

The New Theatre Royal — Trustees (Portsmouth) Limited

Limited by Guarantee

Trustees' Report and Financial Statements

for the year ended 31 March 2023

Registered Charity Number 271976

Registered Company Number 01266053

The logo for The New Theatre Royal Portsmouth is displayed in a light pink color. It consists of the words "NEW", "THEATRE", "ROYAL", and "PORTSMOUTH" stacked vertically in a clean, sans-serif, uppercase font.

THE NEW THEATRE ROYAL - TRUSTEES (PORTSMOUTH) LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

CHAIR'S INTRODUCTION

I am pleased to provide this, my second Chair's report, on another busy and productive year at New Theatre Royal, Portsmouth, having joined the Board and taken on the role in October 2022.

This was an excellent year artistically-speaking, with record numbers coming to our Theatre. They might have enjoyed another critically acclaimed pantomime; or seen a popular show such as the sell-out Gary Barlow or a wide range of music or drama; or as a young person they could be developing acting skills in a production managed by local universities and schools; or as an excluded or vulnerable person, they could have found comfort by participating in a community project in partnership with a local support group. I was personally wowed by the enthusiastically patriotic and upbeat performance of the Ukrainian Women's Choir that we have helped establish to provide a focus for those forced to flee their homes and find extended shelter in this foreign country.

The Theatre is though in reality part-way along a difficult but necessary journey, of which my appointment forms only one part. During 2020-21, during much of which the Theatre was forcibly closed with the Covid pandemic, our organisation was on the brink of insolvency. It was saved from going under by the intervention of the City Council and the University of Portsmouth, along with many patient ticketholders, which enabled us to start a long recovery process back to sustainability.

We have seen significant advances during this last year on the governance front and winning back the confidence of core funders. There has been a complete transformation in the Board composition, with seven trustees stepping down and the appointment of nine new ones, carefully chosen following a selection process that matched the candidates against the range of expertise that we require. We have been working hard on forming new supervisory committees, policies and procedures, which are all part of proper modern governance of a charitable organisation.

Furthermore, I am delighted to announce the appointment of Dr Anna Farthing as Chief Executive in September 2023. This is a role that had been vacant for over three years, albeit ably covered temporarily by Operations Director Sheena Hulme stepping up to the mark during a difficult period. Anna has the experience, contacts and drive to deliver the Board's vision, supported by Sheena and the remainder of the management team, which gives us the best prospect for the years ahead.

Following these changes, I am relieved that we have secured the release of the two years' core funding of £654k, which had been withheld by Arts Council England and Portsmouth City Council until they were assured about our viability and direction. Accounting practice has required us to credit all this backlog income within this year's results, giving a misleading impression of a financially successful operation. In reality, the Theatre (like most of its type without external support) continues to sustain significant deficits and moreover 2026 is fast approaching when we are required to resume responsibility for the maintenance of the building fabric. So this money should critically be seen as a one-off fund to tide us over until we can secure new sources of funding.

I am proud to pay tribute and give thanks to our staff and volunteers who have worked so hard to keep the Theatre going despite the uncertainty of the last couple of years. A lot of what they did was not publicly visible and this is especially true of Sheena Hulme who led the team through this difficult time and went far beyond what could have been expected to ensure that all staff continued to be paid during the period. I want to thank the trustees who have served during the period covered by this report including our previous Chair, Simon Eden, for his leadership and Krysia Butwilowska who has generously given her time as my deputy to help me get up to speed and recruit new trustees. I also want to thank our loyal patrons who pay to enjoy what we do and participate in our community

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CHAIR'S INTRODUCTION

activities. Finally, but not least, our principal funder and saviour, Portsmouth City Council requires full credit for its support of us and the wider arts and culture provision in our wonderful City.

I look forward to the Theatre delivering a broad range of cultural activity over the next 12 months with the support of an amazing team of staff, trustees and stakeholders.



Angela Parks, Chair

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THE HIGHLIGHTS

The Recent Successes

- **Transformed governance:**

- *Nine new trustees*
- *New supervisory committee structure*
- *New procedures and policies*
- *Improved financial reporting*
Recruitment of CEO, a role vacant since March 2020 (Dr Anna Farthing, September 2023)

- **Delivering what our community wants to see, generating record turnover:**

	2022/23	2021/22
	£000	£000
	£000	£000
<i>Productions</i>	92	54
<i>Performances</i>	209	128
<i>Ticket Sales</i>	61,200	27,040
<i>Participatory Events</i>	341	62
<i>Participators</i>	16,647	3,259
<i>Ticket Sales (£000)</i>	1,176	523
<i>Artistic Spend (£000)</i>	429	233

- **Promoting performing dramatic art in our local Community:**

- *Continued support of local artists*
- *Collaboration with Chichester and Portsmouth universities, local schools*
- *A True Colours Project in partnership with Downtown Pompey*
- *Hosting a young refugee project 'Brothers in a New Place' produced by Red Cross and Compass Theatre*
- *Establishing a Ukrainian Women's Choir*
- *Recruiting two apprentices*

- **Securing release of withheld core grants, £654k, to fund the next stage of development.**

