,161,096
EXPENDITURE	5					
Raising funds		10,541	-	-	10,541	57,753
Charitable activities						
Operation of theatre		1,127,376	19,357	358,612	1,505,345	2,314,689
Other trading activities		-	-	-	-	11,672
Total expenditure		1,137,917	19,357	358,612	1,515,886	2,384,114
Net income/(expenditure)		342,905	(19,357)	(129,515)	194,033	(223,018)
Transfers between funds		(131,000)	131,000	-	-	-
Net movement in funds		211,905	111,643	(129,515)	194,033	(223,018)
RECONCILIATION OF FUNDS						
Total funds brought forward		486,015	375,215	13,615,088	14,476,318	14,699,336
TOTAL FUNDS CARRIED FORWARD		697,920	486,858	13,485,573	14,670,351	14,476,318

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

Consolidated Balance Sheet
At 31st March 2021

				Group	
		Unrestricted	Restricted	2021	2020
	Notes	funds	funds	Total	Total
		£	£	funds	funds
				£	£
FIXED ASSETS					
Tangible assets	11	<u>235,112</u>	<u>13,402,338</u>	<u>13,637,450</u>	<u>13,788,791</u>
CURRENT ASSETS					
Debtors	13	118,512	22,910	141,422	250,622
Cash at bank and in hand		<u>1,217,126</u>	<u>230,002</u>	<u>1,447,128</u>	<u>887,982</u>
		1,335,638	252,912	1,588,550	1,138,604
CREDITORS					
Amounts falling due within one year	14	<u>(305,498)</u>	<u>(169,677)</u>	<u>(475,175)</u>	<u>(361,099)</u>
NET CURRENT ASSETS		<u>1,030,140</u>	<u>83,235</u>	<u>1,113,375</u>	<u>777,505</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,265,252	13,485,573	14,750,825	14,566,296
CREDITORS					
Amounts falling due after more than one year	15	<u>(80,474)</u>	-	<u>(80,474)</u>	<u>(89,978)</u>
NET ASSETS		<u>1,184,778</u>	<u>13,485,573</u>	<u>14,670,351</u>	<u>14,476,318</u>
FUNDS	18				
Unrestricted general funds				697,920	486,015
Designated funds				<u>486,858</u>	<u>375,215</u>
Unrestricted funds				1,184,778	861,230
Restricted funds				<u>13,485,573</u>	<u>13,615,088</u>
TOTAL FUNDS				<u>14,670,351</u>	<u>14,476,318</u>

The trustees have prepared group accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011. These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the board of trustees on 24th November 2021 and were signed on its behalf by:




M Robson - Trustee

Charity Balance Sheet
At 31st March 2021

		Unrestricted funds £	Restricted funds £	Charity 2021 Total funds £	2020 Total funds £
	Notes				
FIXED ASSETS					
Tangible assets	11	207,601	15,742	223,343	248,842
Investments	12	<u>210</u>	<u>-</u>	<u>210</u>	<u>210</u>
		<u>207,811</u>	<u>15,742</u>	<u>223,553</u>	<u>249,052</u>
CURRENT ASSETS					
Debtors	13	136,622	22,910	159,532	260,331
Cash at bank and in hand		<u>1,029,540</u>	<u>230,001</u>	<u>1,259,541</u>	<u>668,083</u>
		1,166,162	252,911	1,419,073	928,414
CREDITORS					
Amounts falling due within one year	14	<u>(306,090)</u>	<u>(169,677)</u>	<u>(475,767)</u>	<u>(362,813)</u>
NET CURRENT ASSETS		<u>860,072</u>	<u>83,234</u>	<u>943,306</u>	<u>565,601</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,067,883	98,976	1,166,859	814,653
CREDITORS					
Amounts falling due after more than one year	15	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET ASSETS		<u>1,067,883</u>	<u>98,976</u>	<u>1,166,859</u>	<u>814,653</u>
FUNDS	18				
Unrestricted general funds				581,025	333,584
Designated funds				<u>486,858</u>	<u>375,215</u>
Unrestricted funds				1,067,883	708,799
Restricted funds				<u>98,976</u>	<u>105,854</u>
TOTAL FUNDS				<u>1,166,859</u>	<u>814,653</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the board of trustees on 24th November 2021 and were signed on its behalf by:



