

THE THEATRE ROYAL BATH LIMITED

England & Wales · Charity number 277723

Details

Status Registered

Legal form Charitable company

Company number [01416448](#)

Registered 1979-05-29

Register [View on the Charity Commission register](#)

Contact

Address Theatre Royal
St. Johns Place
Bath
BA1 1ET

Phone 01225448815

Email charity@theatroyal.org.uk

Website www.theatroyal.org.uk

Activities

Objects: 3.1.1 the advancement and promotion of the arts for the benefit of the public, including (but not limited to) theatre, music, dance and live performance and the encouragement of artistic knowledge and appreciation by providing opportunities for all to experience live theatre and artistic performance, including by maintaining and supporting the Theatre Royal, Bath and all its auditoria; and 3.1.2 the advancement and promotion of education in the arts for the benefit of the public, including (but not limited to) by providing opportunities for participation in the arts to a wide and diverse community.

Activities: To promote, maintain, improve and advance education particularly by the production of educational plays and the encouragement of the Arts including the arts of drama, ballet, music, literature, sculpture and painting, particularly but not exclusively for children and young people

Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services, Other Charitable Activities
- **What:** Education/training, Arts/culture/heritage/science
- **Who:** The General Public/mankind

Geography

- **Area of benefit:** NOT DEFINED, IN PRACTICE BATH
- Bath And North East Somerset
- Somerset
- Wiltshire

Finances

Period end	Income	Expenditure	Assets	Employees
2025-05-31	£19,688,196	£18,165,838	£11,833,786	159
2024-05-31	£18,835,347	£17,648,785	£10,311,658	156
2023-05-31	£14,497,924	£13,956,905	£9,119,185	156
2022-05-31	£14,279,106	£12,449,739	£8,569,695	123
2021-05-31	£2,913,215	£3,619,395	£6,740,329	99

Trustees

Name	Role	Appointed
PAUL BENTLEY HEAL	Chair	
Alison Patricia Sian Born		2025-12-01
CHARLOTTE LUCY WALKER		
COSMO JOSEPH FRY		
DOMINIC JEROME EATON		2013-05-21
Henry Meakin		2019-05-20
Katja Kammerer		2019-05-20
Margaret Cooke		2020-05-18
Ruth Abigail Keily		2023-05-23
Simon Holdsworth		2019-05-20

THE THEATRE ROYAL BATH LIMITED

England & Wales - Charity number 277723

Accounts

THEATRE ROYAL BATH



THE THEATRE ROYAL BATH LIMITED

Registered Charity Number 277723
Registered Company Number 01416448

Trustees' Report and Consolidated Financial Statements
For the year ended 31st May 2025

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Overview from the Chair of Trustees and Theatre Director

The **Theatre Royal Bath (TRB)** enjoyed a successful year, again making a sizable contribution to the national theatrical landscape. Working with renowned talent, both in Bath and around the country, the Group is committed to developing audiences of all ages and encouraging enjoyment of theatre.

The Theatre Royal Bath's **Main House** continues to be a popular touring date for producers, with *Sister Act*, *The Merchant of Venice 1936*, *Boys From The Blackstuff*, *Pride and Prejudice* ('Sort of) and *Cruel Intentions* all direct from the West End. Other highlights include Matthew Bourne's *The Midnight Bell* and opening London City Ballet's first tour in almost 30 years. Theatre Royal Bath also played home to the World Premiere of *Alfred Hitchcock Presents: the Musical* in collaboration with Universal Theatrical Group, endorsing our international reputation for producing world class productions.

Theatre Royal Bath hosted Deborah Warner's final season as Artistic Director of the **Ustinov Studio**, with Schubert's *Winterreise* performed by renowned tenor Ian Bostridge and pianist Julius Drake, the final piece in Kim Brandstrup's trio of dance works, *Echo and Narcissus* and Harold Pinter's *The Birthday Party*. Further in The Ustinov Studio, the theatre produced *Jeeves Takes Charge*, *Doubt*, starring Maxine Peake and Ben Daniels and *The Deep Blue Sea*, starring Tamsin Grieg

Away from Bath, **Theatre Royal Bath Productions (TRBP)** continues its run of major successes, with *Farm Hall*, *A View From The Bridge*, starring Dominic West and directed by Lindsay Posner, *The Score*, featuring Brian Cox and directed by Trevor Nunn and *The Deep Blue Sea*, starring Tamsin Grieg, playing to packed audiences at The Theatre Royal Haymarket in the West End. The transfer of *Machinal* at The Old Vic received an Olivier Award nomination for Best Revival and for Rosie Sheehy's 'phenomenal' performance as the Young Woman.

On tour, TRBP commissioned an exciting new interpretation of George Orwell's 1984, adapted by Ryan Craig, presented Alan Bennett's seminal classic *The History Boys* and joined Terrance Rattigan's *Table Number Seven* alongside *The Browning Version* as *Summer 1954*, starring Nathaniel Parker and Sian Phillips. There was a collaboration Jonathan Church Theatre Productions to present a tour of *A Man For All Seasons* starring Martin Shaw and directed by Jonathan Church, which will transferred to the West End next year.

The **Egg** continues to bring and play its exceptional work to a growing number of young people both in its theatre in Bath, around the UK and in China and Canada. Our **Engagement** department has delivered for Batha and its wider theatre community, with 100% pass rates in the Bath Theatre Academy, over 350 students attending the theatre school and Engage expanding to add more groups for our adult participants.

Following several years of consolidation after Covid years, numerous capital projects have been commissioned to invest in the infrastructure to ensure the whole establishment meets the needs of both audiences and producers for the future. In the Spring, two major projects were started within the theatre. Firstly, the creation of new female toilet cubicles within the Stalls and Royal Circle levels of the Main House, which have greatly improved the experience for our patrons. Secondly, works to replace the aging electrical infrastructure around the Main House stage with new dimmers and lighting control for the stage. In addition, the Main House auditorium lighting was enhanced and replaced with LED, as well as replacing and enhancing the Main House auditorium lighting with LED. Both projects will continue into the next financial year. Over the past 12 months, we have invested in excess of £1m in capital works to upgrade our assets with further investment planned.

We were pleased to receive planning permission for our new community auditorium – presently referred to as "Venue 4" which will become the home of our Engage participation programme as well as providing support and space for local creative talent. Work on this project is continuing and the fundraising programme has begun, with the aim of construction work starting in Spring/Summer 2026.

Paul Heal, Chair

Danny Moar, Theatre Director

Theatre Royal Bath: A History

Since 1805, the Theatre Royal's Georgian, grade II* listed building in Bath stands as a home to performance and expression. In 1979, when the building was threatened with closure Jeremy Fry, investor, architect and engineer, stepped in to prevent its failure. His ambition was "to establish Bath as a centre of theatrical excellence". A Theatre Trust was set up to protect the site for the city of Bath, and Theatre Royal Bath Limited was incorporated as a charitable enterprise. Nowadays, Theatre Royal Bath is at the heart of a thriving economic and artistic ecology. The Theatre is a cultural powerhouse in the South-West and nationally, offering local audiences the quality of London's West End.

Ustinov Studio

In 1989, the Ustinov Studio was opened with the support of Sir Peter Ustinov himself. Described as a "glittering 'black jewel'", the former stable block is the 120-seat studio theatre that is now famed for its ability to attract UK and international talent. The Ustinov welcomes local audiences to a mix of fringe shows, alongside acclaimed Theatre Royal Bath Productions and artistic director seasons. The Ustinov is a destination theatre and this year was home to world-famous opera director Deborah Warner's final season as Artistic Director, as well as welcoming exceptional actors and creative teams to the theatre.

Theatre Royal Bath Productions

In 1998, just two years into his tenure, Theatre Director Danny Moar established Theatre Royal Bath Productions Limited with an initial target of 2 productions per year. Last year, TRBP produced four productions in the West End, and a further four on tour in the UK. Theatre Royal Bath Productions is now known as one of the most prolific British theatre producers in London's West End, on UK tour and internationally.

The Egg

Theatre for young audiences and theatre education was established at The Egg in 2003 when the Theatre Royal Bath committed to re-developing an adjoining cinema building specifically to provide a venue and auditorium for children. Early doubts around the potential demand for a dedicated children's theatre were quickly demonstrated to be unfounded. The Egg presents, produces and tours award-winning work for young people and their families year-round, and provides education and enrichment to a wide range of young people. This includes its theatre school as well as the delivery of courses in association with Bath College.

Engage

Engage is our established movement to support and promote theatre participation. Following on from 2022's successful inaugural Elevate Festival of grass-roots theatre productions, Engage goes from strength to strength. Over 30 years of adult theatre workshops, supported since 2009 by The Miss Beryl Billings Charitable Trust, have sparked joy, friendship and creative careers for hundreds of participants. Engage is preparing for a community play, *David Copperfield*, directed by Sally Cookson, involving more than 100 local people in February 2026. Planning permission has been granted for a new venue space – Venue 4 – to house the work of Engage, as well as to support the local community.

Mission

To present high-quality entertainment that promotes the arts, encouraging a lifelong love for theatre for diverse audiences. Theatre Royal Bath is committed to maintaining our historic stages, making them available for learning and performance. Our theatre is a space to connect with the past, make sense of the present, and offer a portal to the future.

Central to this mission is the ability to operate without regular public subsidy, as a self-made national theatre. Financial confidence enables artistic risk-taking and community education. Our varied programme of high-quality productions generates income through sales in Bath. Theatre Royal Bath Productions collaborates with the very best practitioners to bring artistic excellence to the southwest. This original work is ultimately exploited on tour and in the West End, delivering impact that resonates both nationally and internationally.

This self-sustaining model allows us to reinvest in studio productions, local theatre-making and education. Whilst the Theatre receives a small amount of project support from individuals, trusts and foundations, overall financial independence is inextricably linked to our commitment to prioritise artistic excellence, irrespective of taste or politics.

Values

- Maintain, at all times, a commitment to artistic quality and rigour.
- Celebrate freedom of expression and value a broad church of lived experience for all stakeholders
- Nurture a vibrant and sustainable theatre ecology in the region
- Ensure financial security, resilience and value for money within its charitable structure

Priorities

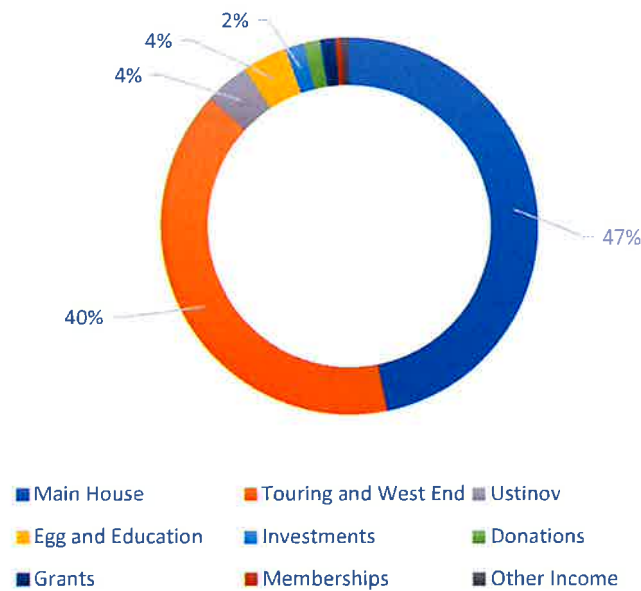
- Deliver artistic excellence in producing.
- Present a varied theatrical programme.
- Cultivate original theatre for young audiences.
- Invest in young access through the Wonderfund.
- Promote local theatre participation.
- Foster community partnerships.
- Generate income to retain artistic independence and maximise impact.
- Maintain and secure the historic buildings.

The Operation

Financially, we are focussed on maintaining a robust, enduring theatre business to support delivery of our objectives for public benefit.

The Theatre's strategy is to recover its operating costs in the Main House from ticket sales and charges. Any surplus generated by activity in the Main House, together with all profits from Theatre Royal Bath Productions Limited, Theatre Royal Bath Enterprises Limited and Theatre Royal Bath (Trading) Limited, the Group's commercial arms, are used to support the Ustinov and Egg theatres, the presentation of work specially produced in Bath as well as a wide variety of educational and outreach projects and to maintain and enhance our Grade II* listed building.

Sources of our Income



87% of our income comes from activities either in the Main House or presenting work either on tour or in the West End. This shows both the strength of our commercial activities and the importance of the Theatre Royal Bath to the touring ecology in the UK, as a provider of content and a great prospect for visiting producers.

As we continue to focus on delivering a mix of artistically ambitious work in Bath, in the West End and further afield, we are equally focused on maintaining a robust balance sheet that provides certainty for all stakeholders. This positions Theatre Royal Bath well to weather uncertainty in the arts funding environment in the UK as well as changes and challenges in the wider economic environment.

Additional investment from funders is essential to enrich this programme. Income from donors and grant-making bodies makes up a small proportion of our overall funds but is significant for the non-commercial work that supports the local community, for our local young people and in maintaining our significant Grade II* listed building.



Impact 2024/25 – Theatre Royal Bath Productions

- Theatre Royal Bath Productions continues to be a key player in the touring and West End markets.
- 294 Creatives, Cast members, Stage Management and Technical staff directly engaged on Theatre Royal Bath Productions during the year.
- Over 250,000 people attended a touring or West End production, with 64 weeks of performances outside of Bath.
- Two Olivier Nominations this year for the West End transfer of *Machinal*



Impact 2024/25 – Main House

- 25,197 customers booked with Theatre Royal Bath for the first time, bringing 30% our audience
- 206,355 people attended performances in the Main House and Ustinov
- 71% increase in membership of the Friends and Associates schemes
- Additional female toilets added to the Main House for the benefit of patrons, as well as upgrades to the technical infrastructure to enhance the experience of visiting companies



Impact 2024/25 – Ustinov Studio

- Four productions which originated in the Ustinov Studio, transferred to the West End this year
- 18,956 customers attended the Ustinov Studio during the year
- *'A tiny theatre becomes a magical cavern'* THE TIMES on the Ustinov Studio



Impact 2024/25 – The Egg and Young People

- 11 weeks of original work created by The Egg toured the UK, China and Canada.
- 28,302 tickets sold for performances at the Egg.
- 51% of sales for our own productions and a further 8% for our student's productions.
- 65+ freelancers employed to provide workshops for 73 16-18 year olds studying full time at The Egg and 361 students with the TRB Theatre School
- 100% pass rate for practical elements of the Bath Theatre Academy students, with 100% of 2nd years receiving a merit or distinction
- 4,768 Wonderfund tickets given to local schools to give students an introduction to theatre.



Impact 2024/25 – Engage

- Planning permission granted for 'Venue 4' – a new home for our engagement activity and for local community groups, at the heart of Theatre Royal Bath
- Growing participation from underrepresented groups, with d/Deaf and over 65s participation rising by 10% and 3% respectively.
- 410 audience members supported the participants in their final showcases
- 10 student placements supported in our Engagement department
- 350+ applications and 253 participants joined taster sessions for our community play, with 112 people cast in *David Copperfield: A Life* and 25+ volunteers and students from Bath Spa University

Above is an architectural visualisation of the proposed performance space, designed by Stirling Prize-Winning theatre architects Haworth Tompkins.

Financial Review

Reserves Policy

The Trustees of Theatre Royal Bath consider that a reserves policy is necessary to maintain sufficient reserves to achieve twin objectives:

- i) the presentation of high-quality theatre throughout the year; and
- ii) the maintenance of the Grade II listed building in which the Group, the Theatre Royal Bath and its subsidiary companies, are housed.

The Trustees regularly review the nature and level of the unrestricted reserves held to try and achieve balance in these objectives.

Total reserves as at the year-end are £11.8 million (2024: £10.3 million) comprising restricted funds of £1.7 million (2024: £1.4 million) and unrestricted funds of £10.1 million (2024: £8.9 million).

The unrestricted funds include designated funds of £6.9 million (2024: £6.5 million).

The remainder are unrestricted and undesignated and total £3.3 million (2024: £2.4 million)

The designated funds are described below:

- The Theatre has increased the balance on its Production Fund this year to finance future productions for TRB as it has done in the past funding the Summer Season, the Ustinov Seasons and the Egg Christmas production. The balance to carry forward for the Production Fund is £502k (2024: £564k).
- The Stability Fund provides a general buffer in the event of a sudden decrease in income or increase in expenditure, either as a result of an unexpected period of closure, or an event which significantly impacts the business. The balance of the Stability Fund is at £500k (2024: £150k).
- The Creative Fund supports access to the theatre through the Engage programme and into the Venue 4 Space. The balance of the Creative Fund is at £52k (2024: £52k).
- The Building Levy Fund is used by the Group to maintain and run the building and equipment in the three auditoria. The Trustees recognise that significant expenditure is required for a building such as the Theatre Royal Bath and its three auditoria, and the current reserve balance is of a size whereby annual planned expenditure as well as unpredictable works can be met. The balance of the Building Levy Fund is at £1.2m (2024: £1.2m).
- The Building Development Fund contains designated funds for future capital projects to improve and enhance the facilities within the building. This money was used to fund the Ladies toilet improvement project and to upgrade the technical infrastructure in the Main House, both of which commenced during Spring 2025, as well as to fund the theatre's contribution to the work for the Venue 4 project, which is anticipated to be completed during 2026. The balance of the Building Development Fund is £1.25m (2024: £1.25m).
- The Fixed Asset Fund represents the value of our unrestricted fixed assets. The balance of the Fixed Asset Fund is £3.4m (2024: £3.3m)

Free reserves as at 31 May 2025 amounted to £3.3 million (2024: £2.3 million) and the Trustees aim to maintain an adequate level of reserves in the coming years. The Trustees are satisfied that the current free reserves meet the reserves requirement for the organisation.

Going Concern

The Trustees have considered the level of funds and cash held, the future budgeted income and expenditure and the levels of reserves, such that they have determined that the Group is able to continue as a going concern. Theatre Royal Bath provides funds to the subsidiaries to support their activities, primarily the cost of opening productions in Theatre Royal Bath Productions. This support is included as part of the going concern assumption.

Principal Risks and Uncertainties

The Theatre Royal Bath Limited faces the following principal risks and challenges:

- weighing the promotion and fostering of artistic knowledge with commercial pressures to ensure continued financial sustainability;
- continuing to attract attendees in sufficient number to achieve the Group's objectives;
- making sure that necessary funds are generated to enable maintenance and improvement of existing assets, in particular the Grade II* listed Main House building to allow the Group to meet its artistic and audience requirements; and
- the risk that the Group's access to publicly and non-publicly funded grants, which enrich the artistic development and outreach activities, is reduced as a result of increased competition because of the continued and significant cuts to public funding of the arts.

The consolidated statement of financial activities shows income from charitable activities for the year was £18.9 million (2024: £18.2 million). Total income for the year was £19.7 million (2024: £18.8 million). Expenditure on charitable activities in the year to 31 May 2025 was £18.1 million (2024: £17.6 million). The net income of the Group for the year was £1.5 million (2024: £1.2m).

Theatre Royal Bath Productions Limited develops and produces theatrical productions. It has generated a profit for the financial year of £497k (2024: £63k). Theatre Royal Bath Productions has donated £77k (2024: £332k) in the year to TRB. Theatre Royal Bath Enterprises Limited manages and runs certain theatrical productions for both Theatre Royal Bath and Theatre Royal Bath Productions. It has a profit of £nil (2024: £nil).

Theatre Royal Bath (Trading) Limited, the third wholly owned subsidiary, is responsible for operating and overseeing all aspects of the bars and retail operation within the theatre and procuring sponsorships. It generated a profit for the financial year of £22k (2024:£73k) and in the year it has donated £79k (2024: £29k) to Theatre Royal Bath.

The differences between the reported profits of the subsidiaries noted above and the amounts donated are a function of when donations are made. All profits of the subsidiaries are ultimately donated to Theatre Royal Bath.

Overall, the Trustees are satisfied with the year's results which continue a very successful period for the theatre. On behalf of the Board, the Trustees thank Danny Moar and his staff for all their effort and commitment in this year 2024/25.

Investment Powers and Policy

The Trustees have the power to invest funds not immediately required for operational use in such ways as they consider appropriate. Currently the funds are held with instant and overnight access at Barclays Bank PLC at a competitive interest rate.

Plans for Future Periods

Theatre Royal Bath will continue to programme and produce work of the highest quality for presentation to audiences in Bath and beyond. To this end, Theatre Royal Bath Productions is undertaking a high level of activity, creating touring productions for Theatre Royal Bath and then on tour to UK theatres and productions for the West End.

The Egg intends to build on the success of its touring productions nationally and internationally and significantly to expand the development of new productions.

At the year end, the theatre is part way through creating additional female toilet facilities, with further costs of £155k committed. The theatre also continues to pursue the development of space within the building into a home for our Engage and Outreach work, a new studio referred to as 'Venue 4'. This project has received planning permission and fundraising is underway.

Governance

Reference and administrative details

Charity number: 277723
Company number: 01416448
Registered Office: Theatre Royal Bath, Sawclose, Bath, BA1 1ET

Our advisers

Auditor
HaysMac LLP 10 Queen Street Place, London, EC4R 1AG

Banker
Barclays Bank PLC 4th Floor, Bridgewater House, Finzels Reach, Counterslip,
Bristol BS1 6BX

Solicitors
Mogers Drewett The Square, Lower Bristol Road, Bath, BA2 3BH

Directors and Trustees

The directors of Theatre Royal Bath Limited (the Charity) are its Trustees for the purpose of Charity law. The Trustees and Officers serving during the year and since the year end were as follows:

Key management personnel - Theatre Royal Bath Limited: Trustees and Directors

Paul Heal (Chairman)
Charlotte Lucy Walker (Vice Chair)
Suresh Ariaratnam (Resigned 27th January 2025)
Margaret Cooke
Dominic Eaton
Cosmo Fry
Simon Holdsworth
Katja Kammerer
Ruth Keily
Henry Meakin

Finance and Risk Committee

Dominic Eaton Trustee
Paul Heal Trustee and Chairman of the Board of Trustees
Henry Meakin Trustee and Chairman of the Finance and Risk Committee
Charlotte Lucy Walker Trustee and Vice Chair of the Board of Trustees

Remuneration Committee

Paul Heal Trustee and Chairman of the Board of Trustees
Henry Meakin Trustee and Chairman of the Finance and Risk Committee
Stephen Ross Chairman, Theatre Royal Bath Productions

Key management personnel: Senior managers of Theatre Royal Bath Limited

Theatre Director D Moar
Finance Director M Cundy
General Manager E Hibbert
Theatre Administrator
and Executive Producer N Palmer

Governing Document

The Theatre Royal Bath Limited is a company limited by guarantee (number 01416448) and a registered Charity (number 277723 registered in May 1979) under the Charities Act 2011. Its governing instrument is the Memorandum and Articles of Association, which were last amended on 18th February 2021.

All Trustees are also the members and thus undertake to contribute the sum of £100 each to the assets of TRB in the event of it being wound up during the time that they are members or within one year thereafter.

Appointment of Trustees

TRB's governing body is a Board of Directors (who are also the Trustees of the Charity) whose members are invited to serve on the Board and retire periodically by rotation. Representatives of local businesses, people involved in the wider arts world and council members from Bath & North East Somerset are represented on the Board. When considering co-opting Trustees, regard is given by the Board to the necessity or desirability of any specialist skills so that the Board can call on a wide range of relevant knowledge and expertise. The councillor board member is subject to the appointment process of the Bath & North East Somerset Council.

Demonstrating TRB's commitment to young people and a diversity of viewpoint, a 'Young Board Associate' programme was initiated during the year pursuant to which three persons aged between 18-25 were selected following a recruitment process and invited to attend board meetings of the Trustees of the Charity. Whilst the Board Associates are not Directors or Trustees of the Charity, they are formally appointed for a fixed tenure and invited to attend and fully contribute to meetings of Trustees.

Trustee induction and training

New Trustees are briefed on their legal and other responsibilities as Trustees and an appropriate induction process is arranged by existing Trustees. There is a formal induction process pursuant to which new Trustees are briefed by members of the executive team and existing Trustees.

There is no set policy for the provision of Trustee training. However, where training needs are identified, suitable training is organised. Additionally, the Trustees are periodically reminded of their responsibilities as Trustees and updated on any relevant changes to the applicable law.

Organisation

The Board of Trustees administers the Charity. The Board normally meets bi-monthly, as does the Finance and Risk sub-committee. The Theatre Director is appointed by the Trustees to manage the day-to-day operations with the senior managers.

Related parties and co-operation with other organisations

None of our Trustees receive any remuneration or other benefit for services to the Charity. Any connection between a Trustee or member of key management with a supplier or contracted person must be disclosed to the full Board of Trustees. When connections are disclosed, the Board consider the risks and impacts of such connections and appropriate safeguards are put in place. In the current year, the following relationships were disclosed:

During the year, the Theatre Royal Bath Productions Limited presented the Jermyn Street Theatre's production of *Farm Hall* in the West End, which was written by Katherine Moar, the daughter of Theatre Director, Danny Moar. Ms Moar received payment in the form of a royalty for this which is disclosed in the accounts.

In order to enable the Trustees to carry out their duties to assess and support the Charity, they are able to receive a maximum of two complimentary tickets to attend a performance of each of the Charity's own productions.

Pay policy for senior managers

The Board of Directors, who are the Charity's Trustees, and the senior management team comprise the key management personnel of the Charity. All Trustees/Directors give of their time freely and no Trustee/Director received remuneration in the year. Details of Trustee/Directors' expenses are disclosed in

note 11 to the financial statements. The pay of the senior staff is reviewed annually and normally increased in accordance with CPI rates as approved by the Trustees.