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THE HIGHLIGHTS

The Next Challenges

- **Reversing current deficits, achieving financial sustainability**
 - *Underlying deficit, in year £100,000 (reported surplus only due to grant catch-up).*
 - *Cost base in 23/24 rising by some £100k with management capacity increase.*
 - *Need to plan for becoming responsible for property maintenance in 2026.*
 - *Develop fundraising capacity and secure new grant funders.*
- **Improving our artistic reach**
 - *Develop a strategy for sustainable, creative, cultural and placemaking activity.*
 - *Developing new partnerships for placemaking, programming and participation.*
- **Maintaining an historic heritage building to modern operating standards**
 - *Appoint a trustee with property maintenance experience relevant for a Grade II* listed building.*
 - *Replace internal and external lighting with modern energy-saving LED.*
 - *Devise a rolling internal repairs and maintenance programme.*
 - *Start setting aside a sinking fund in anticipation of responsibility for entire building from 2026.*

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CHARITY INFORMATION

REGISTERED CHARITY NAME	The New Theatre Royal - Trustees (Portsmouth) Limited
CHARITY NUMBER	271976
COMPANY REGISTRATION NUMBER	01266053
PRINCIPAL AND REGISTERED OFFICE	New Theatre Royal 20—24 Guildhall Walk Portsmouth Hampshire PO1 2DD
TRUSTEES (at date of signing)	Ms Angela Parks (Chair from 25 October 2022) Mrs Krystyna Butwilowska Ms Janet Rawson (appointed 10 th February 2023) Ms Lucy Ashton (appointed 15 th February 2023) Mrs Catherine Helena Cole (appointed 5 th March 2023) Ms Hannah Ashwell (appointed 16 th March 2023) Mr Christopher Gambs (appointed 20 th March 2023) Mr Benjamin Roberts (appointed 27 th March 2023) Cllr George Madgwick (appointed 29 th June 2023) Dr Anna Farthing (appointed 18 September 2023)
SECRETARY	None
KEY MANAGEMENT PERSONNEL	Dr Anna Farthing – Chief Executive Officer (from 1 September 2023) Mrs Sheena Hulme (Operations Director)
AUDITOR	Blue Spire Limited Cawley Priory South Pallant Chichester West Sussex PO19 1SY
BANKERS	Lloyds TSB Bank plc 38 London Road North End Portsmouth Hampshire PO2 OLR

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TRUSTEES' REPORT

Throughout these accounts, the term "NTR" refers, variously according to context, to the company and to the charity called "The New Theatre Royal – Trustees (Portsmouth) Limited" along with the theatre with the name "New Theatre Royal, Portsmouth", owned and managed by the company.

The trustees, who are also directors for the purposes of company law, have pleasure in presenting their report and the financial statements of NTR for the year ended 31 March 2023. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of NTR.

REFERENCE AND ADMINISTRATIVE DETAILS

The schedule "Charity Information" on page two provides details about NTR's registered number, company number, registered office, trustees, advisers and offices.

THE TRUSTEES

Trustees who served on the Board of NTR during the period were as follows:

Mr Simon Eden (Chair until 25 October 2022, resigned 26 October 2022)
Ms Angela Parks (Chair from 25 October 2022)
Mrs Krystyna Butwilowska
Mr Timothy Herman (resigned 16th May 2023)
Dr Catherine McNamara (resigned 14th December 2022)
Mrs Claire Ward (resigned 14th December 2022)
Mrs Susan Aistrop (resigned 14th December 2022)
Ms Louise Wilders (resigned 22 September 2022)
Mr William Purvis (resigned 27 June 2022)
Cllr Gerald Veron Jackson (appointed 27th June 2022 – resigned 29th June 2023) (*)
Ms Janet Rawson (appointed 10th February 2023)
Ms Lucy Ashton (appointed 15th February 2023)
Mr David Moore (appointed 17th February 2023, resigned 9th October 2023)
Mrs Catherine Helena Cole (appointed 5th March 2023)
Ms Hannah Ashwell (appointed 16th March 2023)
Mr Christopher Gambs (appointed 20th March 2023)
Ms Jane Long (appointed 26th March 2023 – resigned 16th July 2023)
Mr Benjamin Roberts (appointed 27th March 2023)
Cllr George Madgwick (appointed 29th June 2023) (*)

(*) = Portsmouth City Council representative

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TRUSTEES' REPORT

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

NTR is a company limited by guarantee and is governed by its Memorandum and Articles of Association originating from 29 June 1976 and subsequently revised. It is a charity registered with the Charity Commission for England and Wales.

Appointment of trustees

Members are appointed either by nomination by Portsmouth City Council (local authority funding body) or by nomination and election. All appointments are confirmed at the Annual General Meeting. In compliance with the Articles and Memorandum of Association, the three longest serving board members are required to be re-elected at each AGM and no member shall serve longer than nine years.

Trustee induction and training

Trustee inductions include a multi-document briefing including accounts, minutes, health and safety and other policies, budget and business plan. All new members are invited to meet the Chair. New board members are given induction guides.

Organisation

Since March 2020 and for the year under review and until the appointment of Dr Anna Farthing as Chief Executive Officer in September 2023, the Operations Director (Sheena Hulme) was responsible for the everyday running of NTR.

The Annual General Meeting takes place in October. The Board meets formally on a two-monthly basis with informal meetings in between.

Board members may serve on a sub-committee or advisory panel to progress key areas of operation and development, chosen to reflect the requirements of these and the skills and expertise of the members. Sub-committees during the period were: Finance and Risk Committee (monthly meetings) and a Strategic Working Group (meetings as required).

Appropriate staff members and co-optees also serve these committees and advisory panels. A skills audit is undertaken to identify skills areas on the Board, which advises both the recruitment of new board members and sub-committee membership.