M Robson - Trustee

Hull Truck Theatre Company Limited

**Consolidated Cash Flow Statement
for the year ended 31st March 2021**

	Notes	2021 £	2020 £
Cash flows from operating activities:			
Cash generated from/(used in) operations	23	<u>568,533</u>	<u>(114,465)</u>
Net cash provided/(consumed) by operating activities		<u>568,533</u>	<u>(114,465)</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		<u>-</u>	<u>(30,600)</u>
Net cash used in investing activities		<u>-</u>	<u>(30,600)</u>
Cash flows from financing activities:			
Loan repayments in year		<u>(9,387)</u>	<u>(9,271)</u>
Net cash used in financing activities		<u>(9,387)</u>	<u>(9,271)</u>
Change in cash and cash equivalents in the reporting period		559,146	(154,336)
Cash and cash equivalents at the beginning of the reporting period		<u>887,982</u>	<u>1,042,318</u>
Cash and cash equivalents at the end of the reporting period		<u>1,447,128</u>	<u>887,982</u>

The notes form part of these financial statements

Hull Truck Theatre Company Limited

Notes to the Financial Statements for the year ended 31st March 2021

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

Hull Truck Theatre Company Limited is a company limited by guarantee and established in England / Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the Reference and Administrative details on page 1 of these financial statements. The nature of the charity's operations and principal activities are fully detailed in the Report of the Trustees.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

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

Group financial statements

The financial statements consolidate the results of the charity and its wholly owned subsidiary undertakings on a line by line basis using the acquisition method. A separate Statement of Financial Activities for the charity has not been presented as permitted by the exemption afforded by section 408 of the Companies Act 2006.

Going concern

Due to the Covid-19 pandemic and subsequent government restrictions on social distancing, the theatre had to temporarily close in March 2020 and as a result this had a significant impact on box office income during the year. The theatre reopened in May 2021.

The trustees are satisfied that no material uncertainties exist in relation to going concern. This conclusion has been drawn following a review of 'worst case scenario' forecasts which cover a period of at least 12 months from the date of Balance Sheet sign off. The forecasts show that the Charity will have sufficient cash reserves to cover its obligations as they fall due over this period.

Income

All income is recognised once the charity or its subsidiaries have entitlement to the funds after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from government and other grants, whether capital or revenue, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of a theatrical performance or provision of other specified service is deferred until the criteria for income recognition are met.

Income from the sale of goods is recognised when significant risks and rewards of ownership of the goods have transferred to the buyer, the amount of income can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the charity or its subsidiaries and the costs incurred or to be incurred in respect of the transaction can be measured reliably. This is usually at the point of sale.

**Notes to the Financial Statements
for the year ended 31st March 2021**

1. ACCOUNTING POLICIES - continued

Expenditure

Expenditure is recognised as soon as there is a legal or constructive obligation committing the charity or its subsidiaries to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Expenditure is classified under the following headings:

- Cost of raising funds comprises direct fundraising costs, together with the associated support costs.
- Expenditure on charitable activities includes the direct costs of running the theatre and its associated operations, as well as support costs relating to these activities.
- Other trading activities includes the cost of sales and overheads incurred by the charity's events and catering subsidiary.

Allocation and apportionment of costs

Support costs relate to those functions that assist the work of the charity but do not directly undertake charitable activities. These include back office costs, finance, personnel, payroll and governance costs.

Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

Creditors and provisions

Creditors and provisions are recognised where the charity 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 reliably. Creditors and provisions are normally recognised at their settlement amount.

Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Long leasehold property	- over 50 years
Freehold land and buildings	- 2% on cost (excluding land)
Improvements to property	- 2% on cost
Fixtures, fittings and equipment	- 10-25% on cost

The accounting policy regarding the useful life of land and buildings was revised during the year ended 31st March 2020 with the assessment of 50 years from 1st April 2019 being deemed to fairly reflect the net book value at the year end.

Taxation

The charity is exempt from corporation tax on its income and gains to the extent they are applied to its charitable activities.

Notes to the Financial Statements - continued
for the year ended 31st March 2021

1. ACCOUNTING POLICIES - continued

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the Trustees.

Unrestricted designated funds comprise funds that have been set aside by the trustees for a specific purpose, as shown in the notes to the accounts.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in statement of financial activities unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

Investments

Other investments are measured at cost less impairment.