The Remuneration Committee considers the pay of the Chief Executive in his role as both Group Chief Executive and Managing Director of TRBP, the Group's commercial arm. The Committee seeks to benchmark his remuneration against the executives of comparable theatres. His remuneration in relation to TRBP is wholly based on the profitability of that business. Other members of the senior management team also receive remuneration in relation to TRBP wholly based on the profitability of that business.

Fundraising

The Charity has a Development team that raises funds from individuals, trusts and corporate entities. It does not engage third parties to carry out fundraising activities on its behalf. No complaints were received during the year by the Charity about fundraising activity. The Charity anticipates an increase in fundraising activity for the Venue 4 project following the year end. A primary area of fundraising is the 'Friends and Associates' membership schemes. Once a year, Friends and Associates are reminded in writing that their membership is up for renewal. If a member does not renew, they are informed in writing that their membership has lapsed with information about applying for the membership if they would like to join. The Charity has registered with the Fundraising Regulator during the Year.

Risk management

The Trustees are alert to the wide range of risk factors which may arise in connection with the Charity and its operations, including the principal risks and uncertainties listed above. The Trustees are satisfied that policies and procedures are in place which address corporate governance risks including such as conflicts of interest and anti-corruption and bribery, together with policies which address operational risks such as health and safety; child and young person protection issues; adult safeguarding, including mandatory policies directed towards the prevention of harassment; disaster recovery; insurance; and IT systems and data security. Certain financial risks are provided for by way of the stability fund referred to above. The Trustees regularly review these policies and procedures.

In particular, the Trustees are aware of the risks posed by the fabric of the theatre as a historic building and the possibility that unforeseen maintenance may be required. By means of a rolling repairs programme and the Building Levy, the Trustees are satisfied that they have adequately provided for this contingency.

Trustees' responsibilities in relation to the financial statements

The Charity Trustees (who are also the Directors of the Theatre Royal Bath Limited for the purposes of company law) are responsible for preparing a Trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Charity Trustees to prepare financial statements for each 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 Group for that period. In preparing the 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity 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 Charity

and the Group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.


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.

Statement as to disclosure to our auditor

In so far as the Trustees are aware at the time of approving our Trustees' annual report:

- there is no relevant audit information, being information needed by the auditor in connection with preparing their report, of which the Group's auditor is unaware;
- the Trustees, having made enquiries of fellow directors and the Group's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a Director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information; and

By order of the Board of Trustees



Paul Heal (Chairman)

Date: Tuesday 18th November 2025

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF
THEATRE ROYAL BATH LIMITED
FOR THE YEAR ENDED 31 MAY 2025**

Opinion

We have audited the financial statements of Theatre Royal Bath Limited for the year ended 31 May 2025 which comprise the Group Statement of Financial Activities, including income and expenditure account, the Group and Parent Charitable Company Balance Sheets, the Group 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, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 May 2025 and of the group's and parent charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 group and parent 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 Report of the Trustees. 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 Report of the Trustees, (which includes the strategic report and the Directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Directors' report included within the Report of the Trustees have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

Responsibilities of Trustees for the financial statements

As explained more fully in the Trustees' responsibilities statement set out on page 14 the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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 group and charitable company and the environment in which they operates, we identified that the principal risks of non-compliance with laws and regulations related to revenue recognition and the completeness of expenditure, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities Act 2011, payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to related to posting inappropriate journal entries to revenue and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;

- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

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 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 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.



Jane Askew (Senior Statutory Auditor)

For and on behalf of HaysMac LLP, Statutory Auditors

Date: 09/12/2025

10 Queen Street Place

London

EC4R 1AG

Consolidated Statement of Financial Activities (including income and expenditure account)

For the Year Ended 31 May 2025

	Note	2025 Unrestricted Funds £'000	2025 Restricted Funds £'000	2025 Total Funds £'000	2024 Total Funds £'000
Income from:					
Charitable activities:	4	18,593	270	18,863	18,177
Donations and legacies	5	164	229	393	266
Other trading activities:	6	121	-	121	178
Investment income		312	-	312	216
Total income		19,190	499	19,689	18,837
Expenditure on:					
Costs of raising funds:		(77)	(1)	(78)	(62)
Charitable activities:	8	(17,840)	(249)	(18,089)	(17,589)
Total expenditure		(17,917)	(250)	(18,167)	(17,651)
Net income/(expenditure)	10	1,273	249	1,522	1,186
Funds transfer	21	-	-	-	-
Net movement in funds for the year		1,273	249	1,522	1,186
Reconciliation of funds					
Total funds brought forward		8,880	1,420	10,300	9,114
Total funds carried forward		10,153	1,669	11,822	10,300

All income and expenditure derive from continuing activities

Consolidated and Charity Balance Sheets

For the Year Ended 31 May 2025

	Note	Group 2025 £'000	Group 2024 £'000	Charity 2025 £'000	Charity 2024 £'000
Fixed assets					
Intangible assets	14	8	13	8	13
Tangible assets	15	5,308	4,558	5,295	4,547
Investments	16	-	-	10	10
Total Fixed Assets		5,316	4,571	5,313	4,570
Current assets					
Work in progress		495	277	37	111
Debtors	17	3,525	1,913	2,891	1,586
Cash at bank and in hand		8,843	8,329	7,710	7,535
Total Current Assets		12,863	10,519	10,638	9,232
Liabilities					
Creditors falling due within one year	18	(6,357)	(4,490)	(4,611)	(3,321)
Net Current assets		6,506	6,029	6,027	5,911
Creditors falling due after more than one year	20	-	(300)	-	(300)
Net assets		11,822	10,300	11,340	10,181
The funds of the charity:					
Unrestricted income funds		10,153	8,880	9,671	8,761
Restricted income funds		1,669	1,420	1,669	1,420
Total Charity funds	21	11,822	10,300	11,340	10,181

The Trustees have prepared group financial statements in accordance with section 398 of the Companies Act 2006 and section 38 of the Charities Act 2011. The surplus of the charity was £1,159k (2024 - £1,408k).

Signed and authorised for issue on behalf of the Trustees by



Paul Heal (Chairman)

Approved by the Trustees on Tuesday 18th November 2025

Consolidated Cash Flow Statement

For the Year Ended 31 May 2025

	Note	2025 £'000	2024 £'000
Cash generated (used in) / from operating activities	23	1,650	714
Cash flows from investing activities			
Interest received		312	216
Purchase of intangible fixed assets		-	(10)
Purchase of tangible fixed assets		(948)	(321)
Cash used in investing activities		(636)	(115)
Repayment of bank loans		(500)	(200)
Net cashflow from in financing activities		(500)	(200)
Increase / (decrease) in cash and cash equivalents in the year		514	399
Cash and cash equivalents at the beginning of the year		8,329	7,927
Total cash and cash equivalents at the end of the year		8,843	8,329

Analysis of Net Debt

For the Year Ended 31 May 2025

	As at 31 May 2024	Cashflows for the year	As at 31 May 2025
	£'000	£'000	£'000
Cash and cash equivalents			
Cash at bank and in hand	8,329	514	8,843
Borrowings			
Bank loans – amounts falling due within one year	(200)	200	-
Bank loans – amounts falling due after more than one year	(300)	300	-
	(500)	500	-
Net Funds	7,829	1,014	8,843

Notes to the Financial Statements

1. Accounting Policies

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

a. Basis Of Preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015 and as updated with effective from 1 January 2016) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and, in relation to the consolidated financial statements, the Charities Act 2011.

The accounting policies have been applied consistently from the prior year except as detailed below.

The Theatre Royal Bath Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

b. Preparation of the financial statements on a going concern basis

The financial statements have been prepared on a going concern basis.

The Trustees consider that the level of funds held by the Charity, the available cash on hand, and the budgeted income and expenditure is sufficient for the Charity to be able to continue as a going concern and that there are no material uncertainties in relation to going concern.

c. Group financial statements

The financial statements consolidate the results of the Charity and its wholly owned subsidiaries Theatre Royal Bath Productions Limited, Theatre Royal Bath (Trading) Limited, Theatre Royal Bath Enterprises Limited and AH Presents Limited. A separate Statement of Financial Activities and Income and Expenditure Account for the Charity has not been presented because the Charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

The Charity is a qualifying entity as defined by FRS 102 and, as such, has taken advantage of the following exemptions:

- presenting a statement of entity cash flows on the grounds that the relevant information is included within the consolidated information presented within these financial statements; and
- presenting certain financial instruments disclosures on the grounds that the relevant information is included within the consolidated information presented within these financial statements.

d. Income

Income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

The Charity utilises a 52 week year to recognise revenue, recognising income and expenditure to the final Saturday of the period. This means that some periods are 53 weeks to compensate for this policy. During this year, 52 weeks of revenue have been recognised.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, 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.

1. Accounting Policies (continued)

d. Income (continued)

For legacies, entitlement is taken as the earlier of the date on which either: the Charity is aware that probate has been granted, the estate has been finalised, and notification has been made by the executor(s) to the Charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Charity or the Charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income received in advance of a theatrical performance or provision of other specified service is deferred until the performance, or the service has been given (see note 19).

a. Donated services and facilities

Donated professional services and donated facilities are recognised as income when the Charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the Charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time is not recognised.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the Charity which is the amount the Charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

b. Interest Receivable

Interest is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the Bank.

c. Fund Accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the Charity. Designated funds are unrestricted funds of the Charity which the Charity Trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the Charity's work or for specific artistic projects being undertaken by the Charity.

d. Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- costs of raising funds – which comprise the costs of commercial trading including the catering and the associated support costs;
- expenditure on charitable activities – which includes activities undertaken to further the purposes of the Charity and the associated support costs.

e. Allocation of support costs

Support costs are those functions that assist the work of the Charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll processing and governance costs which support the Charity's artistic programmes and activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in note g.

1. Accounting Policies (continued)

f. Tangible fixed assets

Individual fixed assets costing £200 or more are capitalised at cost and are depreciated over their estimated useful lives on a straight line basis as follows:

Asset Category	Annual
Equipment	10%-32%
Motor vehicles	25%
Leasehold improvements	2%
Freehold property improvements	2%

The freehold property is not depreciated as the Trustees do not believe its residual value to be significantly lower than its cost due to the age and nature of the building, and its location in the conservation area of central Bath. An impairment review is carried out annually by the Trustees and any impairment is charged to the income statement in the year in which it is identified.

g. Work in Progress

Work in progress, which represents direct costs of theatrical productions that had yet to start at the year end, is stated at the lower of cost and net realisable value.

h. Debtors

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

i. Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

j. 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 or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

k. Financial Instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments; all such financial assets are current. Except for financing instruments, basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Financing instruments are initially recorded at the proceeds received net of direct issue costs and are subsequently measured at amortised cost, using the effective interest rate method.

l. Pensions

The Group provides a range of benefits to employees, including paid holiday arrangements and defined contribution pension plans. New and existing employees are automatically enrolled into a defined contribution pension scheme unless they have exercised their right to opt out of scheme membership.

Short term benefits, including compensation for loss of employment, holiday pay and other non-monetary benefits, are recognised as an expense in the period in which the service is received.

The Group operates a defined contribution plan, whereby the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations. The contributions are recognised as an expense in the period to which they relate. Amounts not paid are shown in accruals in the statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

1. Accounting Policies (continued)

m. Taxation

The Charity's current trading activities are charitable and therefore, to the extent that any surpluses are applied to its charitable objects, the Charity is not liable to tax, and no provision is made for current or deferred tax by the Charity.

No provision is made for current or deferred tax on any profits arising in the year generated by the Charity's subsidiaries which are expected to be offset by the carry back of future donations to the Charity. The current tax charge recognised in the subsidiaries is based on the remaining taxable profit for the year. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Other than as described above, deferred tax is recognised in respect of all timing differences between taxable profits and the net movement in funds that have originated but not reversed at the balance sheet date. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised.

Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The Group receives Theatre Tax Relief which is surrendered, giving rise to tax payments to the Group. The arising credit is recognised in the year in which the related expenditure is incurred. The credit is recognised in charitable expenditure in the Consolidated Statement of Financial Activities.

n. Key judgements and sources of estimation and uncertainty

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make judgements and estimates that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the statement of financial position date and the reported amounts of revenues and expenses during the reporting period. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates.

In preparing the financial statements, the only judgements which had, or could have had, a material impact on the financial statements is the adoption of the going concern basis for the preparation of the financial statements (as explained above) and the assessment of whether a freehold property that is currently sublet should be classed as an investment property or, as is currently the case, not. If in future the property is reclassified as an investment property, it will need to be stated at its fair value rather than depreciated cost, which is likely to result in an increase in the reported net assets of the Group.

The only material estimate required is the estimated useful lives of assets and their residual values, which are described above. The carrying value of the assets is given in note 15.

2. Legal Status of the Charity

The Charity is a private company limited by guarantee and has no share capital. It is registered in England and its registered office is Theatre Royal Bath, Sawclose, Bath, BA1 1ET and its registered company number is 01416448. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £100 per member of the Charity.

3. Financial Performance of the Charity

The consolidated statement of financial activities includes the results of the Charity's wholly owned subsidiaries (see note 7).

The summary financial performance of the Charity alone is:

	2025 £'000	2024 £'000
Income	17,726	17,311
Donation from subsidiary companies	157	361
	<u>17,883</u>	<u>17,672</u>
Expenditure on charitable activities	<u>(16,724)</u>	<u>(16,264)</u>
Net income/(expenditure)	1,159	1,408
Total funds brought forward	10,181	8,773
Total funds carried forward	<u>11,340</u>	<u>10,181</u>
Represented by:		
Unrestricted income funds	9,671	8,761
Restricted income funds	1,669	1,420
	<u>11,340</u>	<u>10,181</u>

The consolidated income of £19,689k (2024: 18,837k) comprises the charity income above of £17,726k (2024: £17,311 k) plus the income of the subsidiaries of £8,793k (2024: £6,922k) (Note 7) less net inter-company trading adjustment of £6,831k (2024: £5,396k).

4. Income from charitable activities

	Unrestricted Funds 2025 £'000	Restricted Funds 2025 £'000	Total 2025 £'000	Total 2024 £'000
Main House & Ustinov Performances	9,982	-	9,982	11,600
Education (inc performances in the egg)	721	27	748	589
Touring and West End Productions	7,886	-	7,886	5,845
Income	4	243	247	143
Grant Income	4	243	247	143
	<u>18,593</u>	<u>270</u>	<u>18,863</u>	<u>18,177</u>

5. Income from donations and legacies

	Unrestricted Funds 2025 £'000	Restricted Funds 2025 £'000	Total 2025 £'000	Total 2024 £'000
Memberships	109	-	109	130
Donations	55	229	284	136
	<u>164</u>	<u>229</u>	<u>393</u>	<u>266</u>

The Charity benefits greatly from the involvement and enthusiastic support of its volunteers, details of which are given in our annual report. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of volunteers is not recognised in the financial statements.

6. Income from other trading activities

	Total 2025 £'000	Total 2024 £'000
Other trading income	121	178
	<u>121</u>	<u>178</u>

All income from other trading activities is unrestricted in both 2025 and 2024. Of the income, £67k (2024: £74k) is from rents and the balance from the provision of services.

7. Income from trading activities of subsidiaries

The Charity has four wholly owned trading subsidiaries all of which are incorporated in the UK and all of which have their registered office at Theatre Royal Bath, Sawclose, Bath BA1 1ET. The Theatre Royal Bath (Trading) Limited operates the bars within the Theatre, procures sponsorship for The Theatre Royal Bath and operates the 1805 Entertaining Suite. The Theatre Royal Bath Productions Limited generates and presents theatrical productions. The Theatre Royal Bath Enterprises Limited manages and runs theatrical productions for The Theatre Royal and for The Theatre Royal Bath Productions Limited. AH Presents Limited operates the production Alferd Hitchcock Presents.

In the prior year, the Charity reported a wholly owned subsidiary, Roman Holiday Bath Limited. This was dormant until the company was dissolved on 26th November 2024.

These companies donate their taxable profits and pay management charges to The Theatre Royal Bath Limited. Audited financial statements are filed with the Registrar of Companies. A summary of their trading results is shown below. In the consolidated statement of financial activities, the turnover of Theatre Royal Bath Productions is included in touring and west end productions income. Other income, after eliminating intra-group transactions, is included as income from other trading activities.

7. Income from trading activities of subsidiaries (continued)

The summary financial performances of the subsidiaries are:

2025	TRB Productions £'000	TRB Trading £'000	TRB Enterprises £'000	AH Presents £'000	Total £'000
Turnover	7,403	603	-	731	8,737
Other expenditure	(6,596)	(430)	-	(943)	(7,969)
Net profit/(loss)	807	173	-	(212)	768
Theatre tax relief	-	-	-	212	212
Management charges	(310)	(151)	-	-	(461)
Amount donated to the Charity	(77)	(79)	(1)	-	(157)
Retained in subsidiary	420	(57)	(1)	-	362

2024	TRB Productions £'000	TRB Trading £'000	TRB Enterprises £'000	Roman Holiday Bath £'000	Total £'000
Turnover	5,523	655	1	743	6,922
Other expenditure	(5,205)	(443)	-	(948)	(6,596)
Net profit/(loss)	318	212	1	(205)	326
Theatre tax relief	-	-	-	205	205
Management charges	(255)	(138)	-	-	(393)
Amount donated to the Charity	(332)	(29)	-	-	(361)
Retained in subsidiary	(269)	45	1	-	(223)

The management charges were paid to the Charity.

The assets and liabilities of the subsidiaries were:

2025	TRB Productions £'000	TRB Trading £'000	TRB Enterprises £'000	AH Presents £'000	Total £'000
Fixed assets	1	11	-	-	12
Current assets	1,473	99	11	747	2,330
Current liabilities	(1,004)	(88)	-	(747)	(1,839)
Total net assets	470	22	11	-	503

2024	TRB Productions £'000	TRB Trading £'000	TRB Enterprises £'000	Roman Holiday Bath £'000	Total £'000
Fixed assets	3	12	-	-	19
Current assets	1,063	116	194	11	1,190
Current liabilities	(1,017)	(49)	(183)	(11)	(1,065)
Total net assets	49	79	11	-	144

8. Analysis of expenditure on charitable activities

2025	Main House & Ustinov £'000	Education (incl the Egg) £'000	Touring & West End Productions £'000	Total £'000
Cost of productions	5,889	698	6,272	12,859
Education and outreach	-	267	-	267
Box office and front of house	1,049	88	-	1,137
Marketing	429	18	-	447
Building and stage	719	38	15	772
Amortisation and depreciation	329	-	2	331
Support costs (note g)	1,200	388	573	2,161
Governance costs (note g)	81	20	14	115
Total	9,696	1,517	6,876	18,089

2024	Main House & Ustinov £'000	Education (incl the Egg) £'000	Touring & West End Productions £'000	Total £'000
Cost of productions	7,326	550	4,949	12,825
Education and outreach	-	178	-	178
Box office and front of house	1,035	62	-	1,097
Marketing	375	11	-	386
Building and stage	696	30	14	740
Amortisation and depreciation	247	-	3	250
Support costs (note g)	1,213	381	445	2,039
Governance costs (note g)	43	17	14	74
Total	10,935	1,229	5,425	17,589

Of the above expenditure, 249k was restricted (2024: 269k) and the balance was unrestricted.

9. Analysis of governance and support costs

The Charity initially identifies the costs of its support functions, including governance costs. The support costs are apportioned between the charitable activities undertaken (see note 8) in the year.

Administrative staff costs are allocated based on the time spent by the relevant staff in supporting the various activities. Other costs apportioned pro-rata to administrative staff costs.

2025	General Support £'000	Governance function £'000	Total £'000
Administrative costs	388	2	390
Administrative staff costs	1,773	18	1,791
Audit fees	-	44	44
Accountancy services	-	43	43
Legal and other professional fees	-	8	8
	2,161	115	2,276

9. Analysis of governance and support costs (continued)

2024	£'000	£'000	£'000
Administrative costs	408	3	411
Administrative staff costs	1,631	14	1,645
Audit fees	-	40	40
Accountancy services	-	17	17
Legal and other professional fees	-	-	-
	<u>2,039</u>	<u>74</u>	<u>2,113</u>

10. Net income / (expenditure for the year)

This is stated after charging:	2025 £'000	2024 £'000
Amortisation of intangible fixed assets	5	6
Depreciation of tangible fixed assets	296	236
Auditor's remuneration:		
Audit fees	44	40
Tax compliance	43	17

11. Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs	2025 £'000	2024 £'000
Salaries and wages	3,269	2,841
Social security costs	319	251
Pension costs	69	64
	<u>3,657</u>	<u>3,156</u>

Pension costs, comprising defined contribution payments, are included in administrative staff costs and are wholly charged to unrestricted funds.

The number of employees who received total employee benefits (excluding employer pension costs) of more than £60k is as follows:-

£'000	2025 Number	2024 Number
60-70	1	-
70-80	-	2
80-90	1	1
90-100	2	-
290-300	-	1
490-500	1	-

The Charity Trustees were not paid nor received any other benefits from employment with the Charity or its subsidiaries in the year (2024: £nil) neither were they reimbursed expenses during the year (2024: £nil). No Charity trustee received payment for professional or other services supplied to the Charity (2024: £nil).

The key management personnel of the parent charity comprise the Trustees, the Theatre Director, Finance Director, General Manager and Theatre Administrator. The total employee benefits of the key management personnel of the Charity were £553k (2024: £477k).

The key management personnel of the group are those of the Charity and the key management personnel of its wholly owned subsidiary Theatre Royal Bath Productions. The key management personnel of Theatre Royal Bath Productions Limited are the Board of Directors, the Finance Director,

General Manager and Theatre Administrator whose employee benefits total £335k (2024: £75k). The employee benefits of key management personnel for the group was therefore £888k (2024: 608k).

The higher paid staff disclosures above are based on salary payments in the year which can include bonus payments relating in part to the preceding financial year.

12. Staff numbers

The average monthly head count was 159 staff (2024: 156 staff)

	2025	2024
	Number	Number
Fundraising	3	2
Production	49	49
Main House & Ustinov Front of House	56	52
Box Office	7	7
Marketing	3	3
Management	9	9
Administration	9	12
Education and the Egg	23	22
	<u>159</u>	<u>156</u>

13. Related party transactions

In 2024/5, the following transactions took place between the Charity and its wholly owned subsidiaries:

- Donations from the subsidiaries to the Parent Charity
- The payment of management charges

Details of these transactions are shown in note 7.

In addition, the Charity, on behalf of the Group, employs all staff. Recharges of salary costs and other overheads to the subsidiaries were £955k (2024: £750k). TRBP produced a number of plays on behalf of the TRB, TRBP was reimbursed costs of £6,311k for this work. Balances due from and to the subsidiaries are shown in notes 17 and 18 respectively.

Theatre Royal Bath Productions Limited produced a touring production of the play Farm Hall, written by Ms Katherine Moar, daughter of Theatre Director Danny Moar. The Board were aware of this relationship and were alert to the risk of conflict and appropriate risk management procedures were followed. Ms Moar was paid royalties of £11,037 for the use of her work (2024: £9,579 for UK tour).

From time to time, related parties purchase tickets for productions in the auditoria. The price of these tickets is the same as that available to the general public at the time. During the year, Trustees donated £391 to the Charity.

14. Intangible fixed assets – group and charity

	Software
	£'000
Cost	
At beginning of year	59
Additions	-
At end of year	<u>59</u>
Amortisation	
At beginning of year	46
Charge for Year	5
At end of year	<u>51</u>
Net book value	
At end of year	<u>8</u>
At beginning of year	<u>13</u>

15. Tangible fixed assets

Group	Long leasehold improvements £'000	Freehold property and improvements £'000	Motor vehicles £'000	Equipment £'000	Total £'000
Cost					
At start of year	3,219	3,738	30	1,350	8,332
Additions	594	-	-	479	1,073
Disposals	-	-	-	(32)	(32)
At end of year	3,813	3,738	30	1,797	9,378
Depreciation					
At start of year	1,818	901	23	1,033	3,774
Charge for year	93	47	7	180	328
Disposals	-	-	-	(32)	(32)
At end of year	1,911	948	30	1,181	4,070
Net book value					
At end of year	1,902	2,790	-	616	5,308
At beginning of year	1,401	2,837	8	317	4,558
Charity					
	£'000	£'000	£'000	£'000	£'000
Cost					
At start of year	3,219	3,738	30	1,268	8,255
Additions	594	-	-	472	1,066
Disposals	-	-	-	(32)	(32)
At end of year	3,813	3,738	30	1,708	9,289
Depreciation					
At start of year	1,817	901	23	967	3,708
Charge for year	93	47	7	171	318
Disposals	-	-	-	(32)	(32)
At end of year	1,910	948	30	1,106	3,994
Net book value					
At end of year	1,903	2,790	-	602	5,295
At beginning of year	1,402	2,837	7	301	4,547

The original cost of the freehold property, which was not depreciated, is £1.4 million. The freehold property can only be sold with the consent of the Bath Theatre Trust, which is the freeholder of the main theatre, which the Charity leases from the Trust.