To facilitate effective operations, the Chair has authority, within the terms of delegation approved by the trustees and described in the 2006 Act, to give support and oversight to those managing the day-to-day operations of NTR. Additional delegated authority includes operational activities relating to finance, recruitment and employment, business planning and development, trading, fundraising and marketing. Authority delegated to the Chair and sub-committee members is subject to Board approval. Board members and staff are required to complete a declaration of interests and may be required to be exempt from decisions where a conflict is identified.

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The authority of the Chair may be delegated to the Deputy Chair, as decided by the Chair and trustees (where appropriate) where the Chair is practically unable to undertake her duties.

The Trustees thank the staff of NTR for their work in achieving the objectives and activities during the period.

Remuneration process

Personnel remuneration is reviewed on an annual basis by the Operations Director, taking into consideration benchmarked industry averages; minimum wage increases; affordability; and staff development. Remuneration policy is agreed with, and its adherence monitored by, the Finance and Risk Committee. In addition, there is a Staffing and Remuneration Committee, which agrees the salary of the CEO and the Operators Director.

Volunteers

NTR operates a busy volunteer programme and continually seeks to recruit new volunteers. Volunteers provide front of house services for performances and events; marketing support such as leaflet and poster distribution; maintenance support; archiving and historical research and recording; financial records and report preparation; and assistance at community events. The trustees wish to thank all volunteers, without whom the venue could not operate.

Related parties

There are no related parties.

Risk management

The trustees are risk aware with business plans and policies informed by our risk register. The risk register is reviewed at least ten times a year and is considered at every formal board meeting. There is a regular review by the Finance & Risk Committee of financial, HR and health and safety risks.

OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

The objects for which NTR is established are the encouragement of the Arts, the promotion and advancement of aesthetic education and the cultivation and improvement of public taste in drama, opera, music, ballet, painting and sculpture, cinema, literature, and the other arts.

These objectives and the activities based upon them have been agreed by reference to, and in accordance with, the Charity Commission guidance on public benefit.

In pursuit of these charitable objects for the public benefit, NTR presents performances at the New Theatre Royal and other venues within Portsmouth and the region. NTR also organises and runs a comprehensive and growing programme of educational and community workshops. These areas of activity are commensurate with the vision and objectives of the company to provide recreation, education and both individual and community benefits, social and economic.

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NTR seeks to operate partnerships with other arts organisations in the region and across the UK and works closely with many local community and education organisations. There is close liaison with other local arts providers and NTR works with community groups from a diverse variety of interests and art forms. The trustees would like to thank all its partners and supporters, and their contribution to our objectives and activities.

Achievements and performance during the year

During the year 22/23 NTR delighted crowds of visitors with an eclectic programme of professional and community events boasting the highest sales turnover in the box office this century. Our programme included these highlights:

- a) Continued to build on our family pantomime success by playing to record breaking audience numbers.
- b) We continued our positive collaboration with our Associate Artist, Downtown Pompey, to deliver a project focused on a project telling the stories of queer young people.
- c) We continued our positive calibration with our Associate Artist, Filskit delivering a series of Wonder Gigs for babies and toddlers.
- d) We set up a Ukrainian Women's Choir in collaboration with Havant Borough Council.
- e) We achieved a strong level of diversity across our programme, including True Colours, My Place, Wearing Mums Make Up, Chichester University, Journeys International Festival and performances and tours for local children and young people.
- f) We hosted a young refugee project 'Brothers in a New Place' in collaboration with Red Cross and Compass Theatre.
- g) We offered £10 tickets on most shows for 16–25-year-olds, free culture cards for refugees and young people in care, Holiday Activities with Food (HAF) workshops and access performances.
- h) We saw through the first year of a two-year apprentice programme, providing one opening in marketing and the another in technical.
- i) We sold out within 20 minutes a five-day run of Gary Barlow's stage show 'A Different Stage'.

In 2022/3 we decided to focus our community activity on one target group - children and young people - which was achieved largely through informal relationships with hire and further education institutions, schools, youth groups and facilitated HAF activities in the holidays.

Relationships with key partners

The relationship with Portsmouth City Council remains strong and supportive during these difficult years. The 20/21 accounts explained how PCC agreed to a sale and leaseback agreement for the theatre building. This released £700k to enable NTR to settle its pressing debts, continue

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TRUSTEES' REPORT

operating and avoid insolvent liquidation. PCC continues to engage closely with us in various ways, now also as our landlord, and the trustees are sincerely grateful for all the support shown.

Fundraising standards information

Fundraising activity at NTR currently comprises:

- a) The application for and receipt of grants for core or project funds.
- b) Donations from the public through the website or in person.
- c) A Friends Membership scheme.
- d) The promotion of sponsorship opportunities associated with key projects or events.

The University of Chichester's fundraising undergraduates also support NTR through volunteering activity including the production of funding bids and donate ticket sale revenue from students shows in the venue.

NTR is currently creating a new fundraising strategy and policy and will be registered with the Fundraising Regulator in accordance with best practice. Fundraising activity managed by the Operations Director and Chief Executive with the oversight of the Board.

FINANCIAL REVIEW

Principal financial matters

The statement of financial activity in these accounts shows a surplus of £482,638 including a depreciation charge of £51,448 (2022: deficit £154,060).

The results for 2021/22 (as for 2020/21) were unusual, reflecting limited activity and most income being derived from various support grants and fundraising donations, with costs being held to the lowest possible levels during the lockdown period.

This scale of surplus for 2022/23 is misleading as a measure of current financial activity. It includes the receipt of grants totalling £581,499 relating to previous years, which were withheld at the normal release time.