Pension costs and other post-retirement benefits

When employees have rendered service to the company, short term employee benefits and termination benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The company operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

2. DONATIONS AND LEGACIES

	2021	2020
	£	£
Donations	<u>38,728</u>	<u>43,511</u>

3. OTHER TRADING ACTIVITIES

	2021	2020
	£	£
Theatre and Beverley Road rental income	-	43,785
Merchandise & programme sales	-	8,023
Other income	3,777	36,732
Corporate sponsorship	10,853	23,150
Events and catering income	-	56,342
	<u>14,630</u>	<u>168,032</u>

Hull Truck Theatre Company Limited

Notes to the Financial Statements - continued for the year ended 31st March 2021

4. INCOME FROM CHARITABLE ACTIVITIES

	Operation of theatre £	Grants received £	2021 Total activities £	2020 Total activities £
Admission fees - Own productions	(4,134)	-	(4,134)	403,674
Admission fees - Incoming productions	-	-	-	334,376
Co-production income	-	-	-	51,380
Christmas production funding	32,000	-	32,000	-
Creative learning programme	5,050	-	5,050	45,175
Artist development programme	-	-	-	181
Grants (see analysis below)	-	1,623,645	1,623,645	1,114,767
	<u>32,916</u>	<u>1,623,645</u>	<u>1,656,561</u>	<u>1,949,553</u>

Grants received, included in the above, are as follows:

	2021 £	2020 £
Hull City Council	258,780	278,780
Arts Council England – National portfolio funding	805,229	790,680
Arts Council England – Catalyst	-	22,233
HMRC Job Retention Scheme	305,254	4,497
Hull City Council – Local Restrictions	25,285	-
Arts Council England – Culture Recovery Fund	229,097	-
The British Council	-	10,700
The Space Funding Agreement	-	7,877
	<u>1,623,645</u>	<u>1,114,767</u>

5. EXPENDITURE

	Direct costs £	Support costs (See note 6) £	Totals £
Raising funds	741	9,800	10,541
Charitable Activities Costs:			
Operation of theatre	569,243	936,102	1,505,345
	<u>569,984</u>	<u>945,902</u>	<u>1,515,886</u>
Comparative figures	<u>1,183,229</u>	<u>1,200,885</u>	<u>2,384,114</u>

6. SUPPORT COSTS

	2021 Raising funds £	2020 Raising funds £
Development salaries	<u>9,800</u>	<u>53,068</u>

Hull Truck Theatre Company Limited

Notes to the Financial Statements - continued for the year ended 31st March 2021

6. SUPPORT COSTS - continued

	2021 Operation of theatre £	2020 Operation of theatre £
Administration and operations salaries	582,708	655,020
Administration	84,472	117,641
Communications and Box Office	68,148	165,757
Buildings and premises	147,017	171,228
Depreciation, impairment and loss on disposal	151,341	161,329
VAT recoverable	(114,667)	(66,563)
Theatre tax relief	(13,395)	(85,383)
Governance costs	30,478	27,552
	<u>936,102</u>	<u>1,146,581</u>
	2021 Other trading activities £	2020 Other trading activities £
Events and catering staff costs	-	1,236

Governance costs, included in support costs, are as follows:

	2021 Operation of theatre £	2020 Operation of theatre £
Governance costs		
Trustees' expenses	21	761
Auditors' remuneration	16,200	13,600
Legal and professional fees	14,257	13,191
	<u>30,478</u>	<u>27,552</u>

7. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging:

	2021 £	2020 £
Operating leases - equipment	13,110	14,913
Operating leases - building	15,000	15,000
Auditors' remuneration	16,200	13,600
Depreciation, impairment and loss on disposal	151,341	161,329

8. TRUSTEES' REMUNERATION AND BENEFITS

No trustee has received remuneration or other benefits in their capacity as a trustee for the year ended 31st March 2021 nor for the year ended 31st March 2020. One trustee has received payment for acting services during the year ended 31st March 2021 as set out in note 20.

The amount of reimbursed travel expenses paid to trustees in the current year was £nil (2020 £761 payable to 1 trustee).

Hull Truck Theatre Company Limited

Notes to the Financial Statements - continued for the year ended 31st March 2021

9. STAFF COSTS

	2021	2020
	£	£
Wages and salaries	704,231	869,012
Social security costs	53,017	68,272
Other pension costs	14,007	16,984
	<u>771,255</u>	<u>954,268</u>

The average monthly number of employees during the year was as follows:

	2021	2020
	<u>53</u>	<u>57</u>
Average number		

No employee received emoluments of more than £60,000 in the year (2020 – £60,000).