16. Investments

Charity	2025	2024
	£'000	£'000
Shares at cost in group undertakings:		
At beginning and end of year – at cost	10	10

Details of consolidated subsidiary undertakings, which are all registered in England and Wales, as follows:

Subsidiary undertaking	Principal activity	Class and percentage of shares held
Theatre Royal Bath (Trading) Limited - 02353880	Operation of the Theatre Bars, Procurement of sponsorship and operation of 1805 Suite	Ordinary 100%
Theatre Royal Bath Enterprises Limited - 01640869	Control and running of theatre productions	Ordinary 100%
Theatre Royal Bath Productions Limited - 03495565	Development of theatre productions	Ordinary 100%
AH Presents Limited – 15763148	Development of theatre productions	Ordinary 100%
Joint Venues		
Bugsy Malone UK Limited - 13907447	Development of theatre productions	Ordinary 50%
All Seasons Man Limited - 16018744	Development of theatre productions	Ordinary 50%
A Voyage Round My Father Limited - 14775323	Development of theatre productions	Ordinary 33%

17. Debtors

	Group		Charity	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Trade debtors	345	276	150	266
Other debtors	2,909	1,192	2,314	1,124
Prepayments and accrued income	271	445	264	196
Amounts owed by group undertakings	-	-	163	-
	<u>3,525</u>	<u>1,913</u>	<u>2,891</u>	<u>1,586</u>

18. Creditors: amounts falling due within one year

	Note	Group		Charity	
		2025 £'000	2024 £'000	2025 £'000	2024 £'000
Bank loan	20	-	200	-	200
Trade creditors		726	701	478	408
Taxation and social security		162	139	155	133
Amounts owed to group undertakings		-	-	-	81
Short-term compensated absences (holiday pay)		78	87	78	87
Other creditors		1,183	215	42	18
Accruals		1,042	1,275	698	521
Advance ticket sales and other deferred income	19	3,166	1,873	3,160	1,873
		<u>6,357</u>	<u>4,490</u>	<u>4,611</u>	<u>3,321</u>

19. Deferred income

Deferred income consists primarily of advance ticket sales and gift vouchers.

Group and Charity	Gift vouchers and other deferred income £'000	Advance ticket sales £'000	Total £000
Prior year			
At beginning of the prior year	114	2,156	2,270
Amount released to incoming resources	(114)	(2,156)	(2,270)
Amount deferred in year	120	1,753	1,873
Deferred income as at the year end	<u>120</u>	<u>1,753</u>	<u>1,873</u>
Current year			
At beginning of year	120	1,753	1,873
Amount released to incoming resources	(120)	(1,753)	(1,873)
Amount deferred in year	318	2,848	3,166
Deferred income as at the year end	<u>318</u>	<u>2,848</u>	<u>3,166</u>

20. Creditors: amounts falling due after more than one year

	Group		Charity	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Bank loan	-	300	-	300
Total	<u>-</u>	<u>300</u>	<u>-</u>	<u>300</u>

The bank loan was secured by way of a fixed and floating charge over the assets of the Group. The loan was repayable in monthly instalments over a period of five years, commencing in December 2021 and bears interest at a margin of 2.75% per annum. The interest that arose in the first year was paid by the Government. The Loan was fully repaid during the year ended May 2025.

21. Analysis of charitable funds

Analysis of movement in unrestricted funds

2025	Balance 1 June 2024 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Funds 31 May 2025 £'000
General fund	2,391	18,544	(16,774)	(903)	3,258
Designated production fund	564	196	(508)	250	502
Designated stability fund	150	-	-	350	500
Designated creative fund	52	-	-	-	52
Designated building levy	1,157	449	(371)	-	1,235
Designated building development fund	1,250	-	-	-	1,250
Designated fixed asset fund	3,316	-	(263)	303	3,356
Total	8,880	19,189	(17,916)	-	10,153

2024	Balance 1 June 2023 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Funds 31 May 2024 £'000
General Fund	4,475	17,695	(16,194)	(3,585)	2,391
Designated production fund	640	347	(673)	250	564
Designated stability fund	150	-	-	-	150
Designated creative fund	52	-	-	-	52
Designated building levy	1,380	521	(513)	(231)	1,157
Designated building development fund	1,000	-	-	250	1,250
Designated fixed asset fund	-	-	-	3,316	3,316
Total	7,697	18,563	(17,380)	-	8,880

Details of unrestricted funds

Name	Description, nature and purposes of the fund
General Fund	The balance of unrestricted reserves after designations
Designated Funds:	
Production Fund	Designated production fund for own-house productions in the Main house, Ustinov and egg auditoria.
Stability Fund	Designated to enable continuity in activities as a result of unforeseen circumstances.
Creative Fund	Designated to support access to our community engagement work and to the new community venue space
Building Levy Fund	Designated to cover the upkeep and running of the theatre building and its three auditoria.
Building Development Fund	Designated to enable future capital projects to enhance the building
Fixed Asset Fund	Designated to contain the carrying value of fixed assets held by the charity unless otherwise restricted

Analysis of movement in restricted funds

2025	Balance 1 June 2024 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Funds 31 May 2025 £'000
Restoration reserve	-	2	-	-	2
The egg reserve	12	73	(21)	-	64
Arts Council CRF Grants	-	-	-	-	-
The egg appeal reserve	1,211	1	(10)	-	1,202
Lifelong learning fund	43	108	(118)	-	33
2010 appeal reserve	-	1	-	-	1
Venue 4 Capital Fund	-	170	-	-	170
Wonderfund	154	144	(101)	-	197
Total	1,420	499	(250)	-	1,669

2024	Balance 1 June 2023 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Funds 31 May 2024 £'000
Restoration reserve	-	2	(2)	-	-
The egg reserve	76	4	(68)	-	12
Arts Council CRF Grants	-	55	(55)	-	-
The egg appeal reserve	1,252	1	(42)	-	1,211
Lifelong learning fund	14	89	(60)	-	43
2010 appeal reserve	0	1	(1)	-	-
Wonderfund	75	121	(42)	-	154
Total	1,417	273	(270)	-	1,420

Details of restricted funds

Name	Description, nature and purposes of the fund
Restoration reserve	The balance specifically for the renovation work for the Ustinov.
The egg reserve	Funds received for the support of the egg and its educational work.
Arts Council Culture Recovery Fund grants	Arts Council Culture Recovery Grants publicly funded by the Department of Digital, Culture, Media and Sport.
The egg appeal reserve	Funds raised for the development of the egg auditorium to provide a theatre specifically for children and young people.
Lifelong learning fund	Funds received for the support of educational work for adults.
2010 appeal reserve	The balance specifically for the renovation and development work to the Main House.
Venue 4 Capital	Funds raised to fund the creation of 'Venue 4'
Wonderfund	Funds raised to offer state school children free access to live performance

22. Analysis of group net assets between funds

	General Fund	Designated Funds	Restricted Funds	Total
	£'000	£'000	£'000	£'000
2025				
Tangible fixed assets	13	4,101	1,202	5,316
Current assets	9,124	2,932	467	12,523
Current liabilities	(5,879)	(138)	-	(6,017)
Long term liabilities	-	-	-	-
Total	3,258	6,895	1,669	11,822
2024				
Tangible fixed assets	3,128	231	1,212	4,571
Current assets	3,926	6,348	208	10,482
Current liabilities	(4,363)	(90)	-	(4,453)
Long term liabilities	(500)	-	-	(500)
Total	2,191	6,489	1,420	10,100

23. Reconciliation of net movement in funds to cash generated by / (used in) operations

	2025 £'000	2024 £'000
Net movement in funds	1,522	1,186
Add back amortisation charge	5	6
Add back depreciation charge	328	246
Add back loss on disposal of fixed assets	-	-
Deduct interest income shown in investing activities	(312)	(216)
Movement in work in progress	(218)	26
Movement in debtors	(1,612)	527
Movement in creditors	1,937	(1,061)
Net cash generated by / (used in) operating activities	1,650	714

24. Financial Instruments

	Group		Charity	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Financial assets which are debt instruments measured at amortised cost	385	595	348	344
Financial assets which are equity instruments measured at amortised cost	-	-	10	10
Financial liabilities measured at amortised cost	1,858	2,047	1,268	1,092

The risk from financial instruments primarily arises from cash at bank, where the Charity is exposed to credit risk. The Group is also exposed to credit risk from its trade debtors, and the Charity is exposed to credit risk relating to its subsidiaries.

25. Operating Leases

Income due under non-cancellable operating leases for land and buildings

Group and Charity	2025	2024
	£'000	£'000
Due next year	64	64
Due in 2 to 5 years	256	256
Due after more than 5 years	373	437
	<u>693</u>	<u>757</u>

Under the terms of the leases, the rental income is subject to periodic review. The leases give the tenants no right of acquisition.

26. Consolidated Statement of Financial Activities – Prior Year

	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000
Income from:			
Charitable activities:			
Donations and legacies	18,030	147	18,177
Other trading activities:	141	125	266
Investment income	178	-	178
	216	-	216
Total income	<u>18,565</u>	<u>272</u>	<u>18,837</u>
Expenditure on:			
Costs of raising funds:	(62)	-	(62)
Charitable activities:	(17,320)	(269)	(17,589)
Total expenditure	<u>(17,382)</u>	<u>(269)</u>	<u>(17,651)</u>
Net income/(expenditure)	<u>1,183</u>	<u>3</u>	<u>1,186</u>
Funds transfer	-	-	-
Net movement in funds for the year	<u>1,183</u>	<u>3</u>	<u>1,186</u>
Reconciliation of funds			
Total funds brought forward	7,697	1,417	9,114
Total funds carried forward	<u>8,880</u>	<u>1,420</u>	<u>10,300</u>

THE THEATRE ROYAL BATH LIMITED

England & Wales - Charity number 277723

Accounts



The Theatre Royal Bath Limited

(Registered Charity Number: 277723)

(Registered Number: 01416448)

*Trustees' Report and Consolidated
Financial Statements
for the year ended 31 May 2024*

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Overview from the Chair of Trustees and Theatre Director

During the last year, the **Theatre Royal Bath** has continued to be widely recognised as an institution of national and international importance. Not reliant on regular public subsidy, it successfully navigates a path between commercial ambition, high quality art and community investment.

The industry is challenged by a shortage of available productions and lower audience demand. Despite this, the range, quality and appeal of Theatre Royal Bath Limited, with its subsidiaries, consistently attracts international investment and West End bookings.

Theatre Royal Bath's Main House is a reliably popular venue with producers; during the year we have welcomed the UK premiere of an American musical, *Roman Holiday*, and *Frank and Percy* starring Sir Ian McKellen and Roger Allam prior to the West End.

As a producer itself, TRB serves both UK and international theatres. The **Main House** welcomed Brian Cox as J.S. Bach in a newly commissioned play *The Score* by Oliver Cotton, directed by Trevor Nunn. In the **Ustinov Studio**, Deborah Warner's second season brought further acclaim. *Phaedra/Minotaur* from the previous season was presented at Edinburgh International Festival and *Machinal* transferred to the Old Vic. In the Spring, the **Ustinov Studio** hosted a run of stellar plays, *A View From The Bridge* starring Dominic West, *The Lover/The Collection* starring David Morrissey and *The Deep Blue Sea* with Tamsin Greig, all directed by Lindsay Posner.

A View From The Bridge, *The Score* and *The Deep Blue Sea* secured West End transfers to the Theatre Royal Haymarket in 2024 and 2025 respectively. Outside of Bath, **Theatre Royal Bath Productions (TRBP)** enjoyed a strong year. A second tour of *Noises Off* transferred to the Theatre Royal Haymarket as well as a transfer of *Private Lives*. *The Circle* and *Farm Hall* both toured the UK to enthusiastic acclaim.

The **Egg** and **Engage** programmes continue to deliver sector-leading work for young audiences and the community locally. Egg Productions of *Wendy: A Peter Pan Story* and Engage's *The Seven Deadly Sins* were just two of six productions focussed on disability-positive artist development. Egg Productions enjoyed a tour to Ottawa, Canada with *I Wish I Was A Mountain* and also staged 3 early years shows on UK tour.

Our strategy for consolidation during the Covid years, followed by solid growth since, allows us to progress with further investment. Capital projects are planned to upgrade facilities in the Theatre and stimulate future talent and audiences. Over the next twelve months, we expect to complete the Main House toilet extension project, planned pre-Pandemic. In addition, the technical infrastructure is to be renewed and upgraded.

In an important development to extend the Theatre activities further, plans have been submitted for approval to build a new community auditorium within the existing buildings, planned for 2026, to house our Engage participation programme and support local creatives to showcase their work.

Paul Heal, Chair

Danny Moar, Theatre Director

Theatre Royal Bath: A History

Since 1805, the Theatre Royal's Georgian, grade II* listed building in Bath stands as a home to performance and expression. In 1979, when the building was threatened with closure Jeremy Fry, investor, architect and engineer, stepped in to prevent its failure. His ambition was "to establish Bath as a centre of theatrical excellence". A Theatre Trust was set up to protect the site for the city of Bath, and Theatre Royal Bath Limited was incorporated as a charitable enterprise. Nowadays, Theatre Royal Bath is at the heart of a thriving economic and artistic ecology. The Theatre is a cultural powerhouse in the South-West and nationally, offering local audiences the quality of London's West End.

Ustinov Studio

In 1989, the Ustinov Studio was opened with the support of Sir Peter Ustinov himself. A "glittering 'black jewel'", the former stable block is the 120-seat studio theatre that is now famed for its ability to attract UK and international talent. The Ustinov welcomes local audiences to a mix of fringe shows, alongside acclaimed Theatre Royal Bath Productions and artistic director seasons. This is a destination theatre and most recently home to world-famous opera director Deborah Warner.

Theatre Royal Bath Productions

In 1998, just two years into his tenure, Theatre Director Danny Moar established Theatre Royal Bath Productions Limited with an initial target of 2 productions per year. By 2002, 27 plays had been produced, generating over half the theatre's surpluses. Having passed the 200 mark, Theatre Royal Bath Productions is now known as one of the most prolific British theatre producers in London's West End, on UK tour and internationally.

The Egg

Theatre for young audiences and theatre education established at The Egg in 2003 when the Theatre Royal Bath committed to re-developing an adjoining cinema building specifically to provide a venue and auditorium for children. Early doubts around the potential demand for a dedicated children's theatre are now proven unfounded. The Egg presents, produces and tours award-winning work for young people and their families year-round, generating over 30,000 ticket sales in 23/24.

Engage

Engage is our established movement to support and promote theatre participation. Following on from 2022's successful inaugural Elevate Festival of grass-roots theatre productions, Engage goes from strength to strength. Over 30 years of adult theatre workshops, supported since 2009 by The Miss Beryl Billings Charitable Trust, have sparked joy, friendship and creative careers for hundreds of participants. Investment is planned in a second Elevate Festival, with a main house community play in 2026.

Mission

To present high-quality entertainment that promotes the arts, encouraging a lifelong love for theatre for diverse audiences. The Theatre is committed to maintaining our historic stages, making them available for learning and performance. Our theatre is a space to connect with the past, make sense of the present, and offer a portal to the future.

Central to this mission is the ability to operate without regular public subsidy, as a self-made national theatre. Financial confidence enables artistic risk-taking and community education. Our varied programme of high-quality productions generates income through sales in Bath. Theatre Royal Bath Productions collaborates with the very best practitioners to bring artistic excellence to the southwest. This original work is ultimately exploited on tour and in the West End, delivering impact that resonates both nationally and internationally.

This self-sustaining model allows us to reinvest in studio productions, local theatre-making and education. Whilst the Theatre receives a small amount of project support from individuals, trusts and foundations, overall financial independence is inextricably linked to our commitment to prioritise artistic excellence, irrespective of taste or politics.

Values

- Maintain, at all times, a commitment to artistic quality and rigour.
- Celebrate freedom of expression and value a broad church of lived experience for all stakeholders
- Nurture a vibrant and sustainable theatre ecology in the region
- Ensure financial security, resilience and value for money within its charitable structure

Priorities

- Deliver artistic excellence in producing.
- Present a varied theatrical programme.
- Cultivate original Theatre for Young Audiences (TYA).
- Invest in young access through the Wonderfund.
- Promote local theatre participation.
- Foster community partnerships.
- Generate income to retain artistic independence and maximise impact.
- Maintain and secure the historic buildings.

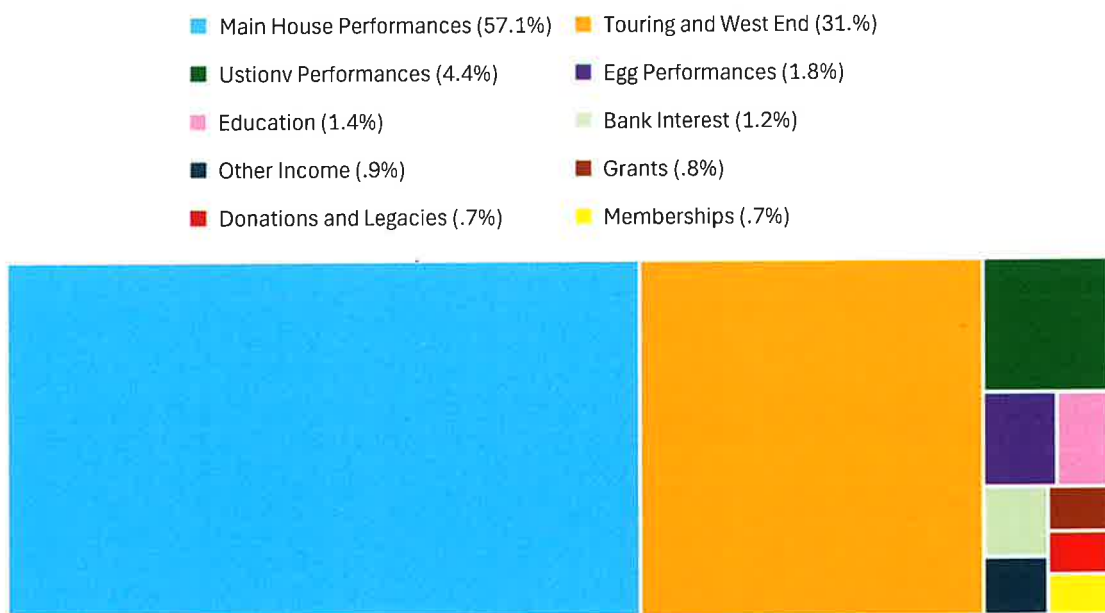
The Operation

Financially, we are focussed on maintaining a robust, enduring theatre business to support delivery of its objectives for public benefit.

The Group's strategy is to recover its operating costs in the Main House from ticket sales and charges. Any surplus generated by activity in the Main House, together with all profits from Theatre Royal Bath Productions Limited, and Theatre Royal Bath (Trading) Limited, the Group's commercial arms, are used to support the Ustinov and Egg theatres, the presentation of the Ustinov Season as well as a wide variety of educational and outreach projects and to maintain our Grade II* listed building.

Our Income

Income of TRB Charity Group



86% of our income comes from activities either in the Main House or presenting work either on tour or in the West End. This shows both the strength of our commercial activities and the importance of the Theatre Royal Bath to the touring ecology in the UK, as a provider of content and a great prospect for visiting producers.

Our focus is on delivering a mix of artistically ambitious programme, alongside a robust balance sheet that provides certainty for all stakeholders. This positions TRB well to weather uncertainty in the arts funding environment in the UK. Additional investment from funders is essential to enrich this programme. Income from donors and grant-making bodies make up a small proportion of our overall funds, but are significant for the non-commercial work they support in the community, for our local young people and in maintaining our significant Grade II* listed building.

Impact 2023/24 – Theatre Royal Bath Productions

236,463 people saw our productions on tour or in the West End



Our productions played 27 weeks in the West End & 74 weeks regionally



Leads in productions hold 17 Olivier Awards, 5 BAFTAs, 2 Emmy's & 4 Golden Globes



Employed 490 creatives, cast and crew across 19 productions on tour, in the West End and in Bath



Image credits: Johan Persson, Manuel Harlan, Foteini Christofilopoulou, Nobby Clark

Impact 2023/24 – Main House & Ustinov Audiences



16% growth in theatre membership support



239,181 people attended performances in the Main House and Ustinov

'A tiny theatre becomes a magical cavern'
THE TIMES on the Ustinov Studio



Image credits: Johan Persson, Ellie Kurtz, Lloyd Evans

Impact 2023/24 – The Egg and Young People

19 associate artists & interns honing skills in theatre for young audiences. 4 productions actively sought creatives & actors who identify as disabled.



65+ freelancers were employed to teach 72 16-18 year olds studying full-time at The Egg & 230 students with the TRB Theatre School.



30,163 tickets were sold in The Egg. Almost 50% of Egg sales in 23/24 were generated by our own productions



21 weeks of original early years work by The Egg toured the UK, seen by 14,227 under 4s, Egg productions toured overseas for 11 weeks

Image credits Cam Adams, Chelsey Cliff, Dan Martin and Jack Offord

Impact 2023/24 – Community Engagement

Adult participation increased by 38% since its launch



There are now 4 adult participation companies: Engage Acting, Engage Elders, Engage Together for learning disabled and deaf adults, and Twerton Community Theatre.



4 Engage Productions, 3 Masterclasses, 225 tours, 648 talk tickets, 60 volunteers



5,878 tickets were donated to local school children for free by the Wonderfund, to 78 schools and nurseries. 39 had not visited The Egg before.



Image credits: Cam Adams, Chelsey Cliff, Dan Martin



Wonderfunded creative opportunities included bursaries, community projects, and teacher support.

Financial Review

Reserves Policy

The Trustees of Theatre Royal Bath consider that a reserves policy is necessary to maintain sufficient reserves to achieve twin objectives:

- i) the presentation of high-quality theatre throughout the year; and
- ii) the maintenance of the Grade II listed building in which the Group, the Theatre Royal Bath and its subsidiary companies, are housed.

The Trustees regularly review the nature and level of the unrestricted reserves held to try and achieve balance in these objectives.

Total reserves as at the year-end are £10.3 million (2023: £9.1 million) comprising restricted funds of £1.4 million (2023: £1.4 million) and unrestricted funds of £8.9 million (2023: £7.7 million).

The unrestricted funds include designated funds of £6.5 million (2023: £3.2 million).

The remainder are unrestricted and undesignated and total £2.4 million (2023: £4.5 million)

The designated funds are described below:

- The Theatre has increased the balance on its Production Fund this year to finance future productions for TRB as it has done in the past funding the Summer Season, the Ustinov Seasons and the Egg Christmas production. The balance to carry forward for the Production Fund is £564k (2023: £640k).
- The Stability Fund provides a general buffer in the event of a sudden decrease in income or increase in expenditure. The balance of the Stability Fund is at £150k (2023: £150k).
- The Creative Fund awards grants to local arts organisations. No grants were awarded during the financial year ending 31st May 2024. This Fund is being re-designated to support access to the theatre through the Engage programme and into the Venue 4 Space. The balance of the Creative Fund is at £52k (2023: £52k).
- The Building Levy Fund is used by the Group to maintain and run the building and equipment in the three auditoria. The Trustees recognise that significant expenditure is required for a building such as the Theatre Royal Bath and its three auditoria, and the current reserve balance is of a size whereby annual planned expenditure as well as unpredictable works can be met. The balance of the Building Levy Fund is at £1.2m (2023: £1.4m).
- The Building Development Fund contains designated funds for future capital projects to improve and enhance the facilities within the building. This money is currently to be used to fund the Ladies toilet improvement project, upgrading the technical infrastructure in the Main House, both during Spring 2025, as well as to fund the theatre's contribution to the work for the Venue 4 project, which is anticipated to be completed during 2026. The balance of the Building Development Fund is £1.25m (2023: £1m).
- In this financial year we have designated The Fixed Asset Fund which represents the value of our unrestricted fixed assets. The balance of the Fixed Asset Fund is £3.3m (2023: Nil)

Free reserves as at 31 May 2024 amounted to £2.3 million (2023: £1.3 million) and the Trustees aim to maintain an adequate level of reserves in the coming years. The Trustees are satisfied that the current free reserves meet the reserves requirement for the organisation.

Going Concern

The Trustees have considered the level of funds and cash held, the future budgeted income and expenditure and the levels of reserves, such that they have determined that the Group is able to continue as a going concern. Theatre Royal Bath provides funds to the subsidiaries to fund their activities, primarily the cost of opening productions in Theatre Royal Bath Productions. This support is included as part of the going concern assumption.

Principal Risks and Uncertainties

The Theatre Royal Bath Limited faces the following principal risks and challenges:

- weighing the promotion and fostering of artistic knowledge with commercial pressures to ensure continued financial sustainability;
- continuing to attract attendees in sufficient number to achieve the Group's objectives;
- making sure that necessary funds are generated to enable maintenance and improvement of existing assets, in particular the Grade II* listed Main House building to allow the Group to meet its artistic and audience requirements; and
- the risk that the Group's access to publicly and non-publicly funded grants, which enrich the artistic development and outreach activities, is reduced as a result of increased competition because of the continued and significant cuts to public funding of the arts.

The consolidated statement of financial activities shows income from charitable activities for the year was £18.2 million (2023: £13.9 million). Total income for the year was £18.8 million (2023: £14.5 million). Expenditure on charitable activities in the year to 31 May 2024 was £17.6 million (2023: £13.9 million). The net income of the Group for the year was £1.1m (2023: £544k).

Theatre Royal Bath Productions Limited develops and produces theatrical productions. It has generated a profit for the financial year of £63k (2023: £658k). Theatre Royal Bath Productions has donated £332k (2023: £494k) in the year to TRB. Theatre Royal Bath Enterprises Limited manages and runs certain theatrical productions for both Theatre Royal Bath and Theatre Royal Bath Productions. It has a profit of £nil (2023: £nil).