The underlying result was a deficit of almost £100,000, which is a fairer reflection of the underlying operation without the support of NPO core funding. Even then, the year's results were flattered by a still-depressed cost base, which is not sustainable in the longer term with the pressures it puts on a small team and since the year end, additional recruitment and expansion, including a new CEO, will bring in higher costs by around £100,000 each year.

2022/23 was the first full year since Covid that was not affected by lockdown and restricted operation. For around a year since re-opening in Summer 2021, NTR worked through a backlog of rescheduled shows for which tickets had generally been sold before lockdown. At the same time, we were able to create an expanded programme of new shows that were performed during this year. Our loyal customer base has not let us down: ticket sales quickly returned to and exceeded pre-pandemic levels.

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Principal risks

The Board has the responsibility for reviewing all risks facing the organisation and ensuring wherever possible that mitigation is in place. The Board has delegated the detailed examination of the risk register to the Finance and Risk Committee.

In the current environment, NTR continues to face a range of significant risks, notwithstanding that its finances have been transformed by the release of withheld grants.

We consider that the first overarching risk relates to the need to find a sustainable strategy that addresses the removal of future NPO funding, mainly through widening the sources of project funding. The organisation is currently operating at a deficit and will eventually exhaust the cushion provided by recent grant release. It is important that we identify new funders and rebuild the confidence of existing funders in the strength of governance and quality of the cultural programme.

The second principal risk is the poor general economic environment with uncertain prospects of a full recovery. Consumer spending on arts events remains a readily avoidable expenditure when pressures increase on family budgets.

The third principal risk relates to the buildings and the fact that responsibility for maintenance will lie with NTR in the near future. To mitigate this risk the Board is in the process of appointing a trustee with experience in this area who can assess the maintenance cost exposure in collaboration with Portsmouth City Council. They will then be asked to work with PCC to ensure that the compliance of the maintenance regime up to the hand over date of reach an agreement on payment of any outstanding works.

Investment powers and policy

Under the Memorandum and Articles of Association, NTR has the power to invest in any way the trustees wish in furtherance of its objectives.

Reserves policy

Reserves are to be spent (at the trustees' discretion) in furtherance of NTR's objectives. Its policy is to aim to develop unrestricted funds, which are its free reserves, at a level that equates to approximately four months unrestricted overhead expenditure. This would provide sufficient funds to cover management, administration and support costs. The target level for such funds is around £130k. The receipt of the temporarily withheld core ACE grants and its impact on the reported surplus has assisted considerably towards achieving this objective with this year-end having unrestricted reserves of £186k, even though a large proportion of the surplus has been set aside as a designated fund. The trustees are resolved to continue to build up free reserves as a priority objective over the next few years.

PLANS FOR FUTURE PERIODS

The plans for the next two years comprise the following:

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- a) Establish NTR's civic role through developing new collaborative relationships with Portsmouth City Council (freeholder), University of Portsmouth (co-located) and other anchor institutions such as Royal Navy, NHS, Local Enterprise Partnership, employers, schools, colleges, community groups and the creative and cultural sector.
- b) Commission a new strategy for sustainable, creative, cultural and placemaking activity.
- c) Enhance the management team through training, development and possible recruitment at senior levels.
- d) Continue to address issues concerning NTR's governance and on diversity and inclusion raised by separate external reviews.
- e) Produce and deliver against an income generation strategy to develop and diversify income for NTR.
- f) Continue planning for resuming responsibility for the maintenance of the fabric of the building from 2026.

RESPONSIBILITIES OF THE TRUSTEES

The trustees (who are also directors of the company, NTR, for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 of the incoming resources and application of resources, including income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- 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 operation

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

Insofar as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and

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- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

The board of trustees conduct continuous monitoring of the financial and operational position based on current and projected figures.

AUDITOR

Blue Spire Limited was reappointed as auditors at the annual general meeting of the NTR.

This report has been prepared having taken advantage of the exemption for small companies in the Companies Act 2006.

Approved by the trustees on 28 November 2023 and signed on their behalf.



Angela Parks

Chair

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INDEPENDENT AUDITORS' REPORT

Independent Auditor's Report to the members of The New Theatre Royal — Trustees (Portsmouth) Limited

Opinion

We have audited the financial statements of The New Theatre Royal—Trustees (Portsmouth) Limited for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023, 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 (applicable to smaller entities); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's 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.

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INDEPENDENT AUDITORS' REPORT

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

Opinions 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 trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which 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 directors' 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 prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

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INDEPENDENT AUDITORS' REPORT

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.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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:

Based on our understanding of the Charity and the industry in which it operates, we identified that the principal laws and regulations that directly affect the financial statements to be the Companies Act 2006 and the Charities Act 2011. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

In addition, the Charity is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence if any.

Audit procedures performed by the engagement team included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud.
- Reading minutes of meeting of those charged with governance.
- Challenging assumptions made by management in their significant accounting estimates in particular those relating to provisions.

THE NEW THEATRE ROYAL - TRUSTEES (PORTSMOUTH) LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

INDEPENDENT AUDITORS' REPORT

- Enquiry of those charged with governance around actual and potential litigation and claims.
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Because of 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. 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 is available on the FRC's website at: <https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor-s-responsibilities-for>. This description forms part of our auditor's report.