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds - General £	Unrestricted funds - Designated £	Restricted funds £	Total funds £
INCOME				
Donations and legacies	43,511	-	-	43,511
Charitable activities				
Operation of theatre	834,786	-	-	834,786
Grants received	1,073,957	-	40,810	1,114,767
Other trading activities	<u>168,032</u>	<u>-</u>	<u>-</u>	<u>168,032</u>
Total income	2,120,286	-	40,810	2,161,096
EXPENDITURE				
Raising funds	57,753	-	-	57,753
Charitable activities				
Operation of theatre	2,051,723	103,590	159,376	2,314,689
Other trading activities	<u>11,672</u>	<u>-</u>	<u>-</u>	<u>11,672</u>
Total expenditure	<u>2,121,148</u>	<u>103,590</u>	<u>159,376</u>	<u>2,384,114</u>
Net expenditure	(862)	(103,590)	(118,566)	(223,018)
Transfers between funds	<u>44,508</u>	<u>(36,939)</u>	<u>(7,569)</u>	<u>-</u>
Net movement in funds	43,646	(140,529)	(126,135)	(223,018)
RECONCILIATION OF FUNDS				
Total funds brought forward	<u>442,369</u>	<u>515,744</u>	<u>13,741,223</u>	<u>14,699,336</u>
TOTAL FUNDS CARRIED FORWARD	<u>486,015</u>	<u>375,215</u>	<u>13,615,088</u>	<u>14,476,318</u>

Notes to the Financial Statements - continued
for the year ended 31st March 2021

11. TANGIBLE FIXED ASSETS

GROUP	Long leasehold property £	Freehold land and buildings £	Improve- ments to property £	Fixtures, fittings and equipment £	Total £
COST					
At 1st April 2020	14,814,006	311,174	28,074	1,294,414	16,447,668
Additions	-	-	-	-	-
At 31st March 2021	<u>14,814,006</u>	<u>311,174</u>	<u>28,074</u>	<u>1,294,414</u>	<u>16,447,668</u>
DEPRECIATION					
At 1st April 2020	1,304,773	121,864	7,553	1,224,687	2,658,877
Charge for year	<u>122,637</u>	<u>5,345</u>	<u>2,002</u>	<u>21,357</u>	<u>151,341</u>
At 31st March 2021	<u>1,427,410</u>	<u>127,209</u>	<u>9,555</u>	<u>1,246,044</u>	<u>2,810,218</u>
NET BOOK VALUE					
At 31st March 2021	<u>13,386,596</u>	<u>183,965</u>	<u>18,519</u>	<u>48,370</u>	<u>13,637,450</u>
At 31st March 2020	<u>13,509,233</u>	<u>189,310</u>	<u>20,521</u>	<u>69,727</u>	<u>13,788,791</u>
CHARITY		Freehold land and buildings £	Improve- ments to property £	Fixtures, fittings and equipment £	Total £
COST					
At 1st April 2020		311,174	10,082	751,005	1,072,261
Additions		-	-	-	-
At 31st March 2021		<u>311,174</u>	<u>10,082</u>	<u>751,005</u>	<u>1,072,261</u>
DEPRECIATION					
At 1st April 2020		121,864	2,006	699,549	823,419
Charge for year		<u>5,345</u>	<u>202</u>	<u>19,952</u>	<u>25,499</u>
At 31st March 2021		<u>127,209</u>	<u>2,208</u>	<u>719,501</u>	<u>848,918</u>
NET BOOK VALUE					
At 31st March 2021		<u>183,965</u>	<u>7,874</u>	<u>31,504</u>	<u>223,343</u>
At 31st March 2020		<u>189,310</u>	<u>8,076</u>	<u>51,456</u>	<u>248,842</u>

Hull Truck Theatre Company Limited

Notes to the Financial Statements - continued for the year ended 31st March 2021

12. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
CHARITY	
MARKET VALUE	
At 1st April 2020 and 31st March 2021	<u>210</u>
NET BOOK VALUE	
At 31st March 2021	<u>210</u>
At 31st March 2020	<u>210</u>

There were no investment assets outside the UK.

The company's investments at the balance sheet date in the share capital of companies include the following:

Hull Truck Productions Limited

Registered office: Same as can be found on page 1 of these financial statements.

Nature of business: Performing arts

	%
Class of share:	holding
Ordinary	100

Hull Truck Enterprises Limited

Registered office: Same as can be found on page 1 of these financial statements

Nature of business: Operation of arts facilities

	%
Class of share:	holding
Ordinary	100

Hull Truck Events and Catering Limited

Registered office: Same as can be found on page 1 of these financial statements

Nature of business: Events and catering activities

	%
Class of share:	holding
Ordinary	100

The results of these companies are summarised in note 21.