Theatre Royal Bath (Trading) Limited, the third wholly owned subsidiary, is responsible for operating and overseeing all aspects of the bars and retail operation within the theatre and procuring sponsorships. It generated a profit for the financial year of £73k (2023: £34k) and in the year it has donated £28k (2023: £29k) to Theatre Royal Bath.

The differences between the reported profits of the subsidiaries noted above and the amounts donated are a function of when donations are made. All profits of the subsidiaries are ultimately donated to Theatre Royal Bath.

Overall, the Trustees are satisfied with the year's results which continue a very successful period for the theatre. On behalf of the Board, the Trustees thank Danny Moar and his staff for all their effort and commitment in this year 2023/24.

Investment Powers and Policy

The Trustees have the power to invest funds not immediately required for operational use in such ways as they consider appropriate. Currently the funds are held with instant and overnight access at Barclays Bank PLC at a competitive interest rate.

Plans for Future Periods

Theatre Royal Bath will continue to programme and produce work of the highest quality for presentation to audiences in Bath and beyond. To this end, Theatre Royal Bath Productions is undertaking a high level of activity, creating touring productions for Theatre Royal Bath and then on tour to UK theatres and the West End.

The Egg intends to build on the success of its touring productions nationally and internationally and significantly to expand the development of new productions.

While no expenditure has been committed at the year end, the Trustees are actively reviewing proposals for a programme of significant capital expenditure in the future to improve the number and quality of the Ladies toilet facilities in the Main House. After the year end, planning permission has been granted for this and work is expected to be completed by mid-2025. Additionally, the Theatre is in the process of investigating the potential for a fourth studio venue space for our Engage and Outreach work (referred to as 'Venue 4') as well as upgrading the technical infrastructure in the Main House. The planning process is underway for the 'Venue 4' project, with the building work anticipated for 2026. The technical infrastructure work is planned for Spring 2025.

Governance

Reference and administrative details

Charity number: 277723
Company number: 01416448
Registered Office: Theatre Royal Bath, Sawclose, Bath, BA1 1ET

Our advisers

Auditor
HaysMac LLP 10 Queen Street Place, London, EC4R 1AG

Banker
Barclays Bank PLC 4th Floor, Bridgewater House, Finzels Reach, Counterslip, Bristol BS1 6BX

Solicitors
Mogers Drewett The Square, Lower Bristol Road, Bath, BA2 3BH

Directors and Trustees

The directors of Theatre Royal Bath Limited (the Charity) are its Trustees for the purpose of Charity law.

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

Key management personnel - Theatre Royal Bath Limited: Trustees and Directors

Paul Heal (Chairman)
Charlotte Lucy Walker (Vice Chair)
Suresh Ariaratnam
Margaret Cooke
Jayne Davis (resigned 23rd March 2024)
Dominic Eaton
Cosmo Fry
Simon Holdsworth
Katja Kammerer
Ruth Keily
Henry Meakin

Finance and Risk Committee

Dominic Eaton	Trustee
Paul Heal	Trustee and Chairman of the Board of Trustees
Henry Meakin	Trustee and Chairman of the Finance and Risk Committee
Charlotte Lucy Walker	Trustee and Vice Chair of the Board of Trustees

Remuneration committee

Paul Heal	Trustee and Chairman of the Board of Trustees
Henry Meakin	Trustee and Chairman of the Finance and Risk Committee
Stephen Ross	Chairman, Theatre Royal Bath Productions

Key management personnel: Senior managers of Theatre Royal Bath Limited

Theatre Director	D Moar
Finance Director	M Cundy
General Manager	E Hibbert
Theatre Administrator and Executive Producer	N Palmer

Governing Document

The Theatre Royal Bath Limited is a company limited by guarantee (number 01416448) and a registered Charity (number 277723 registered in May 1979) under the Charities Act 2011. Its governing instrument is the Memorandum and Articles of Association, which were last amended on 18th February 2021.

All Trustees are also the members and thus undertake to contribute the sum of £100 each to the assets of TRB in the event of it being wound up during the time that they are members or within one year thereafter.

Appointment of Trustees

TRB's governing body is a Board of Directors (who are also the Trustees of the Charity) whose members are invited to serve on the Board and retire periodically by rotation. Representatives of local businesses, people involved in the wider arts world and council members from Bath & North East Somerset are represented on the Board. When considering co-opting Trustees, regard is given by the Board to the necessity or desirability of any specialist skills so that the Board can call on a wide range of relevant knowledge and expertise. The councillor board member is subject to the appointment process of the Bath & North East Somerset Council.

Trustee induction and training

New Trustees are briefed on their legal and other responsibilities as Trustees and an appropriate induction process is arranged by existing Trustees. There is a formal induction process pursuant to which new Trustees are briefed by members of the executive team and existing Trustees.

There is no set policy for the provision of Trustee training. However, where training needs are identified, suitable training is organised. Additionally, the Trustees are periodically reminded of their responsibilities as Trustees and updated on any relevant changes to the applicable law.

Organisation

The Board of Trustees administers the Charity. The Board normally meets bi-monthly, as does the Finance and Risk sub-committee. The Theatre Director is appointed by the Trustees to manage the day-to-day operations with the senior managers.

Related parties and co-operation with other organisations

None of our Trustees receive any remuneration or other benefit for services to the Charity. Any connection between a Trustee or member of key management with a supplier or contracted person must be disclosed to the full Board of Trustees. When connections

are disclosed, the Board consider the risks and impacts of such connections and appropriate safeguards are put in place. In the current year, the following relationships were disclosed:

Jayne Davis, appointed to the board on 23rd May 2023 and resigned on 23rd March 2024, was Principal and Chief Executive of Bath College. The Charity has a service agreement with Bath College to deliver two Level 3 courses in Performing and Production Arts. The service agreement is long standing and pre-dates Ms Davis joining the Board of Trustees. The Board is alert to any actual or perceived risk of conflict in this regard and appropriate risk management procedures will continue to be followed.

During the year, the Theatre Royal Bath Productions Limited presented the Jermyn Street Theatre's production of *Farm Hall* on tour, which was written by Katherine Moar, the daughter of Theatre Director, Danny Moar. Ms Moar received payment in the form of a royalty for this which is disclosed in the accounts.

In order to enable the Trustees to carry out their duties to assess and support the Charity, they are able to receive a maximum of two complimentary tickets to attend a performance of each of the Charity's own productions.

Pay policy for senior managers

The Board of Directors, who are the Charity's Trustees, and the senior management team comprise the key management personnel of the Charity. All Trustees/Directors give of their time freely and no Trustee/Director received remuneration in the year. Details of Trustee/Directors' expenses are disclosed in note 11 to the financial statements. The pay of the senior staff is reviewed annually and normally increased in accordance with CPI rates as approved by the Trustees.

The Remuneration Committee considers the pay of the Chief Executive in his role as both Group Chief Executive and Managing Director of TRBP, the Group's commercial arm. The Committee seeks to bench mark his remuneration against the executives of comparable theatres. His remuneration in relation to TRBP is wholly based on the profitability of that business. Other members of the senior management team also receive remuneration in relation to TRBP wholly based on the profitability of that business.

Fundraising

The Charity has a Development team that raises funds from individuals, trusts and corporate entities. It does not engage third parties to carry out fundraising activities on its behalf. No complaints were received during the year by the Charity about fundraising activity. The Charity currently does not have any major fundraising campaigns and the biggest area of fundraising is its membership scheme for Friends and Associates. Once a year, Friends and Associates are reminded in writing that their membership is up for renewal. If a member does not renew, they are informed in writing that their membership has lapsed with information about applying for the membership if they would like to join. The Charity has registered with the Fundraising Regulator after the Year End.

Risk management

The Trustees are alert to the wide range of risk factors which may arise in connection with

the Charity and its operations. The Trustees are satisfied that policies and procedures are in place which address corporate governance risks including such as conflicts of interest and anti-corruption and bribery, together with policies which address operational risks such as health and safety; child and young person protection issues; adult safeguarding, including the prevention of harassment; disaster recovery; insurance; and IT systems and data security. Certain financial risks are provided for by way of the stability fund referred to above. The Trustees regularly review these policies and procedures.

In particular, the Trustees are aware of the risks posed by the fabric of the theatre as a historic building and the possibility that unforeseen maintenance may be required. By means of a rolling repairs programme and the Building Levy, the Trustees are satisfied that they have adequately provided for this contingency.

Trustees' responsibilities in relation to the financial statements

The Charity Trustees (who are also the Directors of the Theatre Royal Bath Limited for the purposes of company law) are responsible for preparing a Trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Charity Trustees to prepare financial statements for each 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 Group for that period. In preparing the 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity 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 Charity and the Group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

Statement as to disclosure to our auditor

In so far as the Trustees are aware at the time of approving our Trustees' annual report:

- there is no relevant audit information, being information needed by the auditor in connection with preparing their report, of which the Group's auditor is unaware;
- the Trustees, having made enquiries of fellow directors and the Group's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a Director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information; and
- On 18 November 2024, the company's auditor changes its name from Haysmacintyre LLP to HaysMc LLP.

By order of the Board of Trustees



Paul Heal (Chairman)

Date: Thursday 13th February 2025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF THEATRE ROYAL BATH LIMITED

FOR THE YEAR ENDED 31 MAY 2024

Opinion

We have audited the financial statements of Theatre Royal Bath Limited for the year ended 31 May 2024 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group 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, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 May 2024 and of the group's and parent charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 group and parent 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 Report of the Trustees. 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 Report of the Trustees, (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Report of the Trustees have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 16 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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 group and charitable company and the environment in which they operate, we identified that the principal risks of non-compliance with laws and regulations related to revenue recognition and the completeness of expenditure, and we considered the extent to which non-compliance might have a material effect on the financial

statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities Act 2011, payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to related to posting inappropriate journal entries to revenue and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

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 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 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.



Jane Askew (Senior Statutory Auditor)
For and on behalf of HaysMac LLP, Statutory Auditors

Date: 20 February 2025

10 Queen Street Place
London
EC4R 1AG

Consolidated Statement of Financial Activities (including income and expenditure account)

For the year ended 31 May 2024

	Note	2024 Unrestricted Funds £'000s	2024 Restricted Funds £'000s	2024 Total Funds £'000s	2023 Total Funds £'000s
Income from:					
Charitable activities	4	18,030	147	18,177	13,868
Donations and legacies:	5	141	125	266	330
Other trading activities	6	178	0	178	244
Investment income		216	0	216	57
Total income		18,565	272	18,837	14,499
Expenditure on:					
Cost of raising funds		(62)	0	(62)	(68)
Charitable activities	8	(17,320)	(269)	(17,589)	(13,887)
Total expenditure		(17,382)	(269)	(17,651)	(13,956)
Net income/(expenditure)	10	1,183	3	1,186	543
Funds transfer	22	0	0	0	0
Net movement in funds for the year		1,183	3	1,186	544
Reconciliation of funds					
Total funds brought forward		7,697	1,417	9,114	8,570
Total funds carried forward		8,880	1,420	10,300	9,114

All income and expenditure derive from continuing activities.

Consolidated Statement of Financial Activities (including income and expenditure account)

For the year ended 31 May 2024

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Total expenditure		(17,382)	(269)	(17,651)	(13,956)
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Total funds brought forward		7,697	1,417	9,114	8,570
Total funds carried forward		8,880	1,420	10,300	9,114

All income and expenditure derive from continuing activities.

Consolidated and Charity Balance Sheets

For the year ended 31 May 2024

	Note	Group 2024 £'000s	Group 2023 £'000s	Charity 2024 £'000s	Charity 2023 £'000s
Fixed Assets					
Intangible assets	15	13	9	13	9
Tangible assets	16	4,558	4,486	4,547	4,470
Investments	17	0	0	10	10
Total Fixed Assets		4,571	4,495	4,570	4,489
Current Assets					
Work in progress		277	303	111	38
Debtors	18	1,913	2,440	1,586	2,069
Cash at bank and in hand		8,329	7,927	7,535	6,595
Total Current Assets		10,519	10,670	9,232	8,702
Liabilities					
Creditors falling due within one year	19	(4,490)	(5,551)	(3,321)	(3,918)
Net Current assets		6,029	5,119	5,911	4,784
Creditors falling due after more than one year	21	(300)	(500)	(300)	(500)
Net Assets		10,300	9,114	10,181	8,773
The funds of the charity:					
Unrestricted Income funds		8,880	7,697	8,761	7,356
Restricted Income funds		1,420	1,417	1,420	1,417
Total Charity funds	23	10,300	9,114	10,181	8,773

The trustees have prepared group financial statements in accordance with section 398 of the Companies Act 2006 and section 38 of the Charities Act 2011. The net income of the charity was £1,408k (2023- £707k)

Signed and authorised for issue on behalf of the trustees by

Paul Heal (Chairman)

Approved by the trustees on Thursday 13th February 2025

Consolidated Cash Flow Statement

For the year ended 31 May 2024

	Note	2024 £'000s	2023 £'000s
Cash generated (used in) / from operating activities	25	714	601
Cash flows from investing activities			
Interest received		216	57
Purchase of intangible fixed assets		(10)	(7)
Purchase of tangible fixed assets		(321)	(400)
Cash used in investing activities		(115)	(351)
Repayment of bank loans		(200)	(200)
Net cash flow from financing activities		(200)	(200)
Increase / (decrease) in cash and cash equivalents in the year		399	52
Cash and cash equivalents at the beginning of the year		7,927	7,875
Cash and cash equivalents at the end of the year		8,326	7,927

Analysis of Net Debt

For the year ended 31 May 2024

	As at 1 June 2023 £'000s	Cashflows for the year £'000s	Other non-cash changes £'000s	As at 31 May 2024 £'000s
Cash and cash equivalents				
Cash at bank and in hand	7,927	399	0	8,326
Borrowings				
Bank loans - amounts falling due within one year	(200)	200	(200)	(200)
Bank loans - amounts falling due after more than one year	(300)		200	(300)
	(500)	200	0	(500)
Net Funds	7,427	599	0	7,826

Notes to the Financial Statements

1 Accounting Policies

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

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015 and as updated with effective from 1 January 2016) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and, in relation to the consolidated financial statements, the Charities Act 2011.

The accounting policies have been applied consistently from the prior year except as detailed below.

The Theatre Royal Bath Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

b) Preparation of the financial statements on a going concern basis

The financial statements have been prepared on a going concern basis.

The trustees consider that the level of funds held by the Charity, the available cash on hand, and the budgeted income and expenditure is sufficient for the Charity to be able to continue as a going concern and that there are no material uncertainties in relation to going concern.

c) Group financial statements

The financial statements consolidate the results of the Charity and its wholly owned subsidiaries Theatre Royal Bath Productions Limited, Theatre Royal Bath (Trading) Limited, Theatre Royal Bath Enterprises Limited and Roman Holiday Bath Limited. A separate Statement of Financial Activities and Income and Expenditure Account for the Charity has not been presented because the Charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

The Charity is a qualifying entity as defined by FRS 102 and, as such, has taken advantage of the following exemptions:

- presenting a statement of entity cash flows on the grounds that the relevant information is included within the consolidated information presented within these financial statements; and
- presenting certain financial instruments disclosures on the grounds that the relevant information is included within the consolidated information presented within these financial statements.

d) Income

Income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

The Charity utilises a 52 week year to recognise revenue, recognising income and expenditure to the final Saturday of the period. This means that some periods are 53 weeks to compensate for this policy. During this year, 52 weeks of revenue have been recognised.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, 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.

For legacies, entitlement is taken as the earlier of the date on which either: the Charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Charity or the Charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income received in advance of a theatrical performance or provision of other specified service it is deferred until the performance or the service has been given (see note 20).

e) Donated services and facilities

Donated professional services and donated facilities are recognised as income when the Charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the Charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time is not recognised.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the Charity which is the amount the Charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

f) Interest receivable

Interest is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the Bank.

g) Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the Charity. Designated funds are unrestricted funds of the Charity which the Charity trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the Charity's work or for specific artistic projects being undertaken by the Charity.

h) Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- costs of raising funds – which comprise the costs of commercial trading including the catering and the associated support costs;
- expenditure on charitable activities – which includes activities undertaken to further the purposes of the Charity and the associated support costs.

i) Allocation of support costs

Support costs are those functions that assist the work of the Charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll processing and governance costs which support the Charity's artistic programmes and activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 9.

j) Tangible fixed assets

Individual fixed assets costing £200 or more are capitalised at cost and are depreciated over their estimated useful lives on a straight line basis as follows:

Asset Category	Annual Rate
Equipment	10% - 33%
Motor vehicles	25%
Leasehold improvements	2%
Freehold property improvements	2%

The freehold property is not depreciated as the trustees do not believe its residual value to be significantly lower than its cost due to the age and nature of the building, and its location in the conservation area of central Bath. An impairment review is carried out annually by the trustees and any impairment is charged to the income statement in the year in which it is identified.

k) Work in Progress

Work in progress, which represents direct costs of theatrical productions that had yet to start at the year end, is stated at the lower of cost and net realisable value.

l) Debtors

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

m) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

n) 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 or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

o) Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments; all such financial assets are current. Except for financing instruments, basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Financing instruments are initially recorded at the proceeds received net of direct issue costs and are subsequently measured at amortised cost, using the effective interest rate method.

p) Pensions

The Group provides a range of benefits to employees, including paid holiday arrangements and defined contribution pension plans.

Short term benefits, including compensation for loss of employment, holiday pay and other non-monetary benefits, are recognised as an expense in the period in which the service is received.

New and existing employees are automatically enrolled into a defined contribution pension scheme unless they have exercised their right to opt out of scheme membership.

The Group operates a defined contribution plan, whereby the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations. The contributions are recognised as an expense in the period to which they relate. Amounts not paid are shown in accruals in the statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

q) Taxation

The Charity's current trading activities are charitable and therefore, to the extent that any surpluses are applied to its charitable objects, the Charity is not liable to tax, and no provision is made for current or deferred tax by the Charity.

No provision is made for current or deferred tax on any profits arising in the year generated by the Charity's subsidiaries which are expected to be offset by the carry back of future donations to the Charity. The current tax charge recognised in the subsidiaries is based on the remaining taxable profit for the year. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Other than as described above, deferred tax is recognised in respect of all timing differences between taxable profits and the net movement in funds that have originated but not reversed at the balance sheet date. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised.

Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The Group receives Theatre Tax Relief which is surrendered, giving rise to tax payments to the Group. The arising credit is recognised in the year in which the related expenditure is incurred. The credit is recognised in charitable expenditure in the Consolidated Statement of Financial Activities.

r) Key judgments and sources of estimation uncertainty

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make judgements and estimates that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the statement of financial position date and the reported amounts of revenues and expenses during the reporting period. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates.

In preparing the financial statements, the only judgements which had, or could have had, a material impact on the financial statements is the adoption of the going concern basis for the preparation of the financial statements (as explained above) and the assessment of whether a freehold property that is currently sublet should be classed as an investment property or, as is currently the case, not. If in future the property is reclassified as an investment property, it will need to be stated at its fair value rather than depreciated cost, which is likely to result in an increase in the reported net assets of the Group.

The only material estimate required is the estimated useful lives of assets and their residual values, which are described above. The carrying value of the assets is given in note 16.

2 Legal Status of the Charity

The Charity is a private company limited by guarantee and has no share capital. It is registered in England and its registered office is Theatre Royal Bath, Sawclose, Bath, BA1 1ET and its registered company number is 01416448. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £100 per member of the Charity.

3 Financial Performance of the Charity

The consolidated statement of financial activities includes the results of the Charity's wholly owned subsidiaries (see note 7).

The summary financial performance of the Charity alone is:

	2024 £'000s	2023 £'000s
Income	17,311	9,362
Donation from subsidiary companies	361	522
	<u>17,672</u>	<u>9,884</u>
Expenditure on charitable activities	(16,264)	(9,177)
Net income / (expenditure)	1,408	707
Total funds brought forward	8,773	8,066
Total funds carried forward	<u>10,181</u>	<u>8,773</u>
Represented by:		
Unrestricted income funds	8,761	7,356
Restricted income funds	1,420	1,417
	<u>10,181</u>	<u>8,773</u>

The consolidated income of £18,837k (2023: 14,499k) comprises the charity income above of £17,311k (2023: £9,362 k) plus the income of the subsidiaries of £6,922k (2023: £9,866k) (Note 7) less net inter-company trading adjustment of £5,396k (2023: £4,729k).

4 Income from charitable activities

	2024 Unrestricted Funds £'000s	2024 Restricted Funds £'000s	2024 Total Funds £'000s	2023 Total Funds £'000s
Main House & Ustinov Performances	11,600	0	11,600	8,276
The Egg - performance, engagement and outreach	580	9	589	493
Touring and West End Productions	5,845	0	5,845	4,719
Grant Income	5	138	143	380
	<u>18,030</u>	<u>147</u>	<u>18,177</u>	<u>13,868</u>

5 Income from donations and legacies

	2024 Unrestricted Funds £'000s	2024 Restricted Funds £'000s	2024 Total Funds £'000s	2023 Total Funds £'000s
Donations and Legacies				
Memberships	130	0	130	100
Donations	11	125	136	228
Legacies	0	0	0	2
	<u>141</u>	<u>125</u>	<u>266</u>	<u>330</u>

The Charity benefits greatly from the involvement and enthusiastic support of its volunteers, details of which are given in our annual report. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of volunteers is not recognised in the financial statements.

6 Income from other trading activities

	2024	2023
	£'000s	£'000s
Other trading income	178	244
	<u>178</u>	<u>244</u>

All income from other trading activities is unrestricted in both 2024 and 2023. Of the income, £74 k (2023: £75k) is from rents and the balance from the provision of services.

7 Income from trading activities of subsidiaries

The Charity has four wholly owned trading subsidiaries all of which are incorporated in the UK and all of which have their registered office at Theatre Royal Bath, Sawclose, Bath BA1 1ET. The Theatre Royal Bath (Trading) Limited operates the bars within the Theatre, procures sponsorship for The Theatre Royal Bath and operates the 1805 Entertaining Suite. The Theatre Royal Bath Productions Limited generates and presents theatrical productions. The Theatre Royal Bath Enterprises Limited manages and runs theatrical productions for The Theatre Royal and for The Theatre Royal Bath Productions Limited. Roman Holiday Bath Limited operates the production Roman Holiday.

These companies donate their taxable profits and pay management charges to The Theatre Royal Bath Limited. Audited financial statements are filed with the Registrar of Companies. A summary of their trading results is shown below. In the consolidated statement of financial activities, the turnover of Theatre Royal Bath Productions is included in touring and west end productions income. Other income, after eliminating intra-group transactions, is included as income from other trading activities.

The summary financial performances of the subsidiaries are:

2024	TRB	TRB	TRB	Roman Holiday	Total
	Productions	Trading	Enterprises	Bath	
	£'000s	£'000s	£'000s	£'000s	£'000s
Turnover	5,523	655	1	743	6,922
Other Expenditure	(5,205)	(443)	0	(948)	(6,596)
Net profit/(loss)	318	212	1	(205)	326
Theatre tax relief	0	0	0	205	205
Management charges	(255)	(138)	0	0	(393)
Amount donated to the charity	(332)	(29)	0	0	(361)
Retained in subsidiary	(269)	45	1	0	(223)
2023	£'000s	£'000s	£'000s	£'000s	£'000s
Turnover	5,023	505	4,338	0	9,866
Other Expenditure	(4,473)	(194)	(4,886)	0	(9,553)
Net profit/(loss)	550	311	(548)	0	313
Theatre tax relief	0	0	548	0	548
Management charges	(227)	(306)	0	0	(533)
Amount donated to the charity	(494)	0	0	0	(494)
Retained in subsidiary	(171)	5	0	0	(166)

The management charges were paid to the Charity.

The assets and liabilities of the subsidiaries were:

2024	TRB	TRB	TRB	Roman Holiday	Total £'000s
	Productions	Trading	Enterprises	Bath	
	£'000s	£'000s	£'000s	£'000s	
Fixed assets	3	12	0	0	19
Current assets	1,063	116	0	11	1,190
Current liabilities	(1,017)	(49)	12	(11)	(1,065)
Total net assets	49	79	12	0	144

2023	TRB	TRB	TRB	Roman Holiday	Total £'000s
	Productions	Trading	Enterprises	Bath	
	£'000s	£'000s	£'000s	£'000s	
Fixed assets	3	16	0	0	19
Current assets	712	59	497	890	2,158
Current liabilities	(403)	(42)	(486)	(890)	(1,821)
Total net assets	313	34	11	0	357

8 Analysis of expenditure on charitable activities

2024	The Egg (performances, engagement and outreach)				Total £'000s
	Main House & Ustinov	Trading	Enterprises	Roman Holiday	
	£'000s	£'000s	£'000s	£'000s	
Cost of productions	7,326	550	4,949	0	12,825
Education and outreach	0	178	0	0	178
Box office and front of house	1,035	62	0	0	1,097
Marketing	375	11	0	0	386
Building and stage	696	30	14	0	740
Amortisation and depreciation	247	0	3	0	250
Support costs (note 10)	1,213	381	445	0	2,039
Governance costs (note 10)	43	17	14	0	74
Total	10,935	1,229	5,425	0	17,589

2023	The Egg (performances, engagement and outreach)				Total £'000s
	Main House & Ustinov	Trading	Enterprises	Roman Holiday	
	£'000s	£'000s	£'000s	£'000s	
Cost of productions	4,748	126	4,443	0	9,317
Education and outreach	0	537	0	0	537
Box office and front of house	872	50	0	0	922
Marketing	429	19	0	0	448
Building and stage	550	26	12	0	588
Amortisation and depreciation	174	39	3	0	216
Support costs (note 9)	1,100	346	348	0	1,794
Governance costs (note 9)	46	1	18	0	65
Total	7,919	1,144	4,824	0	13,887

Of the above expenditure, 269k was restricted (2023: 504k) and the balance unrestricted.