Use of our report

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



19 December 2023

Geoffrey Frost BSc (Hons) FCA, Senior Statutory Auditor
For and on behalf of Blue Spire Limited, Statutory Auditors
Cawley Priory, South Reliant, Chichester, West Sussex PO19 1SY

THE NEW THEATRE ROYAL - TRUSTEES (PORTSMOUTH) LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

STATEMENT OF FINANCIAL ACTIVITIES

(INCOME AND EXPENDITURE ACCOUNT)

		Unrestricted Funds		2023	2022
	Note	General	Designated	Total Funds	Total Funds
		£	£	£	£
Items arising during the year					
INCOME FROM:-					
Donations and legacies	1	677,727	-	677,727	78,081
Other trading activities	2	9,827	-	9,827	14,179
Investments	3	62	-	62	3
Charitable activities	4	1,027,941	-	1,027,941	546,835
Other	5			-	-
Total		1,715,557	-	1,715,557	639,098
EXPENDITURE ON:-					
Raising funds	6	-	-	-	147
Charitable activities	7	1,181,471	51,448	1,232,919	793,011
Total		1,181,471	51,448	1,232,919	793,158
Net income/(expenditure)		534,086	(51,448)	482,638	(154,060)
Gross transfers between funds	21	(64,901)	64,901	-	-
Tax on activities	10	-	-	-	-
Net movement in funds		469,185	13,453	482,638	(154,060)
RECONCILIATION OF FUNDS					
Total funds brought forward		(282,659)	445,556	162,897	316,957
Total funds carried forward		186,526	459,009	645,535	162,897

THE NEW THEATRE ROYAL - TRUSTEES (PORTSMOUTH) LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

BALANCE SHEET

	Note	2023 £	2022 £
FIXED ASSETS			
Tangible assets	13	359,009	403,156
Total fixed assets		359,009	403,156
CURRENT ASSETS			
Stock of goods for resale	14	8,904	2,092
Debtors	15	361,842	27,348
Cash at bank and in hand		579,848	239,786
Total current assets		950,594	269,226
CURRENT LIABILITIES			
Creditors: Amounts falling due within one year	16	(514,068)	(359,485)
Net current assets/(liabilities)		436,526	(90,259)
Total assets less current liabilities		795,535	312,897
Creditors: Amounts falling due after more than one year	17	(150,000)	(150,000)
Total assets/(liabilities)		645,535	162,897
THE FUNDS OF THE CHARITY			
Unrestricted funds			
General reserves	20, 21	186,526	(282,659)
Designated funds	20, 21	459,009	445,556
Total unrestricted funds		645,535	162,897
Total charity funds		645,535	162,897

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime. The notes on pages 25 to 39 form part of these accounts.

Approved by the trustees on 28 November 2023 and signed on their behalf.



Angela Parks
Chair

The New Theatre Royal - Trustees (Portsmouth) Limited (Company No.: 01266053)

THE NEW THEATRE ROYAL - TRUSTEES (PORTSMOUTH) LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

STATEMENT OF CASH FLOWS

	2023 £	2022 £
Net cash flow from operating activities (see below)	345,408	(450,027)
Cash flow from disposal of freehold property and shares	-	700,000
Cash flow from investing activities		
Payments made to acquire tangible fixed assets	(7,301)	(8,306)
Interest received	62	3
Net cash flow from investing activities	(7,239)	(8,303)
Net increase/(decrease) in cash and cash equivalents	338,169	241,670
Cash and cash equivalents at 1 April 2022	238,691	(2,979)
Cash and cash equivalents at 31 March 2023	576,860	238,691
Reconciliation of net income to net cash flow from operating activities		
	2023 £	2022 £
Net income for the year	482,638	(154,060)
Adjusted for:		
Interest receivable	(62)	(3)
Depreciation and impairment of tangible fixed assets	51,448	49,989
Decrease/(increase) in stock	(6,812)	408
Decrease/(increase) in debtors	(334,494)	59,834
Increase/(decrease) in creditors	152,690	(406,195)
	(137,230)	(295,967)
Net cash flow from operating activities (see above)	345,408	(450,027)

Analysis of changes in net debt	At 1 Apr 2022	Cash flows	Other non-cash changes	At 31 March 2023
Cash and cash equivalents				
Cash at bank and in hand	239,786	340,062	-	579,848
Bank overdraft repayable on demand	(1,095)	(1,893)	-	(2,988)
Total	238,691	338,169	-	576,860

THE NEW THEATRE ROYAL - TRUSTEES (PORTSMOUTH) LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

ACCOUNTING POLICIES

General information, scope and basis of the financial statements

The New Theatre Royal - Trustees (Portsmouth) Limited is an incorporated charity, limited by guarantee, incorporated in England with the company number 01266053. In the event of the NTR being wound up, the liability in respect of the guarantee is limited to £10 per member. The address of the registered office is given in the charity information page of these financial statements. The nature of the NTR's operations and principal activities are outlined in the trustees' report.

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 NTR 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.

Subsidiary undertakings

In previous years, NTR had a wholly owned subsidiary undertaking, NTR Trading Limited, a company, limited by shares, incorporated in England with the company number 2911289. The results of NTR Trading Limited were not consolidated into these accounts on the basis it was dormant and is therefore not significant to the group. NTR Trading Limited was exempt from the requirements of Companies Act 2006 relating to the audit of its individual accounts by virtue of section 477.

On 15 February 2022, the subsidiary was dissolved. There was no profit or loss during the two years reported upon in these accounts.

Incoming resources

All incoming resources are included in the Statement of Financial Activities (SOFA) when NTR is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised NTR will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained, then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of NTR and it is probable that they will be fulfilled.