Hull Truck Theatre Company Limited

Notes to the Financial Statements - continued for the year ended 31st March 2021

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	Group 2020	2021	Charity 2020
	£	£	£	£
Trade debtors	7,660	12,158	7,660	8,369
Amounts owed by group undertakings	-	-	34,209	119,071
Other debtors	62,245	131,160	46,146	25,587
Prepayments and accrued income	71,517	107,304	71,517	107,304
	<u>141,422</u>	<u>250,622</u>	<u>159,532</u>	<u>260,331</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	Group 2020	2021	Charity 2020
	£	£	£	£
Loans (see note 16)	9,505	9,388	-	-
Trade creditors	139,381	72,718	139,357	72,718
Amounts owed to group undertakings	-	-	16,057	18,118
Social security and other taxes	11,932	16,649	11,806	14,495
Other creditors	6,669	41,436	3,260	41,436
Accruals and deferred income (see below)	307,688	220,908	305,287	216,046
	<u>475,175</u>	<u>361,099</u>	<u>475,767</u>	<u>362,813</u>

Deferred Income	2021	Group 2020	2021	Charity 2020
	£	£	£	£
Deferred income at 1st April 2020	123,368	133,250	123,368	133,250
Resources deferred in the year	182,639	123,368	182,639	123,368
Amounts released from previous year	(24,136)	(133,250)	(24,136)	(133,250)
Deferred income at 31st March 2021	<u>281,871</u>	<u>123,368</u>	<u>281,871</u>	<u>123,368</u>

Deferred income comprises the following:

	2021	2020
	£	£
Creative learning and other income in advance	12,961	8,415
Box office receipts in advance	99,233	114,953
Performance related grants	169,677	-
	<u>281,871</u>	<u>123,368</u>

Hull Truck Theatre Company Limited

Notes to the Financial Statements - continued for the year ended 31st March 2021

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021	Group	2021	Charity
	£	2020	£	2020
	£	£	£	£
Loans (see note 16)	<u>80,474</u>	<u>89,978</u>	<u>-</u>	<u>-</u>

16. LOANS

Borrowings	2021	Group	2021	Charity
	£	2020	£	2020
	£	£	£	£
Due within one year				
Hull City Council Loan	<u>9,505</u>	<u>9,388</u>	<u>-</u>	<u>-</u>
Due over one year				
Hull City Council Loan:				
Within 1-2 years	9,625	9,505	-	-
Within 2-5 years	29,607	29,239	-	-
After 5 years	<u>41,242</u>	<u>51,234</u>	<u>-</u>	<u>-</u>
	<u>80,474</u>	<u>89,978</u>	<u>-</u>	<u>-</u>

The Hull City Council Loan is repayable by instalments and is due to be repaid in March 2030. Interest is charged on this loan at 0.75% above base rate.

17. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2021	Group	2021	Charity
	£	2020	£	2020
	£	£	£	£
Within one year	26,335	38,702	116,335	128,702
Between one and five years	86,068	88,037	446,068	448,037
In more than 5 years	<u>130,957</u>	<u>153,097</u>	<u>1,315,957</u>	<u>1,428,097</u>
	<u>243,360</u>	<u>279,836</u>	<u>1,878,360</u>	<u>2,004,836</u>

Hull Truck Theatre Company Limited

Notes to the Financial Statements - continued for the year ended 31st March 2021

18. MOVEMENT IN FUNDS

		At 1.4.20 £	Net movement in funds £	Transfers Between funds £	At 31.3.21 £
Unrestricted funds					
General fund	(a)	<u>486,015</u>	<u>342,905</u>	<u>(131,000)</u>	<u>697,920</u>
Designated funds:					
Repairs and renewals		68,350	(12,497)	-	55,853
Production costs		46,515	-	-	46,515
Staffing costs		37,635	(1,880)	-	35,755
City of Culture		7,509	-	-	7,509
Foyer improvement		10,316	-	-	10,316
Inclusion projects		6,415	-	-	6,415
Capital projects		23,247	-	-	23,247
Digital innovation		29,478	-	-	29,478
Resilience reserve		143,750	(4,980)	-	138,770
Production equipment		2,000	-	-	2,000
Green Room		-	-	8,000	8,000
Setting the Stage		-	-	7,000	7,000
Planning Consultants		-	-	10,000	10,000
PR Agency		-	-	16,000	16,000
Artistic Projects		-	-	50,000	50,000
Reopening		-	-	40,000	40,000
Total designated funds	(b)	<u>375,215</u>	<u>(19,357)</u>	<u>131,000</u>	<u>486,858</u>
Total unrestricted funds		<u>861,230</u>	<u>323,548</u>	<u>-</u>	<u>1,184,778</u>
Restricted funds					
British Council R&D	(c)	10,003	-	-	10,003
ACE Catalyst	(d)	95,851	(6,878)	-	88,973
ACE Culture Recovery Fund	(e)	-	-	-	-
		105,854	(6,878)	-	98,976
Hull Truck Enterprises Limited					
Ferensway Theatre Development	(f)	<u>13,509,234</u>	<u>(122,637)</u>	<u>-</u>	<u>13,386,597</u>
Total restricted funds		<u>13,615,088</u>	<u>(129,515)</u>	<u>-</u>	<u>13,485,573</u>
TOTAL FUNDS		<u>14,476,318</u>	<u>194,033</u>	<u>-</u>	<u>14,670,351</u>