9 Analysis of governance and support costs

2024	General Support	Governance function	Total
	£'000s	£'000s	£'000s
Administrative costs	408	3	411
Administrative staff costs	1,631	14	1,645
Audit fees	0	40	40
Accountancy services	0	17	17
Legal and other professional fees	0	0	0
Total	2,039	74	2,113

2023	General Support	Governance function	Total
	£'000s	£'000s	£'000s
Administrative costs	485	0	485
Administrative staff costs	1,309	11	1,320
Audit fees	0	38	38
Accountancy services	0	15	15
Legal and other professional fees	0	1	1
Total	1,794	65	1,859

10 Net income / (expenditure) for the year

This is stated after charging:	2024	2023
	£'000s	£'000s
Amortisation of intangible fixed assets	6	0
Depreciation of tangible fixed assets	236	210
Auditor's remuneration		
– Audit Fees	40	38
-- Tax compliance	17	15

11 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff Costs	2024	2023
	£'000s	£'000s
Salaries and wages	2,841	2,720
Social security costs	251	224
Pension costs	64	59
	3,156	3,003

Pension costs, comprising defined contribution payments, are included in administrative staff costs and are wholly charged to unrestricted funds.

The number of employees who received total employee benefits (excluding employer pension costs) of more than £60k is as follows:-

£'000	2024	2023
	Number	Number
60-70	0	1
70-80	2	0
80-90	1	1
210-220	0	1
290-300	1	0
	4	3

The Charity trustees were not paid nor received any other benefits from employment with the Charity or its subsidiaries in the year (2023: £nil) neither were they reimbursed expenses during the year (2023: £nil). No Charity trustee received payment for professional or other services supplied to the Charity (2023: £nil).

The key management personnel of the parent charity comprise the trustees, the Theatre Director, Finance Director, General Manager and Theatre Administrator. The total employee benefits of the key management personnel of the Charity were £532k (2023: £477k).

The key management personnel of the group are those of the Charity and the key management personnel of its wholly owned subsidiary Theatre Royal Bath Productions. The key management personnel of Theatre Royal Bath Productions Limited are the Board of Directors, the Finance Director, General Manager and Theatre Administrator whose employee benefits total £75k (2023: £0k). The employee benefits of key management personnel for the group was therefore £608k (2023: 477k).

The higher paid staff disclosures above are based on salary payments in the year which can include bonus payments relating in part to the preceding financial year.

12 Staff Numbers

The average monthly head count was 156 staff (2023: 156 staff)

	2024 Number	2023 Number
Fundraising	2	3
Production	49	56
Main House & Ustinov Front of House	52	45
Box Office	7	7
Marketing	3	3
Management	9	9
Administration	12	10
The Egg and Education	22	23
	156	156

13 Related party transactions

In 2023, the following transactions took place between the Charity and its wholly owned subsidiaries:

- Donations from the subsidiaries to the Parent Charity
- The payment of management charges

Details of these transactions are shown in note 7.

In addition, the Charity, on behalf of the Group, employs all staff. Recharges of salary costs to the subsidiaries were £750k (2023: £562k). In Year Ended May 2023, TRBE charged a commissioning fee for productions produced on behalf of TRB and TRBP which totalled £4,338k. In Year Ended May 2024, TRBP produced a number of plays on behalf of the TRB, TRBP was reimbursed costs of £4,968k for this work.

Balances due from and to the subsidiaries are shown in notes 18 and 19 respectively.

Jayne Davis, whom resigned from the board on 23rd March 2024, was Principal and Chief Executive of Bath College. The Charity has an Agreement with Bath College to deliver two Level 3 courses in Performing and Production Arts. The Service Level Agreement was originally agreed prior to Ms Davis joining the Board of Trustees, but has been renewed during her tenure. The Board is alert to any actual or perceived risk of conflict in this regard and appropriate risk management procedures will continue to be followed. During the period, Bath College were invoiced £228k (2023: £154k) of which £20k (2023: £19k) was outstanding at the year end.

Theatre Royal Bath Productions Limited produced a touring production of the play *Farm Hall*, written by Ms Katherine Moar, daughter of Theatre Director Danny Moar. The Board were aware of this relationship and were alert to the risk of conflict and appropriate risk management procedures were followed. Ms Moar was paid royalties of £9,579 for the use of her work. This production transferred to the West End in the following year.

From time to time, related parties purchase tickets for productions in the auditoria. The price of these tickets is the same as that available to the general public at the time.

14 Government Grants

In the year, the Charity received a grant from the Arts Council of £55k (2023: £26k) and also Culture Recovery Grants of £Nil (2023: £335k) from the Arts Council and the Department for Digital, Culture, Media and Sport (included within income from charitable activities - note 4).

Spend for these grants is recognised to match qualifying expenditure and any amounts unspent are held as restricted funds and accrued for as any unspent funds are returnable to the grant awarding body.

15 Intangible fixed assets - group and charity

	Software
	£'000s
Cost	
At beginning of year	49
Additions	10
At end of year	<u>59</u>
Amortisation	
At beginning of year	40
Additions	6
At end of year	<u>46</u>
Net book value	
At end of year	<u>13</u>
At beginning of year	<u>9</u>

16 Tangible fixed assets

Group	Long leasehold	Freehold property	Motor vehicles	Equipment	Total
	improvements	& improvements			
	£'000s	£'000s	£'000s	£'000s	£'000s
Cost					
At beginning of year	3,076	3,738	32	1,177	8,023
Additions	143	0	0	178	321
Disposals	0	0	(2)	(10)	(12)
At end of year	<u>3,219</u>	<u>3,738</u>	<u>30</u>	<u>1,350</u>	<u>8,332</u>
				1,345	
Depreciation					
At beginning of year	1,735	855	15	933	3,538
Additions	83	46	7	110	246
Disposals	0	0	0	(10)	(10)
At end of year	<u>1,818</u>	<u>901</u>	<u>22</u>	<u>1,033</u>	<u>3,774</u>
Net book value					
At end of year	<u>1,401</u>	<u>2,837</u>	<u>8</u>	<u>317</u>	<u>4,558</u>
At beginning of year	<u>1,341</u>	<u>2,883</u>	<u>17</u>	<u>244</u>	<u>4,485</u>

Charity	Long leasehold improvements	Freehold property & improvements	Motor vehicles	Equipment	Total
	£'000s	£'000s	£'000s	£'000s	£'000s
Cost					
At beginning of year	3,076	3,738	32	1,108	7,954
Additions	143	0	0	170	313
Disposals	0	0	(2)	(10)	(12)
At end of year	3,219	3,738	30	1,268	8,255
Depreciation					
At beginning of year	1,734	855	15	880	3,484
Additions	83	46	8	97	234
Disposals	0	0	0	(10)	(10)
At end of year	1,817	901	23	967	3,708
Net book value					
At end of year	1,402	2,837	7	301	4,547
At beginning of year	1,342	2,883	17	228	4,470

The original cost of the freehold property, which was not depreciated, is £1.4 million. The freehold property can only be sold with the consent of the Bath Theatre Trust, which is the freeholder of the main theatre, which the Charity leases from the Trust.

17 Investments

Charity	2024 £'000s	2023 £'000s
Shares at cost in group undertakings:		
At beginning and end of year - at cost	10	10

Details of consolidated subsidiary undertakings, which are all registered in England and Wales, as follows:

Subsidiary undertaking:	Principal activity	Class and percentage of shares held
Theatre Royal Bath (Trading) Limited - 02353880	Operation of the Theatre Bars, Procurement of sponsorship and operation of 1805 Suite	Ordinary 100%
Theatre Royal Bath Enterprises Limited - 01640869	Control and running of theatre productions	Ordinary 100%
Theatre Royal Bath Productions Limited - 03495565	Development of theatre productions	Ordinary 100%
Roman Holiday Bath Limited - 14444920	Production of a musical, Roman Holiday	Ordinary 100%
Joint Venture: Bugsy Malone UK Limited	Production of a UK Tour	Ordinary 50%

18 Debtors

	Group		Charity	
	2024	2023	2024	2023
	£'000s	£'000s	£'000s	£'000s
Trade debtors	276	694	266	184
Other debtors	1,192	1,517	1,124	270
Prepayments and accrued income	445	229	196	220
Amounts owed by group undertakings	0	0	0	1,395
	<u>1,913</u>	<u>2,440</u>	<u>1,586</u>	<u>2,069</u>

19 Creditors: amounts falling due within one year

	Note	Group		Charity	
		2024	2023	2024	2023
		£'000s	£'000s	£'000s	£'000s
Bank loan (see note 21)		200	200	200	200
Trade Creditors		701	316	408	202
Taxations and social security		139	308	133	330
Amounts owed to group undertakings		0	0	81	183
Short-term compensated absences (holiday pay)		87	75	87	75
Other creditors		215	1,127	18	47
Accruals		1,275	1,255	521	612
Advance ticket sales and other deferred income	20	1,873	2,270	1,873	2,269
		<u>4,490</u>	<u>5,551</u>	<u>3,321</u>	<u>3,918</u>

20 Deferred Income

Deferred income consists primarily of advance ticket sales and gift vouchers.

	Gift vouchers and other deferred income	Advance ticket sales	Total
	£'000s	£'000s	£'000s
Prior year			
At beginning of the prior year	122	1,352	1,474
Amount released to income	(122)	(1,352)	(1,474)
Amount deferred in year	114	2,156	2,270
Deferred income as at the year end	<u>114</u>	<u>2,156</u>	<u>2,270</u>
Current year			
At beginning of the prior year	114	2,156	2,270
Amount released to income	(114)	(2,156)	(2,270)
Amount deferred in year	120	1,753	1,873
Deferred income as at the year end	<u>120</u>	<u>1,753</u>	<u>1,873</u>

21 Creditors: amounts falling due after more than one year

	Group		Charity	
	2024	2022	2024	2023
	£'000s	£'000s	£'000s	£'000s
Bank loan	300	500	300	500
	<u>300</u>	<u>500</u>	<u>300</u>	<u>500</u>

The bank loan is secured by way of a fixed and floating charge over the assets of the Group. The loan is repayable in monthly instalments over a period of five years, commencing in December 2021 and bears interest at a margin of 2.75% per annum. The interest that arose in the first year was paid by the Government.

22 Analysis of charitable funds

Analysis of movement in unrestricted funds

2024	Balance 1 June	Income	Expenditure	Transfers	Funds at 31 May
	2023				2024
	£'000s	£'000s	£'000s	£'000s	£'000s
General Fund	4,475	17,695	(16,194)	(3,585)	2,391
Designated production fund	640	347	(673)	250	564
Designated stability fund	150	0	0	0	150
Designated creative fund	52	0	0	0	52
Designated building levy	1,380	521	(513)	(231)	1,157
Designated building development fund	1,000	0	0	250	1,250
Designated fixed asset fund	0	0	0	3,316	3,316
Total	7,697	18,563	(17,380)	0	8,880

2023	£'000s	£'000s	£'000s	£'000s	£'000s
General Fund	4,439	13,458	(12,572)	(850)	4,475
Designated production fund	623	163	(546)	400	640
Designated stability fund	150	0	0	0	150
Designated creative fund	52	0	0	0	52
Designated building levy	1,088	417	(325)	200	1,380
Designated building development fund	750	0	0	250	1,000
Total	7,102	14,038	(13,443)	0	7,697

Details of unrestricted fund

Name of unrestricted fund

Description, nature and purposes of the fund

General Fund

The balance of unrestricted reserves after designations.

Designated funds

Production Fund

a) Designated production fund for own-house productions in the Main house, Ustinov and Egg auditoria.

Stability Fund

b) Designated stability fund to enable continuity in activities as a result of unforeseen circumstances.

Creative Fund

c) Designated creative fund to enable the Charity to offer grants to local arts organisations.

Building Levy

d) Designated building levy to cover the upkeep and running of the theatre building and its three auditoria.

Building Development Fund

e) Designated to enable future capital projects to enhance the building

Fixed Asset Fund

f) Designated to contain the carrying value of fixed assets held by the charity, unless otherwise restricted

Analysis of movement in restricted funds

2024	Balance 1 June	Income	Expenditure	Transfers	Funds at 31 May
	2023				2024
	£'000s	£'000s	£'000s	£'000s	£'000s
Restoration reserve	0	2	(2)	0	0
The Egg reserve	76	4	(68)	0	12
Arts Council Culture Recovery Fund Grants	0	55	(55)	0	0
The Egg appeal reserve	1,252	1	(42)	0	1,211
Lifelong learning fund	14	89	(60)	0	43
2010 appeal reserve	0	1	(1)	0	0
Fixed asset reserve	0	0	0	0	0
Wonderfund	75	121	(42)	0	154
Total	1,417	273	(270)	0	1,420

2023	£'000s	£'000s	£'000s	£'000s	£'000s
Restoration reserve	0	2	(2)	0	0
The Egg reserve	66	31	(21)	0	76
Arts Council Culture Recovery Fund Grants	0	335	(335)	0	0
The Egg appeal reserve	1,297	1	(46)	0	1,252
Lifelong learning fund	33	2	(21)	0	14
2010 appeal reserve	0	1	(1)	0	0
Fixed asset reserve	0	0	0	0	0
Wonderfund	72	92	(89)	0	75
Total	1,468	464	(515)	0	1,417

Details of restricted funds

Name	Description, nature and purposes of the fund
Restoration reserve	The balance specifically for the renovation work for the Ustinov.
The Egg reserve	Funds received for the support of the Egg and its educational work including Arts Council grants that are not from the Culture Recovery Fund.
Arts Council Culture Recovery Fund	Arts Council Culture Recovery Fund Grants publically funded by the Department for Digital, Culture, Media and Sport.
The Egg appeal reserve	Funds raised for the development of the egg auditorium to provide a theatre specifically for children and young people.
Lifelong learning fund	Funds received for the support of educational work for adults.
2010 appeal reserve	The balance specifically for the renovation and development work to the Main House.
Fixed asset reserve	Funds donated towards the purchase of equipment.
Wonderfund	Funds raised to offer state school children free access to live performance.

24 Analysis of group net assets between funds

2024	General Fund	Designated funds	Restricted funds	Total
	£'000s	£'000s	£'000s	£'000s
Fixed Assets	3,128	231	1,212	4,571
Current assets	3,926	6,348	208	10,482
Current liabilities	(4,363)	(90)	0	(4,453)
Long term liabilities	(500)	0	0	(500)
Total	2,191	6,489	1,420	10,100

2023	General Fund	Designated funds	Restricted funds	Total
	£'000s	£'000s	£'000s	£'000s
Fixed Assets	3,114	129	1,252	4,495
Current assets	6,349	3,250	165	9,763
Current liabilities	(4,487)	(157)	0	(4,644)
Long term liabilities	(500)	0	0	(500)
Total	4,476	3,222	1,417	9,114

25 Reconciliation of net movement in funds to cash generated by / (used in) operations

	2024	2023
	£'000s	£'000s
Net movement in funds	1,186	543
Add back amortisation charge	6	0
Add back depreciation charge	246	214
Add back loss on disposal of fixed assets	0	0
Deduct interest income shown in investing activities	(216)	(57)
Movement in work in progress	26	(116)
Movement in debtors	527	(664)
Movement in creditors	(1,061)	681
Net cash generated/ (used in) operating activities	714	601

26 Financial instruments

	Group		Charity	
	2024	2023	2024	2023
	£'000s	£'000s	£'000s	£'000s
Financial assets which are debt instruments measured at amortised cost	595	789	344	1,670
Financial assets which are equity instruments measured at amortised cost	0	0	10	10
Financial liabilities measured at amortised cost	2,047	1,658	1,092	1,078

The risk from financial instruments primarily arises from cash at bank, where the Charity is exposed to credit risk. The Group is also exposed to credit risk from its trade debtors and the Charity is exposed to credit risk relating to its subsidiaries.

27 Operating leases

Income due under non-cancellable operating leases

Group and Charity	2024 £'000s	2023 £'000s
Due next year	64	64
Due in 2 to 5 years	256	256
Due after more than 5 years	437	501
	<u>757</u>	<u>821</u>

Under the terms of the leases, the rental income is subject to periodic review. The leases give the tenants no right of acquisition.

28 Consolidated Statement of Financial Activities - Prior Year

	Unrestricted Funds £'000s	Restricted Funds £'000s	Total Funds £'000s
Income from:			
Charitable activities	13,532	336	13,868
Donations and legacies:	203	127	330
Other trading activities	244	0	244
Investment income	57	0	57
Total income	<u>14,036</u>	<u>463</u>	<u>14,499</u>
Expenditure on:			
Cost of raising funds	(58)	(10)	(68)
Charitable activities	(13,383)	(504)	(13,887)
Total expenditure	<u>(13,441)</u>	<u>(514)</u>	<u>(13,955)</u>
Net income/(expenditure)	595	(51)	544
Funds transfer			<u>0</u>
Net movement in funds for the year	595	(51)	544
Reconciliation of funds			
Total funds brought forward	7,102	1,468	8,570
Total funds carried forward	<u>7,697</u>	<u>1,417</u>	<u>9,114</u>

THE THEATRE ROYAL BATH LIMITED

England & Wales - Charity number 277723

Accounts

The Theatre Royal Bath Limited

(Registered Charity Number: 277723)

(Registered Number: 01416448)

*Trustees' Report and Consolidated
Financial Statements*

For the year ended 31 May 2023

The Theatre Royal Bath Limited

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The Theatre Royal Bath Limited

Introduction

The Trustees are pleased to present their annual report together with the consolidated financial statements of The Theatre Royal Bath Limited ("TRB", the "Charity") and its subsidiaries (the "Group") for the year ended 31 May 2023.

Theatre Royal Bath Limited is a registered charity and these financial statements comply with the Charities Act 2011 as well as the Companies Act 2006 and Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Objectives and Activities

Our purposes and activities

The Group's purposes continue to be the advancement and promotion of the arts for the benefit of the public, including theatre, music, dance and live performance and the encouragement of artistic knowledge and appreciation by providing opportunities for all to experience live theatre and artistic performance, together with the advancement and promotion of education in the arts for public benefit by providing opportunities for participation in the arts to a wide and diverse community.

The Group's strategy is to maintain a financially robust, enduring theatre business to support delivery of its objectives for public benefit. Its strategy is to recover its operating costs in the Main House from ticket sales and charges. Any surplus generated by activity in the Main House, together with all profits from Theatre Royal Bath Productions Limited (TRBP), and Theatre Royal Bath (Trading) Limited (TRBT) the Group's commercial arms, are used to support the Ustinov and Egg theatres, the presentation of the Deborah Warner Ustinov Season and the Main House Summer Season as well as a wide variety of educational and outreach projects.

While the Group receives a limited number of grants and donations, usually for specific projects, it strives to be financially independent.

Strategic Report

The strategies employed to achieve the Group's objectives are to:

- present a broad range of artistic work in the Main House, the Ustinov and the Egg for the education and entertainment of the local community and the general public at large;
- offer opportunities for a wide range of people of all ages and from all areas of our local community and beyond, to appreciate and participate in the arts through an extensive programme of educational and outreach activity, lectures and workshops;
- celebrate the diversity of cultures in our society by programming presentations by, and with, artists of different cultural backgrounds;
- offer a range of subsidies including bursaries and discounted seats, events and projects, to enable members of our community who otherwise might not have access to the arts to become involved and enjoy the programmes on offer.

The Group has three major areas of activity: performances in the Main House and Ustinov auditoria; The Egg – performances, education and outreach work; and touring and West End productions produced via TRBP.

The Theatre Royal Bath Limited

Main House and Ustinov performances

With over 172,000 people attending the 380 performances in the Main House, it has been a brilliant year for the theatre and demonstrates a continued strong recovery from the Coronavirus closures. Attendance has increased 15% on the previous year and demonstrates the enticing programme that has been curated.

The programme in the Main House presents a varied mix of drama, ballet, opera, musicals and comedy. It aims to suit a range of public tastes with a focus on quality and artistic merit to ensure that the Main House is operationally self-funding.

Highlights of the programme include a new production of *Into the Woods* by Stephen Sondheim and James Lapine and directed by Terry Gilliam and Leah Hausman, which has to date only been seen in Bath. Audiences in Bath were also treated to *Girl from the North Country*, *The Ocean at the End of the Lane*, *Heathers the Musical* and *Pride and Prejudice* (*Sort of)*, all direct from the West End.

In the first year of Deborah Warner's tenure as Artistic Director of the Ustinov, her season comprised a smorgasbord of artforms, including Purcell's opera *Dido and Aeneas*, a new production of Shakespeare's *The Tempest*, a song and dance in double-bill of Benjamin Britten's *Phaedra*, sung by Christine Rice, and *Minotaur*, choreographed by Kim Brandstrup as well as lip-sync performance *¡Showmanism!*, devised and performed by Dickie Beau. *Phaedra* and *Minotaur* has been performed at the Edinburgh International Festival after the Year End following its run in the Ustinov.

The Ustinov Studio also welcomed Elizabeth McGovern and Dougray Scott in Edward Albee's *Who's Afraid of Virginia Woolf?* and Kris Marshall in Ryan Craig's *Charlotte and Theodore*, which was also toured by TRBP.

The Egg, Education and Outreach

The Egg welcomed 4683 families this year with 2155 first time bookers visiting the Egg (and perhaps theatre in general) for the first time.

The Wonderfund has been able to give 3,742 free of charge tickets to local state schools to enable children to access theatre where otherwise, they may not have had the means or opportunity to do so.

The Bath Theatre Academy, a Level 3 diploma course delivered in partnership with Bath College welcomed 75 students this year with a 96% pass rate and 60% of students receiving either a Merit or Distinction. Through their learning, BTA students worked with 82 freelance practitioners delivering their training and working with them on their productions, allowing them access to professionals during their education. Our Theatre School continues to thrive with 449 members attending during the year.

The Egg has also hosted an Access Retreat for 20 makers of children's theatre to develop and innovate around the production of theatre both with and for disabled performers and audiences. This Access Retreat has led to the commissioning of Wendy: A Peter Pan Story for Christmas 2023, embedding access for both audience and artists.

Following a period of limited activity during the Coronavirus pandemic, the Engage programme to promote adult participation in theatre and the arts has restarted in earnest. The theatre has begun investigating the potential for a fourth venue space to house the Engage Programme's work. In March 2023, this was trialled in a space within the theatre with 27 local groups and individuals presenting 28 productions across 5 art forms as part of the Elevate Festival. In total 140 people participated with 579 audience members attending. The investigation into the design and positioning of the fourth venue will continue into the next financial year, with this space allowing us to focus on delivering on our aim to serve all ages in our participatory work.

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Touring and West End Productions

Touring and West End Productions are produced through TRBP, a wholly owned subsidiary company, with a view to generating profits which are then gift-aided to TRB to support the Group's objectives.

TRBP produced seven productions throughout the year, including *Beautiful: The Carole King Musical* and *The Play What I Wrote* continued touring from the previous year.

To start the year, TRBP, alongside Kenny Wax and Birmingham Rep produced *Bugsy Malone* which toured the country from June 2022 through to February 2023. Michael Frayn's comedy *Noises Off* delighted audiences on a six-week Autumn tour before spending eight weeks at the Phoenix Theatre in the West End.

Mrs Warren's Profession and *Relatively Speaking* opened in November and January respectively in the Main House and both toured throughout the Spring. Following a successful run at the Ustinov Studio, *Charlotte and Theodore* visited both Cambridge and Richmond.

In total, TRBP productions played for 73 weeks across the country as well as providing excellent shows for audiences in Bath.

Our volunteers

Theatre Royal Bath is grateful for the support it receives via a team of dedicated voluntary fundraisers and volunteers. TRB Fundraisers generously donate their time to raise important funds. Trained volunteers normally assist with audio-described performances for the visually impaired; and placements from universities, drama schools, and colleges provide support for the production and education departments. No monetary amount has been included in the Group's income for the period to reflect the 'in kind' support provided by the Group's volunteers.

Our artistic values

There is always a regard to providing productions of the highest quality and artistic merit and consideration is given to the appropriateness of potentially offensive or subversive material. Understanding that freedom of expression is totally subjective, we do not attempt to censor productions, but indicate age range suitability where appropriate. Any complaints or comments are responded to by the Theatre Director and, throughout the year, there are various open post-show discussions held by the Education team where public comment is invited.

Monitoring and assessing performance

The Trustees assess and monitor the Group's activities as follows:

- audience numbers and average ticket prices of the performances in the Main House, Ustinov and the Egg are analysed on a monthly basis against five years of comparative data;
- an annual budget is produced, reviewed by the Finance and Risk Committee and approved by the Board in May each year;
- management accounts, where actual results are compared to budget and prior year, the variances are explained, and the year end results forecasted are prepared monthly and reported to the Finance and Risk Committee and the Board at their bi-monthly meetings;
- the Finance and Risk Committee, reporting to the Board, undertakes risk assessment and analysis in relation to a variety of financial, operational and regulatory risks and reviews applicable Group policies and procedures on a regular basis;
- critics' and audiences' responses to the Group's own productions and the shows programmed in the three auditoria are reported regularly to the Board;
- the Egg Director reports about the performance of the Egg programme to the Board at each

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- meeting;
- the General Manager reports to the Board at their bi-monthly meetings on issues relating to building maintenance and repairs;
- health and safety performance is reviewed annually and the results, including three years of comparative data are reported to the Board;
- the child and vulnerable adult, and the adult safeguarding policies and procedures are reviewed at least annually and reported to the Board; and
- people, diversity and accessibility issues are reported to the Finance & Risk Committee as and when they arise.