THE NEW THEATRE ROYAL - TRUSTEES (PORTSMOUTH) LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

ACCOUNTING POLICIES

Investment income in the form of bank interest is recognised as the right to receive payment is established.

For legacies, entitlement is the earlier of being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified where it is not yet possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Staff costs, support costs and governance costs

Support costs are those that assist the work of NTR but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. Staff costs have been allocated between costs of raising funds, charitable activities and governance costs on the basis of time spent by staff. Support costs cannot be directly attributed to particular headings and have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources. Support costs have been allocated to charitable activities on the best estimate of the use of those resources.

Governance costs are costs associated with the general running of NTR as opposed to the day to day activities. Governance costs have been allocated to cost of charitable activities on the basis they form part of carrying out those activities.

Allocation of support costs and governance costs

Support costs and governance costs are allocated to the different activities within expenditure on charitable activities on the basis of the number of clients involved in each activity.

Employee benefits

When employees have rendered service to NTR, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service. Termination benefits are recognised on the same basis as expenditure as outlined above.

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

Tax

NTR is considered to pass the tests set out in sections 466 to 493 Corporation Tax Act 2010 (CTA 2010), as such no income tax is payable on its activities.

THE NEW THEATRE ROYAL - TRUSTEES (PORTSMOUTH) LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

ACCOUNTING POLICIES

VAT

NTR is registered for VAT and operates on a standard basis. Costs are recorded net of VAT within the SOFA.

Fixed assets

Tangible fixed assets are stated at cost 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:

- Equipment - 15 years
- Fixtures and fittings - 5 years
- Freehold buildings - 50 years

Investments

Until it was dissolved in February 2022, fixed asset investments comprised the entire share capital of the subsidiary trading company, NTR Trading Limited. The investment is valued at cost on the basis there is no available fair value for the share capital.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing stock to its present location and condition. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

Debtors and creditors receivable/ payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

THE NEW THEATRE ROYAL - TRUSTEES (PORTSMOUTH) LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

ACCOUNTING POLICIES

Fund accounting

Restricted funds

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised for particular purposes. The cost of raising and administering such funds are charged against the specific fund.

Designated funds

Unrestricted designated funds are funds used, or set aside for use, for specific purposes at the discretion of the trustees.

Unrestricted funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of NTR's general objectives and which have not been designated for other purposes.

Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted net income over expenditure is sufficient with the level of reserves for NTR to be able to continue as a going concern.

THE NEW THEATRE ROYAL - TRUSTEES (PORTSMOUTH) LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

NOTES TO THE FINANCIAL STATEMENTS

1. Donations and legacies

	2023	
	Unrestricted Funds	Total Funds
	General	Designated
	£	£
<u>Items relating to year under review</u>		
Donations	16,300	-
Gift aid receivable	1,428	-
Grants receivable	-	-
Portsmouth City Council	77,000	-
Arts Council England	-	-
Other grants	1,500	-
	96,228	-
<u>Items relating to previous years</u>		
Portsmouth City Council	77,000	-
Arts Council England	504,499	-
	581,499	-
Total donations and legacies	677,727	-

	2022	
	Unrestricted Funds	Total Funds
	General	Designated
	£	£
Donations	23,736	-
Gift aid receivable	3,393	-
Grants receivable	-	-
Portsmouth City Council	-	-
Arts Council England	-	-
CJRS & other Covid-19 grants	41,888	-
Other grants	9,064	-
	78,081	-

THE NEW THEATRE ROYAL - TRUSTEES (PORTSMOUTH) LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

NOTES TO THE FINANCIAL STATEMENTS

2. Other trading activities

	2023	
	Unrestricted Funds	Total Funds
	General £	Designated £
Rental and hire income	9,827	-
	<u>9,827</u>	<u>-</u>

	2022	
	Unrestricted Funds	Total Funds
	General £	Designated £
Rental and hire income	14,179	-
	<u>14,179</u>	<u>-</u>

3. Investments

	2023	
	Unrestricted Funds	Total Funds
	General £	Designated £
Bank interest receivable	62	-
	<u>62</u>	<u>-</u>

	2022	
	Unrestricted Funds	Total Funds
	General £	Designated £
Bank interest receivable	3	-
	<u>3</u>	<u>-</u>

THE NEW THEATRE ROYAL - TRUSTEES (PORTSMOUTH) LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

NOTES TO THE FINANCIAL STATEMENTS

4. Charitable activities

	2023	
	Unrestricted Funds	Total Funds
	General £	Designated £
Ticket income	603,138	-
Project income	-	-
Merchandise income	4,803	-
Hire of theatre	158,623	-
Other income	86,565	-
Bar and catering income	174,812	-
	<u>1,027,941</u>	<u>-</u>
		<u>1,027,941</u>

	2022	
	Unrestricted Funds	Total Funds
	General £	Designated £
Ticket income	308,878	-
Project income	6,957	-
Merchandise income	5,363	-
Hire of theatre	99,960	-
Other income	41,738	-
Bar and catering income	83,939	-
	<u>546,835</u>	<u>-</u>
		<u>546,835</u>

5. Other income

There were no balances in the year to 31 March 2023 and the previous year under this heading.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