Hull Truck Theatre Company Limited

Notes to the Financial Statements - continued for the year ended 31st March 2021

18. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

		Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds				
General fund	(a)	<u>1,480,822</u>	<u>(1,137,917)</u>	<u>342,905</u>
Designated funds:				
Repairs and renewals		-	(12,497)	(12,497)
Production costs		-	-	-
Staffing Costs		-	(1,880)	(1,880)
City of culture		-	-	-
Foyer improvement		-	-	-
Inclusion projects		-	-	-
Capital projects		-	-	-
Digital innovation		-	-	-
Resilience reserve		-	(4,980)	(4,980)
Production equipment		-	-	-
Green Room		-	-	-
Setting the Stage		-	-	-
Planning Consultants		-	-	-
PR Agency		-	-	-
Artistic Projects		-	-	-
Reopening		-	-	-
Total designated funds	(b)	<u>-</u>	<u>(19,357)</u>	<u>(19,357)</u>
Total unrestricted funds		<u>1,480,822</u>	<u>(1,157,274)</u>	<u>323,548</u>
Restricted funds				
British Council R&D	(c)	-	-	-
ACE Catalyst	(d)	-	(6,878)	(6,878)
ACE Culture Recovery Fund	(e)	<u>229,097</u>	<u>(229,097)</u>	<u>-</u>
		229,097	(235,975)	(6,878)
Hull Truck Enterprises Limited				
Ferensway Theatre Development	(f)	<u>-</u>	<u>(122,637)</u>	<u>(122,637)</u>
Total restricted funds		<u>229,097</u>	<u>(358,612)</u>	<u>(129,515)</u>
TOTAL FUNDS		<u>1,709,919</u>	<u>(1,515,886)</u>	<u>194,033</u>

Hull Truck Theatre Company Limited

Notes to the Financial Statements - continued for the year ended 31st March 2021

18. MOVEMENT IN FUNDS - continued

- (a) The General funds represent the free funds of the group which are not designated for any particular purpose.
- (b) The Designated funds have been set aside out of the unrestricted funds by the trustees for specific purposes.
- (c) The British Council Research and Development funding has been provided to support the 'Lazarus Project'. This is a joint project between Hull Truck Theatre and Freedom Festival and will result in performances at various Hull city centre sites.
- (d) ACE Catalyst funding is a grant from Arts Council England under its Catalyst: Evolve programme which supports organisations that have recently started fundraising to achieve step change in their ability to earn philanthropic income.
- (e) ACE Culture Recovery Fund is a grant from Arts Council England to support cultural organisations during the Covid-19 pandemic and assist their recovery.
- (f) The Ferensway Theatre Development fund represents grants from Art Council England, Hull City Council, the European Regional Development Fund and Yorkshire Forward and a donation from Humberside Theatre Trust Limited to fund the purchase of the group's long leasehold property and certain fixtures, fittings and equipment. This restricted fund will be expended over a number of years as the capital cost of the related assets is depreciated.

Hull Truck Theatre Company Limited

Notes to the Financial Statements - continued for the year ended 31st March 2021

19. PENSION COMMITMENTS

The charity operates a defined contribution scheme. The charge to the profit and loss account for the year in respect of contributions payable to this scheme amounted to £14,007 (2020 £16,984). There were outstanding contributions at 31st March 2021 of £3,259 (2020 £7,776).

20. RELATED PARTY DISCLOSURES

Key management personnel of the entity

	Group and Charity 2021 £	2020 £
Remuneration and benefits	<u>276,597</u>	<u>325,891</u>
Number of employees	<u>6</u>	<u>7</u>

The charity paid £1,955 (2020 £nil) to a trustee for acting services during the year. This payment was made as part of the theatre's core business objectives.