Financial review

Principal Risks and Uncertainties

The Theatre Royal Bath Limited faces the following principal risks and challenges:

- weighing the promotion and fostering of artistic knowledge with commercial pressures to ensure continued financial viability;
- continuing to attract attendees in sufficient number to achieve the Group's objectives;
- making sure that necessary funds are generated to enable maintenance and improvement of existing assets to allow the Group to meet its artistic and audience requirements; and
- the risk that the Group's access to publicly and non-publicly funded grants, which enrich the artistic development and outreach activities, is reduced as a result of increased competition because of the continued and significant cuts to public funding of the arts.

The consolidated statement of financial activities shows income from charitable activities for the year was £13.9 million (2022: £13.8 million). Total income for the year was £14.5 million (2022: £14.3 million). Expenditure on charitable activities in the year to 31 May 2023 was £13.9 million (2022: £12.4 million). The net income of the Group for the year was £544k (2022: £1.8m).

TRBP develops and produces theatrical productions. TRBP has generated a gross profit of £550k (2022: £668k) and a profit for the financial year of £323k (2022: £487k). TRBP has donated £494k (2022: nil) in the year to TRB. Theatre Royal Bath Enterprises Limited ("TRBE") manages and runs certain theatrical productions for both TRB and TRBP. It has a profit of £nil (2022: £nil).

TRBT, the third wholly owned subsidiary, is responsible for operating and overseeing all aspects of the bars and retail operation within the theatre, procuring sponsorships and running a ticket booking agency for local events. It generated gross profits of £311k (2022: £260k), a profit for the financial year of £6k (2022: £28k) and in the year it has donated £nil (2022: nil) to TRB.

The differences between the reported profits of the subsidiaries noted above and the amounts donated are a function of when donations are made. All profits of the subsidiaries are ultimately donated to TRB.

Overall, the Trustees are satisfied with the year's results which show a strong recovery from the challenges of Coronavirus. On behalf of the Board, the Trustees thank Danny Moar and his staff for all their effort and commitment in this year 2022/23.

Subsidies and pricing policy

In setting the rates for admission to the auditoria and participation in the educational programme, the Trustees have considered the Charity Commission's guidance on public benefit and fee charging, with a particular regard for those on low incomes. Many standard discounts applicable to generic groups such as under 16s, students, JSA claimants, registered disabled patrons and their carers are offered in respect of tickets for all shows.

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In the Main House, there are 30 low cost seats available for every performance and for sold-out performances, the theatre offers a standing ticket for around £5. Tickets for the Egg prices typically range from £8.00 to £10.00 (Christmas shows up to £18.00). Other discounts are available

Financial assistance is also available for performances and participation in the Egg events through the "Egg pot". The "Egg pot" provides funds for disadvantaged young people to participate in the Egg events and projects. The "Egg pot" exists to remove any obstacles that may prevent a school or young person taking part on the grounds of finance, geography, personal physical impairment or support needs. Similarly, the Wonderfund provides paid-for tickets for school groups to attend the theatre.

To view our programme, and for fuller details of ticket prices and discount terms and conditions, or to e-book, visit our website www.theatreroyal.org.uk or telephone our booking office 01225 448844 or visit our booking office, open 10am until 8pm Mondays to Saturdays and 12 noon to start of show on Sundays on show days.

Investment powers and policy

The Trustees have the power to invest funds not immediately required for operational use in such ways as they consider appropriate. Currently the funds are held with instant access at Barclays Bank PLC at a competitive interest rate.

Reserves policy and going concern

The Trustees consider that a reserves policy is necessary to maintain sufficient reserves to achieve twin objectives:

- i) the presentation of high-quality theatre throughout the year; and
- ii) the maintenance of the Grade II listed building in which the Group is housed.

The Trustees regularly review the nature and level of the unrestricted reserves held to try and achieve balance in these objectives.

Total reserves as at the year-end are £9.1 million (2022: £8.6 million) comprising restricted funds of £1.4 million (2022: £1.5 million) and unrestricted funds of £7.6 million (2022: £7.1 million).

The unrestricted funds include designated funds of £3.2 million (2021: £2.7 million). The designated funds are described below:

- The Group has increased the balance on its production fund this year to finance future productions for TRB as it has done in the past funding the Summer Season, the Ustinov Seasons and the Egg Christmas production. The balance to carry forward of £640k (2022: £623k).
- The stability fund provides a general buffer in the event of a sudden decrease in income or increase in expenditure. The balance of the stability fund is at £150k (2022: £150k).
- The Creative Fund awards grants to local arts organisations. No grants were awarded during the financial year. This Fund is being re-designated to support access to the theatre to the Engage programme and into the Fourth Venue Space. The balance of the creative fund is at £52k (2022: £52k).
- The building levy fund is used by the Group to maintain and run the building and equipment in the three auditoria. The Trustees recognise that significant expenditure is required for a building such as the Theatre Royal Bath and its three auditoria, and the current reserve

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balance is of a size whereby annual planned expenditure as well as unpredictable works can be met. The balance of the building levy fund is at £1.4m (2022: £1.1m).

- The Building Development Fund is designated funds for future capital projects to improve and enhance the facilities within the building. The balance of the building development fund is £1m (2022: 750k).

Free reserves as at 31 May 2023 amounted to £1.3 million (2022: £1.6 million) and the Trustees aim to maintain an adequate level of reserves in the coming years. The Trustees have considered the level of funds and cash held, the future budgeted income and expenditure and the levels of reserves, such that they have determined that the Group is able to continue as a going concern. The Charity provides funds to the subsidiaries to fund their activities, primarily the cost of opening productions in TRBP. This support is included as part of the going concern assumption.

Plans for future periods

Theatre Royal Bath will continue to programme and produce work of the highest quality for presentation to audiences in Bath and beyond. To this end, TRBP is undertaking a high level of activity, creating touring productions for Theatre Royal Bath and then on tour to UK theatres and the West End.

The Egg intends to build on the success of its touring productions nationally and internationally and significantly to expand the development of new productions.

While no expenditure has been committed at the year end, the Trustees are considering proposals for a programme of capital expenditure in the future to improve significantly the toilet facilities for women in the Main House, at least doubling the number of cubicles. The theatre is also in the process of investigating the potential for a fourth studio venue space for our Engage and Outreach work.

The Theatre Royal Bath Limited

Structure, Governance and Management

Reference and administrative details

Charity number: 277723
Company number: 01416448
Registered Office: Theatre Royal Bath, Sawclose, Bath, BA1 1ET

Our advisers

Auditor
Haysmacintyre LLP 10 Queen Street Place, London, EC4R 1AG

Banker
Barclays Bank PLC 4 Queen Street, Bath, BA1 1HE

Solicitors
Mogers Drewett The Square, Lower Bristol Road, Bath, BA2 3BH

Directors and Trustees

The directors of TRB (the Charity) are its Trustees for the purpose of Charity law.
The Trustees and Officers serving during the year and since the year end were as follows:

Key management personnel - Theatre Royal Bath Limited: Trustees and Directors

Paul Heal (Chairman)
Suresh Ariaratnam
Margaret Cooke
Cllr Susan Craig (resigned 4th May 2023)
Jayne Davis (appointed 23rd May 2023)
Dominic Eaton
Cosmo Fry
Simon Holdsworth
Katja Kammerer
Ruth Keily (appointed 23rd May 2023)
Henry Meakin
Charlotte Walker (Vice Chairman)

Finance and Risk Committee

Dominic Eaton	Trustee
Paul Heal	Trustee and Chairman of the Board of Trustees
Charlotte Walker	Trustee and Vice Chairman of the Board of Trustees
Henry Meakin	Trustee and Chair of the Finance and Risk Committee

Remuneration committee

Paul Heal	Trustee and Chairman of the Board of Trustees
Stephen Ross	Chairman Theatre Royal Bath Productions
Henry Meakin	Trustee and Chair of the Finance and Risk Committee

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Key management personnel: Senior managers of Theatre Royal Bath Limited

Theatre Director and Chief Executive	D Moar
Financial Director	M Cundy
General Manager	E Hibbert
Theatre Administrator	N Palmer

Governing Document

The Theatre Royal Bath Limited is a company limited by guarantee (number 01416448) and a registered Charity (number 277723 registered in May 1979) under the Charities Act 2011. Its governing instrument is the Memorandum and Articles of Association, which were last amended on 18th February 2021.

All Trustees are also the members and thus undertake to contribute the sum of £100 each to the assets of TRB in the event of it being wound up during the time that they are members or within one year thereafter.

Appointment of Trustees

The Charity's governing body is a Board of Directors (who are also the Trustees of the Charity) whose members are invited to serve on the Board and retire periodically by rotation. Representatives of local businesses, people involved in the wider arts world and council members from Bath & North East Somerset are represented on the Board. When considering co-opting Trustees, regard is given to the necessity for any specialist skills so that the Board can call on a wide range of relevant knowledge and expertise. The councillor board member is subject to the appointment process of the Bath & North East Somerset council.

Trustee induction and training

New Trustees are briefed on their legal and other responsibilities as Trustees and an appropriate induction process is arranged by existing Trustees. There is a formal induction process pursuant to which new Trustees are briefed by members of the executive team and existing Trustees.

There is no set policy for the provision of Trustee training. However, where training needs are identified, suitable training is organised. Additionally, the Trustees are periodically reminded of their responsibilities as Trustees.

Organisation

The Board of Trustees administers the Charity. The Board normally meets bi-monthly, as does the Finance and Risk sub-committee. The Theatre Director is appointed by the Trustees to manage the day-to-day operations with the senior managers.

Related parties and co-operation with other organisations

None of our Trustees receive any remuneration or other benefit for services to the Charity. Any connection between a Trustee or member of key management with a supplier or contracted person must be disclosed to the full Board of Trustees. When connections are disclosed, the board consider the risks and impacts of such connections and appropriate safeguards are put in place. In the current year, the following relationships were disclosed:

Jayne Davis, appointed to the board on 23rd May 2023, is Principal and Chief Executive of Bath College. The Charity has an Agreement with Bath College to deliver two Level 3 courses in Performing and Production Arts. The Service Level Agreement was negotiated and agreed on 1st August 2022 prior to Ms Davis joining the Board of Trustees. The Board is alert to any actual or perceived risk of conflict in this regard and appropriate risk management procedures will continue to be followed.

During the year, the Charity presented the Jermyn Street Theatre's production of Farm Hall, which

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was written by Katherine Moar, the daughter of Theatre Director, Danny Moar. No payments were made between the Charity and Katherine Moar during the period.

In order to enable the Trustees to carry out their duties to assess and support the Charity, they are able to receive a maximum of two complimentary tickets to attend a performance of each of the Charity's own productions

Pay policy for senior managers

The Board of Directors, who are the Charity's Trustees, and the senior management team comprise the key management personnel of the Charity. All Trustees/Directors give of their time freely and no Trustee/Director received remuneration in the year. Details of Trustee/Directors' expenses are disclosed in note 11 to the financial statements. The pay of the senior staff is reviewed annually and normally increased in accordance with CPI rates as approved by the Trustees.

The Remuneration Committee considers the pay of the Chief Executive in his role as both Group Chief Executive and Managing Director of TRBP, the Group's commercial arm. The Committee seeks to benchmark his remuneration against the executives of comparable theatres. His remuneration in relation to TRBP is wholly based on the profitability of that business. Other members of the senior management team also receive remuneration in relation to TRBP wholly based on the profitability of that business.

Fundraising

The Charity has a Development team that raises funds from individuals, trusts and corporate entities. It does not engage third parties to carry out fundraising activities on its behalf. No complaints were received during the year by the Charity about fundraising activity. The Charity currently does not have any major fundraising campaigns and the biggest area of fundraising is its membership scheme for Friends and Associates. Once a year, Friends and Associates are reminded in writing that their membership is up for renewal. If a member does not renew, they are informed in writing that their membership has lapsed with information about applying for the membership if they would like to join. Given the limited nature of the Charity's fundraising activities, the Charity has not signed up to a fundraising standard.

Risk management

The Trustees are alert to the wide range of risk factors which may arise in connection with the Charity and its operations. The Trustees are satisfied that policies and procedures are in place which address corporate governance risks including such as conflicts of interest and anti-corruption and bribery, together with policies which address operational risks such as health and safety; child and young person protection issues; adult safeguarding; disaster recovery; insurance; and IT systems and data security. Certain financial risks are provided for by way of the stability fund referred to above. The Trustees regularly review these policies and procedures.

In particular, the Trustees are aware of the risks posed by the fabric of the theatre as a historic building and the possibility that unforeseen maintenance may be required. By means of a rolling repairs programme and the Building Levy, the Trustees are satisfied that they have adequately provided for this contingency.

Trustees' responsibilities in relation to the financial statements

The Charity Trustees (who are also the Directors of the Theatre Royal Bath Limited for the purposes of company law) are responsible for preparing a Trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Charity Trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the Group and of the

The Theatre Royal Bath Limited

incoming resources and application of resources, including the income and expenditure, of the charitable Group for that period. In preparing the 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity 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 Charity and the Group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

Statement as to disclosure to our auditor

In so far as the Trustees are aware at the time of approving our Trustees' annual report:

- there is no relevant audit information, being information needed by the auditor in connection with preparing their report, of which the Group's auditor is unaware; and
- the Trustees, having made enquiries of fellow directors and the Group's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a Director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

By order of the Board of Trustees



Paul Heal (Chairman)

Date: Tuesday 20th February 2024

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF
THEATRE ROYAL BATH LIMITED
FOR THE YEAR ENDED 31 MAY 2023**

Opinion

We have audited the financial statements of Theatre Royal Bath Limited for the year ended 31 May 2023 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group 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, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 May 2023 and of the group's and parent charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

The Theatre Royal Bath Limited

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Report of the Trustees. 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 Report of the Trustees, (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Report of the Trustees have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on pages 9 and 10 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the

The Theatre Royal Bath Limited

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

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 group and charitable company and the environment in which they operates, we identified that the principal risks of non-compliance with laws and regulations related to revenue recognition and the completeness of expenditure, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities Act 2011, payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to related to posting inappropriate journal entries to revenue and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

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 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 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.

The Theatre Royal Bath Limited

A handwritten signature in black ink, appearing to read 'J Askew', with a stylized flourish above the 'A'.

Jane Askew (Senior Statutory Auditor)

For and on behalf of Haysmacintyre LLP

Statutory Auditors

10 Queen Street Place

London

EC4R 1AG

Date: 23 February 2024

Consolidated Statement of Financial Activities (including income and expenditure account)

For the year ended 31 May 2023

	Note	2023 Unrestricted Funds £'000s	2023 Restricted Funds £'000s	2023 Total Funds £'000s	2022 Total Funds £'000s
Income from:					
Charitable activities	4	13,532	336	13,868	13,793
Donations and legacies:	5	203	127	330	206
Other trading activities	6	244	0	244	262
Investment income		57	0	57	18
Total income		14,036	463	14,499	14,279
Expenditure on:					
Cost of raising funds		(58)	(10)	(68)	(44)
Charitable activities	8	(13,383)	(504)	(13,887)	(12,405)
Total expenditure		(13,441)	(514)	(13,956)	(12,449)
Net income/(expenditure)	10	595	(51)	543	1,830
Funds transfer	22	0	0	0	0
Net movement in funds for the year		595	(51)	544	1,830
Reconciliation of funds					
Total funds brought forward		7,102	1,468	8,570	6,740
Total funds carried forward		7,697	1,417	9,114	8,570

All income and expenditure derive from continuing activities.

Consolidated and Charity Balance Sheets

For the year ended 31 May 2023

	Note	Group 2023 £'000s	Group 2022 £'000s	Charity 2023 £'000s	Charity 2022 £'000s
Fixed Assets					
Intangible assets	15	9	2	9	2
Tangible assets	16	4,486	4,300	4,470	4,283
Investments	17	0	0	10	10
Total Fixed Assets		4,495	4,302	4,489	4,295
Current Assets					
Work in progress		303	187	38	61
Debtors	18	2,440	1,776	2,069	1,025
Cash at bank and in hand		7,927	7,875	6,595	6,404
Total Current Assets		10,670	9,838	8,702	7,490
Liabilities					
Creditors falling due within one year	19	(5,551)	(4,870)	(3,918)	(3,019)
Net Current assets		5,119	4,968	4,784	4,471
Creditors falling due after more than one year	21	(500)	(700)	(500)	(700)
Net Assets		9,114	8,570	8,773	8,066
The funds of the charity:					
Unrestricted Income funds		7,697	7,102	7,356	6,598
Restricted Income funds		1,417	1,468	1,417	1,468
Total Charity funds	23	9,114	8,570	8,773	8,066

The trustees have prepared group financial statements in accordance with section 398 of the Companies Act 2006 and section 38 of the Charities Act 2011. The net income of the charity was 707k (2022 1,342k)

Signed and authorised for issue on behalf of the trustees by


Paul Heal (Chairman)

Approved by the trustees on Tuesday 20th February 2024

Consolidated Cash Flow Statement

For the year ended 31 May 2023

	Note	2023 £'000s	2022 £'000s
Cash generated (used in) / from operating activities	25	<u>601</u>	<u>3,274</u>
Cash flows from investing activities			
Interest received		57	18
Purchase of intangible fixed assets		(7)	(2)
Purchase of tangible fixed assets		<u>(400)</u>	<u>(109)</u>
Cash used in investing activities		<u>(351)</u>	<u>(93)</u>
Financing activities			
New bank loans		0	0
Repayment of bank loans		<u>(200)</u>	<u>(100)</u>
Net cash flow from financing activities		<u>(200)</u>	<u>(100)</u>
Increase / (decrease) in cash and cash equivalents in the year		<u>52</u>	<u>3,081</u>
Cash and cash equivalents at the beginning of the year		<u>7,875</u>	<u>4,794</u>
Cash and cash equivalents at the end of the year		<u>7,927</u>	<u>7,875</u>

Analysis of Net Debt

For the year ended 31 May 2023

	As at 1 June 2022	Cashflows for the year	Other non-cash changes	As at 31 May 2023
	£'000s	£'000s	£'000s	£'000s
Cash and cash equivalents				
Cash at bank and in hand	7,875	52	0	7,927
Borrowings				
Bank loans - amounts falling due within one year	(200)	200	(200)	(200)
Bank loans - amounts falling due after more than one year	(700)		200	(500)
	<u>(900)</u>	<u>200</u>	<u>0</u>	<u>(700)</u>
Net Funds	<u>6,975</u>	<u>252</u>	<u>0</u>	<u>7,227</u>

Notes to the Financial Statements

1 Accounting Policies

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

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015 and as updated with effective from 1 January 2016) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and, in relation to the consolidated financial statements, the Charities Act 2011.

The accounting policies have been applied consistently from the prior year except as detailed below.

The Theatre Royal Bath Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

b) Preparation of the financial statements on a going concern basis

The financial statements have been prepared on a going concern basis.

The trustees consider that the level of funds held by the Charity, the available cash on hand, and the budgeted income and expenditure is sufficient for the Charity to be able to continue as a going concern and that there are no material uncertainties in relation to going concern.

c) Group financial statements

The financial statements consolidate the results of the Charity and its wholly owned subsidiaries Theatre Royal Bath Productions Limited, Theatre Royal Bath (Trading) Limited, Theatre Royal Bath Enterprises Limited and Roman Holiday Bath Limited. A separate Statement of Financial Activities and Income and Expenditure Account for the Charity has not been presented because the Charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

The Charity is a qualifying entity as defined by FRS 102 and, as such, has taken advantage of the following exemptions:

- presenting a statement of entity cash flows on the grounds that the relevant information is included within the consolidated information presented within these financial statements; and
- presenting certain financial instruments disclosures on the grounds that the relevant information is included within the consolidated information presented within these financial statements.

d) Income

Income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the item(s) of income 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' grants or 'revenue' grants, 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.

For legacies, entitlement is taken as the earlier of the date on which either: the Charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Charity or the Charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income received in advance of a theatrical performance or provision of other specified service it is deferred until the performance or the service has been given (see note 20).

e) Donated services and facilities

Donated professional services and donated facilities are recognised as income when the Charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the Charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised; the trustees' annual report gives information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the Charity which is the amount the Charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

f) Interest receivable

Interest is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the Bank.

g) Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the Charity. Designated funds are unrestricted funds of the Charity which the Charity trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the Charity's work or for specific artistic projects being undertaken by the Charity.

h) Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- costs of raising funds – which comprise the costs of commercial trading including the catering and the associated support costs;
- expenditure on charitable activities – which includes activities undertaken to further the purposes of the Charity and the associated support costs.

i) Allocation of support costs

Support costs are those functions that assist the work of the Charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll processing and governance costs which support the Charity's artistic programmes and activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 9.

j) Tangible fixed assets

Individual fixed assets costing £200 or more are capitalised at cost and are depreciated over their estimated useful lives on a straight line basis as follows:

Asset Category	Annual Rate
Equipment	10% - 33%
Motor vehicles	25%
Leasehold improvements	2%
Freehold property improvements	2%

The freehold property is not depreciated as the trustees do not believe its residual value to be significantly lower than its cost due to the age and nature of the building, and its location in the conservation area of central Bath. An impairment review is carried out annually by the trustees and any impairment is charged to the income statement in the year in which it is identified.

k) Work in Progress

Work in progress, which represents direct costs of theatrical productions that had yet to start at the year end, is stated at the lower of cost and net realisable value.

l) Debtors

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

m) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

n) 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 or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

o) Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments; all such financial assets are current. Except for financing instruments, basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Financing instruments are initially recorded at the proceeds received net of direct issue costs and are subsequently measured at amortised cost, using the effective interest rate method.

p) Pensions

The Group provides a range of benefits to employees, including paid holiday arrangements and defined contribution pension plans.

Short term benefits, including compensation for loss of employment, holiday pay and other non-monetary benefits, are recognised as an expense in the period in which the service is received.

New and existing employees are automatically enrolled into a defined contribution pension scheme unless they have exercised their right to opt out of scheme membership.

The Group operates a defined contribution plan, whereby the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations. The contributions are recognised as an expense in the period to which they relate. Amounts not paid are shown in accruals in the statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

q) Taxation

The Charity's current trading activities are charitable and therefore, to the extent that any surpluses are applied to its charitable objects, the Charity is not liable to tax, and no provision is made for current or deferred tax by the Charity.

No provision is made for current or deferred tax on any profits arising in the year generated by the Charity's subsidiaries which are expected to be offset by the carry back of future donations to the Charity. The current tax charge recognised in the subsidiaries is based on the remaining taxable profit for the year. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Other than as described above, deferred tax is recognised in respect of all timing differences between taxable profits and the net movement in funds that have originated but not reversed at the balance sheet date. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised.

Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The Group receives Theatre Tax Relief which is surrendered, giving rise to tax payments to the Group. The arising credit is recognised in the year in which the related expenditure is incurred. The credit is recognised in charitable expenditure in the Consolidated Statement of Financial Activities.

r)Key judgments and sources of estimation uncertainty

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make judgements and estimates that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the statement of financial position date and the reported amounts of revenues and expenses during the reporting period. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates.

In preparing the financial statements, the only judgements which had, or could have had, a material impact on the financial statements is the adoption of the going concern basis for the preparation of the financial statements (as explained above) and the assessment of whether a freehold property that is currently sublet should be classed as an investment property or, as is currently the case, not. If in future the property is reclassified as an investment property, it will need to be stated at its fair value rather than depreciated cost, which is likely to result in an increase in the reported net assets of the Group.

The only material estimate required is the estimated useful lives of assets and their residual values, which are described above. The carrying value of the assets is given in note 16.

2 Legal Status of the Charity

The Charity is a private company limited by guarantee and has no share capital. It is registered in England and its registered office is Theatre Royal Bath, Sawclose, Bath, BA1 1ET and its registered company number is 01416448. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £100 per member of the Charity.

3 Financial Performance of the Charity

The consolidated statement of financial activities includes the results of the Charity's wholly owned subsidiaries (see note 7).

The summary financial performance of the Charity alone is:

	2023 £'000s	2022 £'000s
Income	9,362	7,209
Donation from subsidiary companies	522	27
	<u>9,884</u>	<u>7,236</u>
Expenditure on charitable activities	<u>(9,177)</u>	<u>(5,894)</u>
Net income / (expenditure)	707	1,342
Total funds brought forward	8,066	6,724
Total funds carried forward	<u>8,773</u>	<u>8,066</u>
Represented by:		
Unrestricted income funds	7,356	6,598
Restricted income funds	1,417	1,468
	<u>8,773</u>	<u>8,066</u>

The consolidated income of £14,499k (2022: 14,279k) comprises the charity income above of £9,362k (2022: £7,209 k) plus the income of the subsidiaries of £9,866k (2022: £16,085k) (Note 7) less net inter-company trading adjustment of £4,729k (2022: £9,015k).