2023

				2022
	Fundraising	Charitable		
	costs	activities	Governance	Total Funds
	£	£	£	£
Staff payroll costs	-	239,574	-	239,574
Staff related costs		1,738	-	1,738
Premises	-	119,643	-	119,643
Communications and IT	-	14,895	-	14,895
Legal and professional	-	12,886	-	12,886
Advertising and printing	-	952	-	952
Accountancy	-	-	8,105	8,105
Audit fees - current year	-	-	2,529	2,529
Finance charges	-	16,194	-	16,194
	-	405,882	10,634	416,516
Unrestricted general funds	-	405,882	10,634	416,516
	-	405,882	10,634	416,516

THE NEW THEATRE ROYAL - TRUSTEES (PORTSMOUTH) LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

NOTES TO THE FINANCIAL STATEMENTS

9. Auditor's remuneration

	2023	
	Unrestricted Funds	Total Funds
	General £	Designated £
Auditors remuneration - audit	3,750	-
	<u>3,750</u>	<u>-</u>

	2022	
	Unrestricted Funds	Total Funds
	General £	Designated £
Auditors remuneration - audit	2,529	-
	<u>2,529</u>	<u>-</u>

10. Tax on activities

There were no balances in the year to 31 March 2023 and the previous year under this heading.

THE NEW THEATRE ROYAL - TRUSTEES (PORTSMOUTH) LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

NOTES TO THE FINANCIAL STATEMENTS

11. Wages and salary cost

	2023	2022
	Total Funds	Total Funds
	£	£
Gross wages	318,116	225,209
Employer's national insurance costs	16,988	11,266
Employer's pension contributions	4,707	3,099
	339,811	239,574
Staff numbers:		
Average head count	33	22

There were no employees with employee benefits above £60,000 in this or the preceding year.

Pension Scheme

The charity operates a defined contribution plan for the benefit of its employees. Contributions payable to the scheme for the year under review amounted to £4,707 (2022: £3,099). At the balance sheet date, £1,038 (2022: £768) was payable in respect of these contributions.

12. Related party transactions

There are no related party transactions.

None of the trustees a) was remunerated or received other benefits from employment with NTR or b) was reimbursed expenses or had expenses paid on their behalf during the year under review or the comparative year.

During the year under review NTR's key management personnel received employee benefits totalling £43,470 (2021: £41,356). In addition, travel and subsistence expenses were reimbursed at cost only where these were wholly necessary for their roles.

There were no other transactions with related parties that require disclosure in the financial statements

THE NEW THEATRE ROYAL - TRUSTEES (PORTSMOUTH) LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

NOTES TO THE FINANCIAL STATEMENTS

13. Fixed assets

	Freehold property £	Theatre equipment £	Fixtures & fittings £	TOTAL £
Cost				
Brought forward	-	741,130	153,776	894,906
Additions	-	-	7,301	7,301
Disposals	-	-	-	-
Carried forward	-	741,130	161,077	902,207
Depreciation				
Brought forward	-	340,293	151,457	491,750
Charge for the year	-	49,409	2,039	51,448
On disposals	-	-	-	-
Carried forward	-	389,702	153,496	543,198
Net book value carried forward	-	351,428	7,581	359,009
Net book value brought forward	-	400,837	2,319	403,156

14. Stock

	2023 £	2022 £
Bar, café and ice cream stock	8,904	2,092

THE NEW THEATRE ROYAL - TRUSTEES (PORTSMOUTH) LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

NOTES TO THE FINANCIAL STATEMENTS

15. Debtors

	2023 £	2022 £
Trade debtors	20,212	11,568
Tax debtors	-	2,926
Accrued grants	331,499	-
Prepayments and accrued income	10,131	12,854
	361,842	27,348

16. Creditors: Amounts payable within one year

	2023 £	2022 £
Trade creditors	112,787	63,101
Accruals	104,456	36,845
Hire deposits	21,184	26,735
Deferred income (see below)	260,256	224,769
Taxation and social security	11,359	6,172
Bank overdrafts	2,988	1,095
Other creditors	1,038	768
	514,068	359,485

	Brought forward	Released in year	Deferred in year	Carried forward
Ticket sales in advance	224,769	(603,138)	638,625	260,256

17. Contingent liability

At the balance sheet date, there are no known matters for which it would be appropriate to include a liability in these accounts or make reference to them in this note.

THE NEW THEATRE ROYAL - TRUSTEES (PORTSMOUTH) LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

NOTES TO THE FINANCIAL STATEMENTS

18. Creditors: Amounts payable in more than one year

	Brought forward	Released in year	Deferred in year	Carried forward
Ticket sales in advance	224,769	(603,138)	638,625	260,256

19. Post balance sheet events and matters relevant to going concern

Previous accounts for 2020/21 and 2021/22 explained the financial difficulties facing NTR as a result of the Covid closures exacerbated by the decision by Arts Council England to withhold two years' worth of core NPO funding until certain conditions have been met. The accounts for 2020/21 were qualified on the grounds of uncertainty whether the organisation was a going concern.

At the time of signing last year's accounts, ACE had agreed to release 50% of the funds withheld, with the balance being released when the final requirement, essentially the recruitment of new trustees to bolster the board's strength, had been achieved.

During January 2023, ACE released the first 50% of withheld grant and this forms part of the year end cash balance. In April 2023, after the year end, the second 50% was released. Both instalments have been included in these accounts as income, with the second instalment forming part of accrued income within the debtors category in the balance sheet.

Similarly, Portsmouth City Council had withheld two years' worth of core funding of £77k per year, which it agreed to release simultaneously with ACE. Both years' grants are included as revenue in these accounts with one year being received before the year end and one included in debtors.