Entities over which the entity has control	2021 £	2020 £
Rent paid to	90,000	90,000
Gift aid from	118,285	93,977
Production costs recharged to	88,498	865,991
Commissioning fees paid to	75,103	763,698
Balances owed from	34,209	119,071
Balances owed to	16,057	18,118

21. DETAILS OF SUBSIDIARY COMPANIES

Hull Truck Enterprises Limited

The charity owns the whole of the issued ordinary share capital of Hull Truck Enterprises Limited, a company registered in England. The subsidiary has been used to facilitate the development of the new Hull Truck Theatre building. All activities have been consolidated on a line by line basis in the SOFA. The total available distributable reserves are gifted to the charity. A summary of the results of the subsidiary is shown below:

	Total 2021 £	Total 2020 £
Turnover	90,000	90,000
Administrative expenses	<u>(128,329)</u>	<u>(127,953)</u>
Gross loss	<u>(38,329)</u>	<u>(37,953)</u>
Other operating income	124,020	123,977
Interest payable and similar expenses	<u>(436)</u>	<u>(204)</u>
Net profit	<u>85,255</u>	<u>85,820</u>

The aggregate of the assets, liabilities and funds was:

Assets	13,598,490	13,720,750
Liabilities	<u>(13,478,979)</u>	<u>(13,610,603)</u>
Aggregate called up share capital and reserves	<u>119,511</u>	<u>110,147</u>

Hull Truck Theatre Company Limited

Notes to the Financial Statements - continued for the year ended 31st March 2021

21. DETAILS OF SUBSIDIARY COMPANIES - continued

Hull Truck Events and Catering Limited

The charity owns the whole of the issued ordinary share capital of Hull Truck Events and Catering Limited, a company registered in England. The subsidiary is used for the operation of the theatre's bar and catering facilities and the hiring of facilities for the purposes of events. All activities have been consolidated on a line by line basis in the SOFA. The total available distributable reserves are gifted to the charity. A summary of the results of the subsidiary is shown below:

	Total 2021 £	Total 2020 £
Turnover	-	56,342
Cost of sales	-	(11,672)
Gross (loss)/profit	-	44,670
Administrative expenses	(2,506)	(2,276)
Net (loss)/profit	(2,506)	42,394

The aggregate of the assets, liabilities and funds was:

Assets	21,963	64,283
Liabilities	(24,369)	(21,789)
Aggregate called up share capital and reserves	(2,406)	42,494

Hull Truck Productions Limited

The charity owns the whole of the issued ordinary share capital of Hull Truck Productions Limited, a company registered in England. The subsidiary is used for producing, running and closing theatrical productions. All activities have been consolidated on a line by line basis in the SOFA. A summary of the results of the subsidiary is shown below:

	Total 2021 £	Total 2020 £
Turnover	75,103	763,698
Cost of sales	(88,498)	(865,991)
Gross loss	(13,395)	(102,293)
Tax on loss	13,395	102,293
Net profit	-	-

The aggregate of the assets, liabilities and funds was:

Assets	13,395	102,295
Liabilities	(13,395)	(102,295)
Aggregate called up share capital and reserves	-	-

Hull Truck Theatre Company Limited

Notes to the Financial Statements - continued for the year ended 31st March 2021

22. ULTIMATE CONTROLLING PARTY

There is no one controlling party.

23. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021 £	2020 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	194,033	(223,018)
Adjustments for:		
Depreciation charges	151,341	161,329
Decrease/(increase) in debtors	109,232	(4,137)
Increase/(decrease) in creditors	<u>113,927</u>	<u>(48,639)</u>
Net cash provided/(consumed) by operating activities	<u>568,533</u>	<u>(114,465)</u>

24. ANALYSIS OF CHANGES IN NET DEBT

	At 1.4.20 £	Cash flow £	Other non-cash changes £	At 31.3.21 £
Net cash				
Cash at bank and in hand	<u>887,982</u>	<u>559,146</u>	-	<u>1,447,128</u>
Debt				
Loans falling due within 1 year	(9,388)	9,387	(9,504)	(9,505)
Loans falling due after 1 year	<u>(89,978)</u>	-	<u>9,504</u>	<u>(80,474)</u>
	<u>(99,366)</u>	<u>9,387</u>	-	<u>(89,979)</u>
Total	<u>788,616</u>	<u>568,533</u>	-	<u>1,357,149</u>

25. NET INCOMING RESOURCES OF PARENT CHARITABLE COMPANY

As permitted by Paragraph 397 of the SORP, the statement of Financial Activities of the parent charitable company is not presented as part of these financial statements. The parent charitable company's net incoming resources for the year to 31st March 2021 was £352,206 (2020 £134,620 outgoing resources).