4 Income from charitable activities

	2023	2023	2023	2022
	Unrestricted	Restricted	Total	Total
	Funds	Funds	Funds	Funds
	£'000s	£'000s	£'000s	£'000s
Main House & Ustinov Performances	8,276	0	8,276	5,732
The Egg - performance, engagement and outreach	492	2	493	465
Touring and West End Productions	4,719	0	4,719	6,813
Grant Income	46	334	380	783
	13,532	336	13,868	13,793

5 Income from donations and legacies

	2023	2023	2023	2022
	Unrestricted	Restricted	Total	Total
	Funds	Funds	Funds	Funds
	£'000s	£'000s	£'000s	£'000s
Donations and Legacies				
Memberships	100	0	100	76
Donations	101	127	228	105
Legacies	2	0	2	25
	203	127	330	206

The Charity benefits greatly from the involvement and enthusiastic support of its volunteers, details of which are given in our annual report. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of volunteers is not recognised in the financial statements.

6 Income from other trading activities

	2023	2022
	£'000s	£'000s
Other trading income	244	262
	244	262

All income from other trading activities is unrestricted in both 2023 and 2022. Of the income, £74 k (2021: £75k) is from rents and the balance from the provision of services.

7 Income from trading activities of subsidiaries

The Charity has four wholly owned trading subsidiaries all of which are incorporated in the UK and all of which have their registered office at Theatre Royal Bath, Sawclose, Bath BA1 1ET. The Theatre Royal Bath (Trading) Limited operates the bars within the Theatre, procures sponsorship for The Theatre Royal Bath and operates the 1805 Entertaining Suite. The Theatre Royal Bath Productions Limited generates and presents theatrical productions. The Theatre Royal Bath Enterprises Limited manages and runs theatrical productions for The Theatre Royal and for The Theatre Royal Bath Productions Limited. Roman Holiday Bath Limited operates the production Roman Holiday.

These companies donate their taxable profits and pay management charges to The Theatre Royal Bath Limited. Audited financial statements are filed with the Registrar of Companies. A summary of their trading results is shown below. In the consolidated statement of financial activities, the turnover of Theatre Royal Bath Productions is included in touring and west end productions income. Other income, after eliminating intra-group transactions, is included as income from other trading activities.

The summary financial performances of the subsidiaries are:

2023	TRB	TRB	TRB	Roman Holiday	Total
	Productions	Trading	Enterprises	Bath	
	£'000s	£'000s	£'000s	£'000s	£'000s
Turnover	5,023	505	4,338	0	9,866
Other Expenditure	(4,473)	(194)	(4,886)	0	(9,553)
Net profit/(loss)	550	311	(548)	0	313
Theatre tax relief	0	0	548	0	548
Management charges	(227)	(306)	0	0	(533)
Amount donated to the charity	(494)	0	0	0	(494)
Retained in subsidiary	(171)	5	0	0	(166)
	£'000s	£'000s	£'000s	£'000s	£'000s
2022	8,057	416	7,612	0	16,085
Turnover	(7,389)	(156)	(8,202)	0	(15,747)
Other Expenditure	668	260	(590)	0	338
Net profit/(loss)	0	0	590	0	590
Theatre tax relief	(181)	(232)	0	0	(413)
Management charges	(27)	0	0	0	(27)
Amount donated to the charity	460	28	0	0	488
Retained in subsidiary					

The management charges were paid to the Charity.

The assets and liabilities of the subsidiaries were:

2023	TRB	TRB	TRB	Roman Holiday	Total
	Productions	Trading	Enterprises	Bath	
	£'000s	£'000s	£'000s	£'000s	£'000s
Fixed assets	3	16	0	0	19
Current assets	712	59	497	890	2,158
Current liabilities	(403)	(42)	(486)	(890)	(1,821)
Total net assets	313	34	11	0	357
	TRB	TRB	TRB	Roman Holiday	
	Productions	Trading	Enterprises	Bath	Total
	£'000s	£'000s	£'000s	£'000s	£'000s
2022	4	13	0	0	17
Fixed assets	1,463	56	815	0	2,334
Current assets	(992)	(40)	(805)	0	(1,837)
Current liabilities	475	29	10	0	514
Total net assets					

8 Analysis of expenditure on charitable activities

2023	Main House & Ustinov	The Egg (performances, engagement and outreach)	Touring & West End Productions	Creative Fund	Total
	£'000s	£'000s	£'000s	£'000s	£'000s
Cost of productions	4,748	126	4,443	0	9,317
Education and outreach	0	537	0	0	537
Box office and front of house	872	50	0	0	922
Marketing	429	19	0	0	448
Building and stage	550	26	12	0	588
Amortisation and depreciation	174	39	3	0	216
Support costs (note 10)	1,100	346	348	0	1,794
Governance costs (note 10)	46	1	18	0	65
Total	7,919	1,144	4,824	0	13,887

2022	Main House & Ustinov	The Egg (performances, engagement and outreach)	Touring & West End Productions	Creative Fund	Total
	£'000s	£'000s	£'000s	£'000s	£'000s
Cost of productions	1,972	166	6,872	0	9,010
Education and outreach	0	341	0	0	341
Box office and front of house	658	31	0	0	689
Marketing	273	19	0	0	292
Building and stage	466	26	11	0	503
Amortisation and depreciation	143	39	2	0	184
Grants made	0	0	0	(5)	(5)
Support costs (note 9)	835	260	242	0	1,337
Governance costs (note 9)	34	8	12	0	54
Total	4,381	890	7,139	(5)	12,405

Of the above expenditure, 504k was restricted (2022: 1,576k) and the balance unrestricted.

9 Analysis of governance and support costs

2023	General Support	Governance function	Total
	£'000s	£'000s	£'000s
Administrative costs	485	0	485
Administrative staff costs	1,309	11	1,320
Audit fees	0	38	38
Accountancy services	0	15	15
Legal and other professional fees	0	1	1
Total	1,794	65	1,859

2022	General Support	Governance function	Total
	£'000s	£'000s	£'000s
Administrative costs	306	2	308
Administrative staff costs	1,031	9	1,040
Audit fees	0	32	32
Accountancy services	0	12	12
Legal and other professional fees	0	(2)	(2)
Total	1,337	53	1,390

10 Net income / (expenditure) for the year

This is stated after charging:	2023	2022
	£'000s	£'000s
Amortisation of intangible fixed assets	0	2
Depreciation of tangible fixed assets	210	182
Auditor's remuneration		
– Audit Fees	38	37
– Tax compliance	15	5

11 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

	2023	2022
	£'000s	£'000s
Staff Costs		
Salaries and wages	2,720	2,128
Social security costs	224	189
Pension costs	59	47
	<u>3,003</u>	<u>2,364</u>

Pension costs, comprising defined contribution payments, are included in administrative staff costs and are wholly charged to unrestricted funds.

The number of employees who received total employee benefits (excluding employer pension costs) of more than £60k is as follows:-

	2023	2022
	Number	Number
£'000		
60-70	1	1
80-90	1	0
160-170	0	1
210-220	1	0
	<u>3</u>	<u>2</u>

The Charity trustees were not paid nor received any other benefits from employment with the Charity or its subsidiaries in the year (2022: £nil) neither were they reimbursed expenses during the year (2022: £nil). No Charity trustee received payment for professional or other services supplied to the Charity (2022: £nil).

The key management personnel of the parent charity comprise the trustees, the Theatre Director, Finance Director, General Manager and Theatre Administrator. The total employee benefits of the key management personnel of the Charity were £477k (2022: £382k).

The key management personnel of the group are those of the Charity and the key management personnel of its wholly owned subsidiary Theatre Royal Bath Productions. The key management personnel of Theatre Royal Bath Productions Limited are the Board of Directors, the Finance Director, General Manager and Theatre Administrator whose employee benefits total £0k (2022: £0k). The employee benefits of key management personnel for the group was therefore £477k (2022: 382k).

The higher paid staff disclosures above are based on salary payments in the year which can include bonus payments relating in part to the preceding financial year.

12 Staff Numbers

The average monthly head count was 156 staff (2021: 123 staff)

	2023 Number	2022 Number
Fundraising	3	3
Production	56	41
Main House & Ustinov Front of House	45	33
Box Office	7	6
Marketing	3	2
Management	9	9
Administration	10	10
The Egg and Education	23	19
	<u>156</u>	<u>123</u>

13 Related party transactions

In 2023, the following transactions took place between the Charity and its wholly owned subsidiaries:

- Donations from the subsidiaries to the Parent Charity
- The payment of management charges

Details of these transactions are shown in note 7.

In addition, the Charity, on behalf of the Group, employs all staff. Recharges of salary costs to the subsidiaries were £562k (2022: £354k). TRBE charges a commissioning fee for productions produced on behalf of TRB and TRBP. In 2023, this was £4,338k (2022: £105k)

Balances due from and to the subsidiaries are shown in notes 18 and 19 respectively.

Jayne Davis, appointed to the board on 23rd May 2023, is Principal and Chief Executive of Bath College. The Charity has an Agreement with Bath College to deliver two Level 3 courses in Performing and Production Arts. The Service Level Agreement was negotiated and agreed on 1st August 2022 prior to Ms Davis joining the Board of Trustees. The Board is alert to any actual or perceived risk of conflict in this regard and appropriate risk management procedures will continue to be followed. During the period, Bath College were invoiced £157k of which 19k was outstanding at the year end.

From time to time, related parties purchase tickets for productions in the auditoria. The price of these tickets is the same as that available to the general public at the time.

14 Government Grants

In the year, the Charity received a grant from the Arts Council of £7k (2022: £26k) and also Culture Recovery Grants of £335k (2022: £669k) from the Arts Council and the Department for Digital, Culture, Media and Sport (included within income from charitable activities - note 4).

Spend for these grants is recognised to match qualifying expenditure and any amounts unspent are held as restricted funds and accrued for as any unspent funds are returnable to the grant awarding body.

15 Intangible fixed assets - group and charity

	Software £'000s
Cost	
At beginning of year	42
Additions	<u>7</u>
At end of year	<u>49</u>
Amortisation	
At beginning of year	40
Additions	<u>0</u>
At end of year	<u>40</u>
Net book value	
At end of year	<u>9</u>
At beginning of year	<u>2</u>

16 Tangible fixed assets

Group	Long leasehold improvements	Freehold property & improvements	Motor vehicles	Equipment	Total
	£'000s	£'000s	£'000s	£'000s	£'000s
Cost					
At beginning of year	2,784	3,738	30	1,076	7,628
Additions	292	0	2	105	399
Disposals	0	0	0	(4)	(4)
At end of year	3,076	3,738	32	1,177	8,023
Depreciation					
At beginning of year	1,666	809	8	844	3,327
Additions	68	46	7	93	214
Disposals	0	0	0	(4)	(4)
At end of year	1,735	855	15	933	3,537
Net book value					
At end of year	1,341	2,883	17	244	4,486
At beginning of year	1,118	2,929	22	231	4,300

Charity	Long leasehold improvements	Freehold property & improvements	Motor vehicles	Equipment	Total
	£'000s	£'000s	£'000s	£'000s	£'000s
Cost					
At beginning of year	2,784	3,738	30	1,014	7,566
Additions	292	0	2	98	392
Disposals	0	0	0	(4)	(4)
At end of year	3,076	3,738	32	1,108	7,954
Depreciation					
At beginning of year	1,666	809	8	800	3,283
Additions	68	46	7	84	205
Disposals	0	0	0	(4)	(4)
At end of year	1,734	855	15	880	3,484
Net book value					
At end of year	1,342	2,883	17	228	4,470
At beginning of year	1,118	2,929	22	214	4,283

The original cost of the freehold property, which was not depreciated, is £1.4 million. The freehold property can only be sold with the consent of the Bath Theatre Trust, which is the freeholder of the main theatre, which the Charity leases from the Trust.

17 Investments

Charity	2023 £'000s	2022 £'000s
Shares at cost in group undertakings:		
At beginning and end of year - at cost	10	10

Details of consolidated subsidiary undertakings, which are all registered in England and Wales, as follows:

Subsidiary undertaking:	Principal activity	Class and percentage of shares held
Theatre Royal Bath (Trading) Limited - 02353880	Operation of the Theatre Bars, Procurement of sponsorship and operation of 1805 Suite	Ordinary 100%
Theatre Royal Bath Enterprises Limited - 01640869	Control and running of theatre productions	Ordinary 100%
Theatre Royal Bath Productions Limited - 03495565	Development of theatre productions	Ordinary 100%
Roman Holiday Bath Limited - 14444920	Production of a musical, Roman Holiday	Ordinary 100%
Joint Venture: Bugsy Malone UK Limited	Production of a UK Tour	Ordinary 50%

18 Debtors

	Group		Charity	
	2023 £'000s	2022 £'000s	2023 £'000s	2022 £'000s
Trade debtors	694	184	184	152
Other debtors	1,517	812	270	73
Prepayments and accrued income	229	780	220	202
Amounts owed by group undertakings	0	0	1,395	598
	<u>2,440</u>	<u>1,776</u>	<u>2,069</u>	<u>1,025</u>

19 Creditors: amounts falling due within one year

	Note	Group		Charity	
		2023 £'000s	2022 £'000s	2023 £'000s	2022 £'000s
Bank loan (see note 21)		200	200	200	200
Trade Creditors		316	613	202	159
Taxations and social security		308	264	330	264
Amounts owed to group undertakings		0	0	183	0
Short-term compensated absences (holiday pay)		75	63	75	64
Other creditors		1,127	323	47	35
Accruals		1,255	1,933	612	823
Advance ticket sales and other deferred income	20	2,270	1,474	2,269	1,474
		<u>5,551</u>	<u>4,870</u>	<u>3,918</u>	<u>3,019</u>

20 Deferred Income

Deferred income consists primarily of advance ticket sales and gift vouchers.

	Gift vouchers and other deferred income £'000s	Advance ticket sales £'000s	Total £'000s
Prior year			
At beginning of the prior year	178	1,531	1,709
Amount released to income	(178)	(1,531)	(1,709)
Amount deferred in year	122	1,352	1,474
Deferred income as at the year end	<u>122</u>	<u>1,352</u>	<u>1,474</u>
Current year			
At beginning of the prior year	122	1,352	1,474
Amount released to income	(122)	(1,352)	(1,474)
Amount deferred in year	114	2,156	2,270
Deferred income as at the year end	<u>114</u>	<u>2,156</u>	<u>2,270</u>

21 Creditors: amounts falling due after more than one year

	Group		Charity	
	2023 £'000s	2022 £'000s	2023 £'000s	2022 £'000s
Bank loan	500	700	500	700
	<u>500</u>	<u>700</u>	<u>500</u>	<u>700</u>

The bank loan is secured by way of a fixed and floating charge over the assets of the Group. The loan is repayable in monthly instalments over a period of five years, commencing in December 2021 and bears interest at a margin of 2.75% per annum. The interest that arose in the first year was paid by the Government.

22 Analysis of charitable funds

Analysis of movement in unrestricted funds

2023	Balance 1 June	Income	Expenditure	Transfers	Funds at 31 May
	2022				2023
	£'000s	£'000s	£'000s	£'000s	£'000s
General Fund	4,439	13,458	(12,572)	(850)	4,475
Designated production fund	623	163	(546)	400	640
Designated stability fund	150	0	0	0	150
Designated creative fund	52	0	0	0	52
Designated building levy	1,088	417	(325)	200	1,380
Designated building development fund	750	0	0	250	1,000
Total	7,102	14,038	(13,443)	0	7,697

2022	£'000s	£'000s	£'000s	£'000s	£'000s
General Fund	3,408	13,132	(11,351)	(750)	4,439
Designated production fund	123	0	0	500	623
Designated stability fund	150	0	0	0	150
Designated creative fund	47	0	5	0	52
Designated building levy	1,585	297	(294)	(500)	1,088
Designated building development fund	0	0	0	750	750
Total	5,313	13,429	(11,640)	0	7,102

Details of unrestricted fund

Name of unrestricted fund	Description, nature and purposes of the fund
General Fund	The balance of unrestricted reserves after designations.
Designated funds	
Production Fund	a) Designated production fund for own-house productions in the Main house, Ustinov and Egg auditoria.
Stability Fund	b) Designated stability fund to enable continuity in activities as a result of unforeseen circumstances.
Creative Fund	c) Designated creative fund to enable the Charity to offer grants to local arts organisations.
Building Levy	d) Designated building levy to cover the upkeep and running of the theatre building and its three auditoria.
Building Development Fund	e) Designated to enable future capital projects to enhance the building

Analysis of movement in restricted funds

2023	Balance 1 June	Income	Expenditure	Transfers	Funds at 31 May
	2022				2023
	£'000s	£'000s	£'000s	£'000s	£'000s
Restoration reserve	0	2	(2)	0	0
The Egg reserve	66	31	(21)	0	76
Arts Council Culture Recovery Fund Grants	0	335	(335)	0	0
The Egg appeal reserve	1,297	1	(46)	0	1,252
Lifelong learning fund	33	2	(21)	0	14
2010 appeal reserve	0	1	(1)	0	0
Fixed asset reserve	0	0	0	0	0
Wonderfund	72	92	(89)	0	75
Total	1,468	464	(515)	0	1,417
2022					
	£'000s	£'000s	£'000s	£'000s	£'000s
Restoration reserve	0	2	(2)	0	0
The Egg reserve	57	73	(64)	0	66
Arts Council Culture Recovery Fund Grants	0	695	(695)	0	0
The Egg appeal reserve	1,335	1	(39)	0	1,297
Lifelong learning fund	35	3	(5)	0	33
2010 appeal reserve	0	1	(1)	0	0
Fixed asset reserve	0	0	0	0	0
Wonderfund	0	76	(4)	0	72
Total	1,427	851	(810)	0	1,468

Details of restricted funds

Name	Description, nature and purposes of the fund
Restoration reserve	The balance specifically for the renovation work for the Ustinov.
The Egg reserve	Funds received for the support of the Egg and its educational work including Arts Council grants that are not from the Culture Recovery Fund.
Arts Council Culture Recovery Fund	Arts Council Culture Recovery Fund Grants publicly funded by the Department for Digital, Culture, Media and Sport.
The Egg appeal reserve	Funds raised for the development of the egg auditorium to provide a theatre specifically for children and young people.
Lifelong learning fund	Funds received for the support of educational work for adults.
2010 appeal reserve	The balance specifically for the renovation and development work to the Main House.
Fixed asset reserve	Funds donated towards the purchase of equipment.
Wonderfund	Funds raised to offer state school children free access to live performance.

24 Analysis of group net assets between funds

2023	General Fund	Designated funds	Restricted funds	Total
	£'000s	£'000s	£'000s	£'000s
Fixed Assets	3,114	129	1,252	4,495
Current assets	6,349	3,250	165	9,763
Current liabilities	(4,487)	(157)	0	(4,644)
Long term liabilities	(500)	0	0	(500)
Total	4,476	3,222	1,417	9,114

2022	General Fund	Designated funds	Restricted funds	Total
	£'000s	£'000s	£'000s	£'000s
Fixed Assets	2,841	164	1,297	4,302
Current assets	6,736	2,616	486	9,838
Current liabilities	(4,438)	(117)	(315)	(4,870)
Long term liabilities	(700)	0	0	(700)
Total	4,439	2,663	1,468	8,570

25 Reconciliation of net movement in funds to cash generated by / (used in) operations

	2023	2022
	£'000s	£'000s
Net movement in funds	543	1,830
Add back amortisation charge	0	2
Add back depreciation charge	214	183
Add back loss on disposal of fixed assets	0	1
Deduct interest income shown in investing activities	(57)	(18)
Movement in work in progress	(116)	104
Movement in debtors	(664)	(840)
Movement in creditors	681	2,012
Net cash generated/ (used in) operating activities	601	3,274

26 Financial instruments

	Group		Charity	
	2023	2022	2023	2022
	£'000s	£'000s	£'000s	£'000s
Financial assets which are debt instruments measured at amortised cost	789	815	1,670	874
Financial assets which are equity instruments measured at amortised cost	0	0	10	10
Financial liabilities measured at amortised cost	1,658	2,315	1,078	754

The risk from financial instruments primarily arises from cash at bank, where the Charity is exposed to credit risk. The Group is also exposed to credit risk from its trade debtors and the Charity is exposed to credit risk relating to its subsidiaries.

27 Operating leases

Income due under non-cancellable operating leases

Group and Charity	2023 £'000s	2022 £'000s
Due next year	64	64
Due in 2 to 5 years	256	256
Due after more than 5 years	501	565
	<u>821</u>	<u>885</u>

Under the terms of the leases, the rental income is subject to periodic review. The leases give the tenants no right of acquisition.

28 Consolidated Statement of Financial Activities - Prior Year

	Unrestricted Funds £'000s	Restricted Funds £'000s	Total Funds £'000s
Income from:			
Charitable activities	13,031	762	13,793
Donations and legacies:	118	88	206
Other trading activities	262	0	262
Investment income	18	0	18
Other income	0	0	0
Total income	<u>13,429</u>	<u>850</u>	<u>14,279</u>
Expenditure on:			
Cost of raising funds	(40)	(4)	(44)
Charitable activities	(11,600)	(805)	(12,405)
Total expenditure	<u>(11,640)</u>	<u>(809)</u>	<u>(12,449)</u>
Net income/(expenditure)	1,789	41	1,830
Funds transfer			<u>0</u>
Net movement in funds for the year	1,789	41	1,830
Reconciliation of funds			
Total funds brought forward	5,313	1,427	6,740
Total funds carried forward	<u>7,102</u>	<u>1,468</u>	<u>8,570</u>

THE THEATRE ROYAL BATH LIMITED

England & Wales - Charity number 277723

Accounts

The Theatre Royal Bath Limited

(Registered Charity Number: 277723)

(Registered Number: 01416448)

*Trustees' Report and Consolidated
Financial Statements*

For the year ended 31 May 2022

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The Theatre Royal Bath Limited

Introduction

The Trustees are pleased to present their annual report together with the consolidated financial statements of The Theatre Royal Bath Limited ("TRB", the "Charity") and its subsidiaries (the "Group") for the year ended 31 May 2022.

Theatre Royal Bath Limited is a registered charity and these financial statements comply with the Charities Act 2011 as well as the Companies Act 2006 and Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Objectives and Activities

Our purposes and activities

The Group's purposes continue to be i) the advancement and promotion of the arts for the benefit of the public including theatre, music, dance and live performance and the encouragement of artistic knowledge and appreciation by providing opportunities for all to experience live theatre and artistic performance, including by maintaining and supporting the Theatre Royal, Bath and its auditoria; and ii) the advancement and promotion of education in the arts for public benefit including by providing opportunities for participation in the arts to a wide and diverse community.

The Group's strategy is to maintain a financially robust, enduring theatre business to support delivery of our objectives for public benefit. The aim is to recover its operating costs in the Main House from ticket sales and charges. Any surplus generated by activity in the Main House, together with all profits from the Group's commercial arms, Theatre Royal Bath Productions Limited (TRBP), and Theatre Royal Bath (Trading) Limited (TRBT) are used to support the Ustinov and Egg theatres, the presentation of the Deborah Warner Ustinov Season and Main House Summer Season as well as a wide variety of educational and outreach projects.

Normally the Group receives a limited number of grants and donations, usually for specific educational projects, as it strives to be financially independent. Nevertheless, given the exceptional circumstances generated as a result of the Covid-19 pandemic, the Group applied for and obtained grant funding through the Culture Recovery Fund. The Trustees are grateful for the support of DCMS and the Arts Council through the Culture Recovery Fund, including the sustainability fund.

Strategic Report

The strategies employed to achieve the Group's objectives are to:

- present a broad range of artistic work in the Main House, the Ustinov and the Egg for the education and entertainment of the local community and the general public at large;
- offer opportunities for a wide range of people of all ages and from all areas of our local community and beyond, to appreciate and participate in the arts through an extensive programme of educational and outreach activity, lectures and workshops;
- celebrate the diversity of cultures in our society by programming presentations by, and with, artists of different cultural backgrounds;
- offer a range of subsidies including bursaries and discounted seats, events and projects, to enable members of our community who otherwise might not have access to the arts to become involved and enjoy the programmes on offer.

The Group has three major areas of activity: performances in the Main House and Ustinov auditoria; educational and participative programmes and community outreach activity, including performances in the Egg auditorium touring and West End productions produced via TRBP.

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Main House and Ustinov performances

The programme in the Main House presents a varied mix of drama, ballet, opera, musicals and comedy. It aims to suit a range of public tastes with a focus on quality and artistic merit to ensure that the Main House is operationally self-funding.

The year began with a series of performances presented by TRBP, including *Four Quartets*, *Copenhagen* and *Charlie and Stan*. This was followed by a diverse mix of visiting productions.

The year's highlights in the Main House have included Mischief Theatre returning with *Groan Ups*, *The Play That Goes Wrong* and *Magic Goes Wrong*, as well as Rufus Hound in *The Good Life*, Nigel Havers and Patricia Hodge in *Private Lives*, *The Da Vinci Code* and Michael Morpurgo's *Private Peaceful*.

Musical tastes were catered for by *Beautiful: The Carole King Musical*, *Priscilla Queen of the Desert* as well as global sensation *Six* and long-term favourite *Blood Brothers*. For dance fans, Matthew Bourne's *The Midnight Bell* delighted audiences. TRB continues its relationship with local amateur companies with BODS presenting *Crazy For You*.

In the Ustinov, *Oleanna* opened the season followed by a wide-ranging programme including Jessica Fostekew in *Hench*, Myra DuBois in *Dead Funny* and Nathaniel Hall's *First Time*.

To close the year, August Strindberg's *The Dance of Death* opened at the Ustinov Studio starring Lindsay Duncan and Hilton McRae. This production, directed by Mehmet Ergen, was a co-production with the Arcola Theatre, Cambridge Arts Theatre, Royal & Derngate Northampton and Oxford Playhouse. The production continues into the new financial year as it visits the co-producing venues.