The decision by ACE to release the first instalment meant it was appropriate that the going concern basis be applied in the preparation of the 21/22 accounts. The organisation continues to have sufficient funds to operate satisfactorily for the next twelve months and the basis continues to be applicable at the date of signing these accounts.

THE NEW THEATRE ROYAL - TRUSTEES (PORTSMOUTH) LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

NOTES TO THE FINANCIAL STATEMENTS

20. Analysis of net assets between funds

As at 31 March 2023

	Unrestricted funds		Total funds £	2022
	General	Designated		Total funds £
Fixed assets	-	359,009	359,009	403,156
Net current assets/(liabilities)	336,526	100,000	436,526	(90,259)
Non-current liabilities	(150,000)	-	(150,000)	(150,000)
	186,526	459,009	645,535	162,897

As at 31 March 2022

	Unrestricted funds		Total funds £	2021
	General	Designated		Total funds £
Fixed assets	-	403,156	403,156	1,144,841
Net current assets/(liabilities)	(132,659)	42,400	(90,259)	(677,884)
Non-current liabilities	(150,000)	-	(150,000)	(150,000)
	(282,659)	445,556	162,897	316,957

THE NEW THEATRE ROYAL - TRUSTEES (PORTSMOUTH) LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

NOTES TO THE FINANCIAL STATEMENTS

21. Analysis of movement in funds

	Year to 31 March 2023					
	Total funds brought forward £	Total incoming resources £	Total resources expended £	Transfers between funds £	Tax on activities £	Total funds carried forward £
Unrestricted funds						
Designated funds						
Fixed asset reserve	403,156	-	(51,448)	7,301	-	359,009
Sustainability reserve		-	-	100,000	-	100,000
Capital works	42,400	-	-	(42,400)	-	-
Total designated funds	445,556	-	(51,448)	64,901	-	459,009
General reserves	(282,659)	1,715,557	(1,181,471)	(64,901)	-	186,526
Total unrestricted funds	162,897	1,715,557	(1,232,919)	-	-	645,535
Total funds	162,897	1,715,557	(1,232,919)	-	-	645,535

Transfers

The transfer of £100,000 between the unrestricted general reserves and the sustainability reserve represents the establishment of a new designated fund from the current year surplus, which will be used for future specific expenditure connected with the maintenance of our Grade II* listed building and future sustainability works.

The transfer of £42,400 from the Capital Works designated fund back to unrestricted general reserves has been made as the purpose of the fund has fallen away following the sale of the freehold of the building and there is no longer the need for the associated expenditure.

The transfer of £7,301 between the unrestricted general reserves and the fixed asset reserve represents the additions to fixed assets less disposals in the year.

THE NEW THEATRE ROYAL - TRUSTEES (PORTSMOUTH) LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

NOTES TO THE FINANCIAL STATEMENTS

Year to 31 March 2022

	Total funds brought forward £	Total incoming resources £	Total resources expended £	Transfers between funds £	Tax on activities £	Total funds carried forward £
Unrestricted funds						
Designated funds						
Fixed asset reserve	1,144,840	-	(49,989)	(691,695)	-	403,156
Capital works	42,400	-	-	-	-	42,400
Total designated funds	1,187,240	-	(49,989)	(691,695)	-	445,556
General reserves	(870,283)	639,098	(743,169)	691,695	-	(282,659)
Total unrestricted funds	316,957	639,098	(793,158)	-	-	162,897
Total funds	316,957	639,098	(793,158)	-	-	162,897

Transfers

The amount of £691,695 transferred from the fixed asset reserve to the unrestricted general reserves derives from the sale of the freehold property

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NOTES TO THE FINANCIAL STATEMENTS

22. Description of funds

Designated funds

Fixed asset reserve	Funds representing the net book value of fixed assets held by NTR.
Sustainability reserve	A fund representing general reserves set aside to be used for future specific expenditure connected with the maintenance of the Grade II* listed building and future sustainability works.
Capital works	Funds set aside by the trustees, in 2016-17 financial year, for the completion of the capital works to the building.

23. Financial instruments

	2023 Total funds £	2022 Total funds £
Financial assets		
Debt instruments measured at amortised cost:		
Share capital investment in NTR Trading Limited	-	-
Trade debtors	20,212	11,568
	<u>20,212</u>	<u>11,568</u>
Financial liabilities		
Measured at amortised cost:		
Trade creditors	112,787	63,101
	<u>112,787</u>	<u>63,101</u>

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

NOTES TO THE FINANCIAL STATEMENTS

24. Previous year statement of financial activities

		Unrestricted Funds		2022	2021
	Note	General £	Designated £	Total Funds £	Total Funds £
INCOME AND ENDOWMENTS FROM:-					
Donations and legacies	1	78,081	-	78,081	213,736
Other trading activities	2	14,179	-	14,179	9,333
Investments	3	3	-	3	7
Charitable activities	4	546,835	-	546,835	(1,121)
Other	5			-	-
Total		639,098	-	639,098	221,955
EXPENDITURE ON:-					
Raising funds	6	147	-	147	435
Charitable activities	7	743,022	49,989	793,011	322,008
Total		743,169	49,989	793,158	322,443
Net income/(expenditure)		(104,071)	(49,989)	(154,060)	(100,488)
Gross transfers between funds	21	691,695	(691,695)	-	-
Tax on activities	10	-	-	-	(347)
Net movement in funds		587,624	(741,684)	(154,060)	(100,835)
RECONCILIATION OF FUNDS					
Total funds brought forward		(870,283)	1,187,240	316,957	417,792
Total funds carried forward		(282,659)	445,556	162,897	316,957