Hull Truck Theatre Company Limited

**Detailed Consolidated Statement of Financial Activities
for the year ended 31st March 2021**

	2021 £	2020 £
INCOME		
Donations and legacies		
Donations	<u>38,728</u>	<u>43,511</u>
Other trading activities		
Theatre and Beverley Road rental income	-	43,785
Merchandise & programme sales	-	8,023
Other income	3,777	36,732
Corporate sponsorship	10,853	23,150
Events and catering income	<u>-</u>	<u>56,342</u>
	<u>14,630</u>	<u>168,032</u>
Charitable activities		
Admission fees - Own productions	(4,134)	403,674
Admission fees - Incoming productions	-	334,376
Creative learning programme	5,050	45,175
Artist development programme	-	181
Co-production income	-	51,380
Christmas production funding	32,000	-
Grants	<u>1,623,645</u>	<u>1,114,767</u>
	<u>1,656,561</u>	<u>1,949,553</u>
Total incoming resources	1,709,919	2,161,096
EXPENDITURE		
Raising donations and legacies		
Sponsorship and development	<u>741</u>	<u>4,685</u>
Charitable activities		
Production salaries	163,176	224,186
Social security	12,317	17,613
Pensions	3,254	4,381
Own productions	38,527	530,944
Incoming productions	17	249,786
Production overheads	77,621	29,578
Artistic overheads	30,685	12,411
Creative learning programme	8,594	20,295
Project costs	234,077	35,622
Artist development programme	-	15,312
ACE strategic funds	975	27,980
Other trading activities	<u>-</u>	<u>10,436</u>
	<u>569,243</u>	<u>1,178,544</u>

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Hull Truck Theatre Company Limited

Detailed Consolidated Statement of Financial Activities for the year ended 31st March 2021

	2021 £	2020 £
Support costs		
Raising funds		
Development salaries	<u>9,800</u>	<u>53,068</u>
 Administration and operations salaries		
Wages	531,255	591,758
Social security	40,700	50,660
Pensions	<u>10,753</u>	<u>12,602</u>
	<u>582,708</u>	<u>655,020</u>
 Administration		
Telephone	10,120	10,279
Post and stationery	1,474	6,226
Repairs and renewals	2,355	2,358
Insurance	20,684	20,060
Travel and subsistence	79	7,616
Bank and other charges	7,990	23,411
Computer support	21,084	16,947
Office equipment leasing	13,110	14,913
Staff costs	1,322	8,479
Subscriptions	<u>6,254</u>	<u>7,352</u>
	<u>84,472</u>	<u>117,641</u>
 Communications and Box Office		
Travel and subsistence	58	3,949
Commissions	(21)	933
Subscriptions	934	3,616
Print and distribution	11,593	66,674
Design and advertising	28,195	55,929
Repairs and renewals	518	483
Website and photography	17,405	9,825
Spektrix charges	<u>9,466</u>	<u>24,348</u>
	<u>68,148</u>	<u>165,757</u>
 Buildings and premises		
Rent	15,000	15,000
Water and rates	5,827	13,401
Light and heat	32,060	58,438
Insurance	892	892
Security and fire alarms	6,878	6,829
Repairs and maintenance	75,464	65,891
Service charge	<u>10,896</u>	<u>10,777</u>
	<u>147,017</u>	<u>171,228</u>

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Hull Truck Theatre Company Limited

**Detailed Consolidated Statement of Financial Activities
for the year ended 31st March 2021**

	2021	2020
	£	£
Depreciation		
Long leasehold	122,637	122,637
Freehold property	5,345	5,345
Improvements to property	2,002	2,001
Fixtures, fittings and equipment	21,357	31,346
Impairment of freehold property	-	-
	<u>151,341</u>	<u>161,329</u>
VAT recoverable	<u>(114,667)</u>	<u>(66,563)</u>
Theatre tax relief	<u>(13,395)</u>	<u>(85,383)</u>
Governance costs		
Trustees' expenses	21	761
Auditors' remuneration	16,200	13,600
Legal and Professional	14,257	13,191
	<u>30,478</u>	<u>27,552</u>
Other trading activities		
Events and catering salaries	-	1,236
Total resources expended	<u>1,515,886</u>	<u>2,384,114</u>
Net income/(expenditure)	<u><u>194,033</u></u>	<u><u>(223,018)</u></u>