The Egg, Education and Outreach

Within the Egg, some 40 productions were presented across 315 performances as well as a two-week installation of *The Living Tree* which was presented in partnership with the Forest of Imagination, turning the Egg theatre into an interactive forest. At Christmas, the Egg created a new Christmas Production *Five Children and It*, with *Snow Mouse* returning in January after a Christmas season at Cast, Doncaster.

Josephine, which was developed in the previous year by the Egg, toured to 22 venues across the country, telling the story of performer and civil rights campaigner Josephine Baker.

The two-year Level 3 diploma in Performing and Production Arts in partnership with Bath College continues to be highly successful. Alongside this, the Creative Learning department have restarted in person Theatre School sessions plus four summer schools for young people. The Egg also supports the artistic development of young people with the Junior Apprentice programme which allows 30 students to have work experience within the theatre.

During this year, TRB launched the Wonderfund. This fundraising initiative and restricted fund was created to enable young people who may not usually attend the theatre to attend by supporting schools with free tickets and workshops for productions.

Touring and West End Productions

Touring and West End Productions are produced through TRBP, a wholly owned subsidiary company, with a view to generating profits which are then gift-aided to TRB to support the Group's objectives.

After its run during our Welcome Back Season, Mamet's *Oleanna* was presented on tour in June and July, including an additional three weeks at the Ustinov Studio, immediately prior to a West End run at the Arts Theatre until October.

Originally part of the Welcome Back Season and after two postponements due to Coronavirus restrictions, Michael Frayn's *Copenhagen* was presented at Theatre Royal Bath in June prior to a four-week tour in July.

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Following its run in May and June 2021, *Four Quartets*, directed and starring Ralph Fiennes, toured throughout June and July prior to transferring to the West End for a very successful five-week engagement at the Harold Pinter Theatre in November and December as well as being filmed and shown on the BBC as part of its 'Great Performances' series. This proved to be one of TRBP's most successful productions. Also at the Harold Pinter Theatre, *Blithe Spirit* returned to the West End for an 8-week autumn season, starring Jennifer Saunders, following its Coronavirus-interrupted run in 2020.

Charlie and Stan delighted audiences in the open-air Minack Theatre over the summer, before touring through the autumn. Starting in September in Bath, Ronald Harwood's *The Dresser*, starring Julian Clary and Matthew Kelly, directed by Terry Johnson and co-produced with Cheltenham Everyman Theatre, toured for 11 weeks.

Nigel Havers and Patricia Hodge in Noël Coward's *Private Lives*, directed by Christopher Luscombe, kept audiences entertained across the country for a very popular sixteen-week tour after a fortnight in the Main House in Bath.

Following a Christmas run at Birmingham Rep, TRBP toured *The Play What I Wrote* which was filmed at Theatre Royal Bath and aired over Christmas 2022 on the BBC. Also in Spring 2022, *An Hour and a Half Late*, starring Griff Rhys Jones and Janie Dee, toured for eight weeks.

Starting February 2022 and running into the next financial year, the music of Carole King could be heard in a new production of Broadway and West End hit *Beautiful: the Carole King Musical*. This production was co-produced with the Mayflower Theatre and the Curve Leicester.

The final play of the year was Harold Pinter's *The Homecoming*, directed by Jamie Glover and starring Mathew Horne and Keith Allen, which opened at TRB in March, prior to a six-week tour.

The results of all of these productions are recognised in the subsidiary company, TRBP, and included in the consolidated results of the Group. The Trustees are delighted to see that following a period of little activity during Coronavirus restrictions that TRBP have been able to restart with a busy year of activity, providing 76 weeks of touring theatre to other regional venues, as well as 27 weeks in the West End, whilst also providing 11 excellent productions for TRB audiences.

Our volunteers

Theatre Royal Bath is grateful for the support it receives via a team of dedicated voluntary fundraisers and volunteers. TRB Fundraisers generously donate their time to raise important funds. Trained volunteers normally assist with audio-described performances for the visually impaired, and placements from universities, drama schools, and colleges provide support for the production and education departments. No monetary amount has been included in the Group's voluntary income for the period to reflect the 'in kind' support provided by the Group's volunteers.

Our artistic values

There is always a regard to providing productions of the highest quality and artistic merit and consideration is given to the appropriateness of potentially offensive or subversive material. Understanding that freedom of expression is totally subjective, we do not attempt to censor productions, but indicate age range suitability where appropriate. Any complaints or comments are responded to by the Theatre Director and, throughout the year, there are various open post-show discussions held by the education team where public comment is invited.

Monitoring and assessing performance

The Trustees assess and monitor the Group's activities as follows:

- audience numbers and average ticket prices of the performances in the Main House, Ustinov and the Egg are analysed on a monthly basis against five years of comparative

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- data;
- an annual budget is produced, reviewed by the Finance and Risk Committee and approved by the Board in May each year;
- management accounts, where actual results are compared to budget and prior year, the variances are explained, and the year end results forecasted are prepared monthly and reported to the Finance and Risk Committee and the Board at their bi-monthly meetings;
- the Finance and Risk Committee, reporting to the Board, undertakes risk assessment and analysis in relation to a variety of financial, operational and regulatory risks and reviews applicable Group policies and procedures on a regular basis;
- critics' and audiences' responses to the Group's own productions and the shows programmed in the three auditoria are reported regularly to the Board;
- the Egg Director reports about the performance of the education programme to the Board at each meeting;
- the general manager reports to the Board at their bi-monthly meetings on issues relating to building maintenance and repairs;
- health and safety performance is reviewed annually and the results, including three years of comparative data are reported to the Board;
- the child and vulnerable adult, and the adult safeguarding policies and procedures are reviewed at least annually and reported to the Board; and
- IT and data security is monitored and any incidents or concerns reported to the Finance and Risk Committee.

Financial review

Principal Risks and Uncertainties

The Theatre Royal Bath Limited faces the following principal risks and challenges:

- weighing the promotion and fostering of artistic knowledge with commercial pressures to ensure continued financial viability;
- continuing to attract attendees in sufficient number to achieve the Group's objectives;
- making sure that necessary funds are generated to enable maintenance and improvement of existing assets to allow the Group to meet its artistic and audience requirements;
- maintaining the fabric of and facilities housed in the Grade Two* listed building in which the theatre is located;
- the risk that the Group's access to publicly and non-publicly funded grants, which enrich the educational and outreach activities, is reduced as a result of increased competition because of the continued and significant cuts to public funding of the arts; and
- the ongoing impact of Covid-19 on the Group's operations and wider theatre industry.

The consolidated statement of financial activities shows income from charitable activities for the year was £13.8 million (2021: £2.0 million). Total income for the year was £14.3 million (2021: £2.9 million). Expenditure on charitable activities in the year to 31 May 2022 was £12.4 million (2021: £3.6 million). The net income of the Group for the year was £1.8m (2021: net expenditure of £707k). These results demonstrate the return to more normal activity following closure due to Covid in the year to May 2021.

TRBP develops and produces theatrical productions. TRBP has generated a gross profit of £660k (2021: £18k) and a profit for the financial year of £49k (2021: £27k). TRBP has donated £27k (2021: £74k) in the year to TRB. Theatre Royal Bath Enterprises Limited ("TRBE") manages and runs certain theatrical productions for both TRB and TRBP. It has a profit of £nil (2021: £nil).

TRBT, the third wholly owned subsidiary, is responsible for operating and overseeing all aspects of the bars and retail operation within the theatre, procuring sponsorships and running a ticket booking agency for local events. It generated gross profits of £194k (2021: £12k), a profit for the financial

The Theatre Royal Bath Limited

year of £28k (2021: a loss of £7k) and in the year it has donated £nil (2021: £119k) to TRB.

The differences between the reported profits of the subsidiaries noted above and the amounts donated are a function of when donations are made. All profits of the subsidiaries are ultimately donated to the TRB.

Overall, the Trustees are satisfied with the year's results which show a strong recovery from the challenges of Coronavirus. On behalf of the Board, the Trustees thank Danny Moar and his staff for all their effort and commitment in this year 2021/22.

Subsidies and pricing policy

In setting the rates for admission to the auditoria and participation in the educational programme, the Trustees have considered the Charity Commission's guidance on public benefit and fee charging, with a particular regard for those on low incomes. Many standard discounts applicable to generic groups such as under 16s, students, JSA claimants, registered disabled patrons and their carers are offered in respect of tickets for all shows.

In the Main House, there are 30 low cost "standby" seats available for £8-£15 for every performance. For sold-out performances, the theatre offers a standing ticket for £4.00.

Tickets for the Ustinov Seasons and toured in shows in the Ustinov are priced from £12.00 to £30 with standard discounts available, and the Egg prices typically range from £8.00 to £10.00 (Christmas shows up to £18.00).

Financial assistance is also available for performances and participation in the Egg events through the "Egg pot". The "Egg pot" provides funds for disadvantaged young people to participate in the Egg events and projects. The "Egg pot" exists to remove any obstacles that may prevent a school or young person taking part on the grounds of finance, geography, personal physical impairment or support needs. Similarly, the Wonderfund provides free tickets for school groups to attend the theatre with the specific aim of facilitating attendance by young people who might not otherwise have the means or opportunity to attend live performances and theatre.

To view our programme, and for fuller details of ticket prices and discount terms and conditions, or to e-book, visit our website www.theatreroyal.org.uk or telephone our booking office 01225 448844 or visit our booking office, open 10am until 8pm Mondays to Saturdays and 12 noon to start of show on Sundays on show days.

Investment powers and policy

The Trustees have the power to invest funds not immediately required for operational use in such ways as they consider appropriate. Currently the funds are held with instant access at Barclays Bank PLC at a competitive interest rate.

Reserves policy and going concern

The Trustees consider that a reserves policy is necessary to maintain sufficient reserves to achieve twin objectives:

- i) the presentation of high-quality theatre throughout the year; and
- ii) the maintenance of the Grade II listed building in which the Group is housed.

The Trustees regularly review the nature and level of the unrestricted reserves held to try and achieve balance in these objectives.

Total reserves as at the year-end are £8.6 million (2021: £6.7 million) comprising restricted funds of £1.5 million (2021: £1.4 million) and unrestricted funds of £7.1 million (2021: £5.3 million).

The Theatre Royal Bath Limited

The unrestricted funds include designated funds of £2.7 million (2021: £1.9 million). The designated funds are outlined below.

The Group has increased the balance on its production fund this year to finance future productions for TRB as it has done in the past including funding for the Summer Season, the Ustinov Seasons and the Egg Christmas production. The balance to carry forward is £623k (2021: £123k).

The stability fund provides a general buffer in the event of a sudden decrease in income or increase in expenditure. The balance of the stability fund is at £150k (2021: £150k).

The Creative Fund, that was set up using funds transferred from the stability fund, awards grants to local arts organisations. No grants were awarded during the financial year. The balance of the creative fund is £52k (2021: £47k).

The building levy has been established by the Group to maintain and run the building and equipment in the three auditoria. The Trustees recognise that significant expenditure is required for a building such as the Theatre Royal Bath and its three auditoria, and the current reserve balance is of a size whereby annual planned expenditure as well as unpredictable works can be met. The balance of the building levy fund is £1.1m (2021: £1.6m).

The Group has designated a new fund, The Building Development Fund, to designate funds for future capital projects to improve and enhance the facilities within the building. The balance of the building development fund is £750k (2021: Nil).

Free reserves as at 31 May 2022 amounted to £1.6 million (2021: £0.6 million) and the Trustees aim to maintain an prudent level of reserves in the coming years. The Trustees have considered the level of funds and cash held, the future budgeted income and expenditure and the levels of reserves to ensure that they have sufficient funds to enable the Group to continue as a going concern.

Plans for future periods

With thanks to the fiscal confidence that the Culture Recovery Fund provided the management and Trustees, Theatre Royal Bath enjoyed a very successful first year back after Coronavirus closures. However, due to the risk of further Coronavirus induced closures, the appetite for expenditure and artistic risk taking was lower which led to more commercial decision-making when considering expenditure. In the future periods, focus will return to the not-for-profit areas of activity. The Trustees have designated free reserves for these purposes for use in future periods.

Theatre Royal Bath will continue to programme and produce work of the highest quality for presentation to audiences in Bath and beyond. This activity includes Deborah Warner's inaugural season as Artistic Director of the Ustinov. TRBP is undertaking a high level of activity, creating touring productions for Theatre Royal Bath and then on tour to UK theatres and the West End. The Egg intends to build on the success of its touring productions and significantly to expand its digital activity.

While no expenditure has been committed at the year end, the Trustees are considering proposals for a programme of capital expenditure in the future to improve significantly the toilet facilities for women in the Main House, at least doubling the number of cubicles, as well as an extensive maintenance programme across the whole Grade Two* listed building.

Buoyed by strong response from audiences and utilising funding from the Culture Recovery Fund's Sustainability Programme, Theatre Royal Bath is also working to investigate other areas of the building which could be used to better serve audiences as well as support the long-term future of Theatre Royal Bath.

The Theatre Royal Bath Limited

Structure, Governance and Management

Reference and administrative details

Charity number: 277723
Company number: 01416448
Registered Office: Theatre Royal Bath, Sawclose, Bath, BA1 1ET

Our advisers

Auditor
CLA Evelyn Partners Portwall Place, Portwall Lane, Bristol, BS1 6NA

Banker
Barclays Bank PLC 4 Queen Street, Bath, BA1 1HE

Solicitors
Mogers Drewett The Square, Lower Bristol Road, Bath, BA2 3BH

Directors and Trustees

The directors of TRB (the Charity) are its Trustees for the purpose of Charity law.
The Trustees and officers serving during the year and since the year end were as follows:

Key management personnel - Theatre Royal Bath Limited: Trustees and Directors

Paul Heal (Chairman)
Suresh Ariaratnam
Margaret Cooke
Cllr Susan Craig
Dominic Eaton
Cosmo Fry
Nick Hall (See note below)
Simon Holdsworth
Katja Kammerer
Melanie Macer (resigned 22 November 2021)
Henry Meakin
Victoria Moffatt (resigned 2 August 2021)
John Monahan
Charlotte Walker (Vice Chairman)

Finance and Risk Committee

Nick Hall	Trustee and Chairman of the Finance and Risk Committee (See note below)
Dominic Eaton	Trustee
Paul Heal	Trustee and Chairman of the Board of Trustees
Charlotte Walker	Trustee and Vice Chairman of the Board of Trustees
Henry Meakin	Trustee (appointed to the committee 23 May 2022)

The Theatre Royal Bath Limited

Remuneration committee

Paul Heal	Trustee and Chairman of the Board of Trustees
Stephen Ross	Chairman Theatre Royal Bath Productions
Nick Hall	Trustee and Chairman Finance and Risk Committee (See note below)
Henry Meakin	Trustee (appointed to the committee 23 May 2022)

Nick Hall

Nick very sadly passed away in February 2022. The Trustees acknowledge the significant contribution Nick made to the Theatre and his positive pragmatic style is much missed.

Key management personnel: Senior managers of Theatre Royal Bath Limited

Theatre Director and Chief Executive	D Moar
Finance Director	G Akbar (resigned 24 December 2021)
Finance Director	M Cundy (appointed 31 January 2022)
General Manager	E Hibbert
Theatre Administrator	N Palmer

Governing Document

The Theatre Royal Bath Limited is a company limited by guarantee without share capital (number 01416448) and a registered Charity (number 277723 registered in May 1979) under the Charities Act 2011. Its governing instrument is the Memorandum and Articles of Association, which were last amended in February 2021.

All Trustees are also the members and thus undertake to contribute the sum of £100 each to the assets of TRB in the event of it being wound up during the time that they are members or within one year thereafter.

Appointment of Trustees

The Charity's governing body is a Board of Directors (who are also the Trustees of the Charity) whose members are invited to serve on the Board and retire periodically by rotation. Representatives of local businesses, people involved in the wider arts world and council members from Bath & North East Somerset are represented on the Board. When considering co-opting Trustees, regard is given to the necessity for any specialist skills so that the Board can call on a wide range of relevant knowledge and expertise. The councillor board member is subject to the appointment process of the Bath & North East Somerset council.

Trustee induction and training

New Trustees are briefed on their legal and other responsibilities as Trustees and an appropriate induction process is arranged by existing Trustees. There is a formal induction process pursuant to which new Trustees are briefed by members of the executive team and Trustees.

There is no set policy for the provision of trustee training. However, where training needs are identified, suitable training is organised. Additionally, the Trustees are periodically reminded of their responsibilities as Trustees.

Organisation

The Board of Trustees administers the Charity. The Board normally meets bi-monthly, as does the Finance and Risk committee. The Theatre Director is appointed by the Trustees to manage the day-to-day operations with the senior managers.

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Related parties and co-operation with other organisations

None of our Trustees receive any remuneration or other benefit for services to the Charity. Any connection between a trustee with a supplier or contracted person must be disclosed to the full Board of Trustees. In the current year, no such related party transactions were reported.

In order to enable the Trustees to carry out their duties to assess and support the Charity, they are able to receive a maximum of two complimentary tickets to attend a performance of each of the Charity's own productions.

Pay policy for senior managers

The directors consider that the Board of directors, who are the Charity's Trustees, and the senior management team comprise the key management personnel of the Charity. All directors give their time freely and no director received remuneration in the year. Details of directors' expenses are disclosed in note 12 to the financial statements. The pay of the senior staff is reviewed annually and normally increased in accordance with CPI rates as approved by the Trustees.

The Remuneration Committee considers the pay of the Chief Executive in his role as both Group Chief Executive and managing director of TRBP, the Group's commercial arm. The committee seeks to benchmark his remuneration against the executives of comparable theatres. His remuneration in relation to TRBP is wholly based on the profitability of that business. Other members of the senior management team also receive remuneration in relation to TRBP wholly based on the profitability of that business.

Fundraising

The Charity has a Development team that raises funds from individuals, trusts and corporate entities. It does not engage third parties to carry out fundraising activities on its behalf. No complaints were received during the year by the Charity about fundraising activity. The Charity currently does not have any major fundraising campaigns and the biggest area of fundraising is its membership scheme for Friends and Associates. Once a year, Friends and Associates are reminded in writing that their membership is up for renewal. If a member does not renew, they are informed in writing that their membership has lapsed with information about applying for the membership if they would like to join. Given the limited nature of the Charity's fundraising activities, the Charity has not signed up to a fundraising standard.

Risk management

The Trustees are alert to the wide range of risk factors which may arise in connection with the Charity and its operations. The Trustees are satisfied that policies and procedures are in place which address corporate governance risks including conflicts of interest and anti-corruption and bribery, together with policies which address operational risks such as health and safety, child and young person protection issues, adult safeguarding, disaster recovery, insurance and IT systems and data security. Certain financial risks are provided for by way of the stability fund referred to above. The Trustees regularly review risk, these policies, and the procedures.

In particular, the Trustees are aware of the risks posed by the fabric of the theatre as a historic building and the possibility that unforeseen maintenance may be required. By means of a rolling repairs programme and the Building Levy, the Trustees are satisfied that they have adequately provided for this contingency.

Trustees' responsibilities in relation to the finance statements

The Charity Trustees (who are also the directors of the Theatre Royal Bath Limited for the purposes of company law) are responsible for preparing a Trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The Theatre Royal Bath Limited

Company law requires the Charity Trustees to prepare financial statements for each 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 Group for that period. In preparing the 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity 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 Charity and the Group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

Statement as to disclosure to our auditor

In so far as the Trustees are aware at the time of approving our Trustees' annual report:

- there is no relevant audit information, being information needed by the auditor in connection with preparing their report, of which the Group's auditor is unaware; and
- the Trustees, having made enquiries of fellow directors and the Group's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

By order of the Board of Trustees

Paul Heal

Paul Heal (Feb 24, 2023 10:10 GMT)

Paul Heal (Chairman)

Date: 24/02/2023

Independent auditor's report to the members and Trustees of The Theatre Royal Bath Limited

Opinion

We have audited the financial statements of The Theatre Royal Bath Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 May 2022 which comprise the Consolidated Statement of Financial Activities (including income and expenditure account), the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow Statement and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 group's and of the parent charitable company's affairs as at 31 May 2022 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 group and parent 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 other information comprises the information included in the Trustee's Report and Consolidated Financial Statements, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. 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.

Independent auditor's report to the members and Trustees of The Theatre Royal Bath Limited (continued)

Other information (Continued)

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 Trustees' Annual Report, which includes the Strategic Report and the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report included within the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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 and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities in relation to the financial statements set out on pages 9 and 10, the Trustees (who are directors of the parent 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.

Independent auditor's report to the members and Trustees of The Theatre Royal Bath Limited (continued)

Responsibilities of Trustees (Continued)

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and under section 151 of the Charities Act 2011, and report in accordance with those Acts and relevant regulations made or having effect thereunder.

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:

We obtained a general understanding of the charitable company's legal and regulatory framework through enquiry of management in respect of their understanding of the relevant laws and regulations. We obtained an understanding of the charitable company's policies and procedures in relation to compliance with relevant laws and regulations. We also drew on our existing understanding of charity regulation.

We understand that the charitable company complies with the framework through:

- Updating operating procedures and internal controls as legal and regulatory requirements change;
- Regular reviews of risk by management and the Trustees; and
- The Trustees' close oversight through regular meetings and compliance reporting.

In the context of the audit, we considered those laws and regulations which determine the form and content of the financial statements, which are central to the charitable company's ability to conduct operations and where failure to comply could result in material penalties. We have identified the following laws and regulations as being of significance in the context of the charitable company:

- FRS 102 and the requirements of the Companies Act 2006 and the Charities Act 2011 in respect of the preparation and presentation of the financial statements;
- Health and safety regulations, including building and fire safety; and
- Charity law and regulation.

Independent auditor's report to the members and Trustees of The Theatre Royal Bath Limited (continued)

Auditor's responsibilities for the audit of the financial statements (Continued)

We performed the following specific procedures to gain evidence about compliance with the significant laws and regulations above:

- Making enquiries with management and a trustee (as representative of the Trustees as a whole) as to the risks of non-compliance and any instances thereof; and
- Reading minutes of meetings of those charged with governance and reviewing any correspondence between regulators and the charitable company.

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the charitable company's financial statements to material misstatement, including how fraud might occur. The key areas identified as part of the discussion were:

- Management override of control; and
- Revenue recognition, specifically the manipulation of revenue through incorrect recognition.

The procedures carried out to gain evidence in the above areas included:

- Testing of a sample of journal entries, selected through applying specific risk assessments based on the charitable company's processes and controls surrounding journal entries;
- reviewing and challenging estimates made by management; and
- substantive work on revenue transactions.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the parent 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 parent 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 parent charitable company, and the parent charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

CLA Evelyn Partners Limited

CLA Evelyn Partners Limited Feb 27, 2023 15:53 GMT

27/02/2023

Nigel Hardy
Senior Statutory Auditor, for and on behalf of
CLA Evelyn Partners Limited
Statutory Auditor
Chartered Accountants

Portwall Place
Portwall lane
Bristol
BS1 6NA

CLA Evelyn Partners Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Consolidated Statement of Financial Activities (including income and expenditure account)

For the year ended 31 May 2022

	Note	2022 Unrestricted Funds £'000s	2022 Restricted Funds £'000s	2022 Total Funds £'000s	2021 Total Funds £'000s
Income from:					
Charitable activities	4	13,031	762	13,793	2,028
Donations and legacies	5	118	88	206	194
Other trading activities	6	262	-	262	134
Investment income		18	-	18	5
Other income	8	-	-	-	551
Total income		13,429	850	14,279	2,912
Expenditure on:					
Cost of raising funds		(40)	(4)	(44)	(35)
Charitable activities	9	(11,600)	(805)	(12,405)	(3,584)
Total expenditure		(11,640)	(809)	(12,449)	(3,619)
Net income/(expenditure)	11	1,789	41	1,830	(707)
Funds transfer		-	-	-	-
Net movement in funds for the year		1,789	41	1,830	(707)
Reconciliation of funds					
Total funds brought forward		5,313	1,427	6,740	7,447
Total funds carried forward		7,102	1,468	8,570	6,740

All income and expenditure derive from continuing activities.

Consolidated and Charity Balance Sheets

For the year ended 31 May 2022

	Note	Group 2022 £'000s	Group 2021 £'000s	Charity 2022 £'000s	Charity 2021 £'000s
Fixed Assets					
Intangible assets	16	2	2	2	2
Tangible assets	17	4,300	4,375	4,283	4,361
Investments	18	-	-	10	10
Total Fixed Assets		4,302	4,377	4,295	4,373
Current Assets					
Work in progress		187	291	61	2
Debtors	19	1,776	936	1,025	1,086
Cash at bank and in hand		7,875	4,794	6,404	4,671
Total Current Assets		9,838	6,021	7,490	5,759
Liabilities					
Creditors falling due within one year	20	(4,870)	(2,758)	(3,019)	(2,508)
Net Current assets		4,968	3,263	4,471	3,251
Creditors falling due after more than one year	22	(700)	(900)	(700)	(900)
Net Assets		8,570	6,740	8,066	6,724
The funds of the charity:					
Unrestricted Income funds		7,102	5,313	6,598	5,297
Restricted Income funds		1,468	1,427	1,468	1,427
Total Charity funds	23	8,570	6,740	8,066	6,724

The trustees have prepared group financial statements in accordance with section 398 of the Companies Act 2006 and section 38 of the Charities Act 2011. The net income of the charity was £1,342k (2021 - a loss of £526k)

Signed and authorised for issue on behalf of the trustees by

Paul Heal
Paul Heal (Feb 24, 2023 10:10 GMT)

Paul Heal (Chairman)

Approved by the trustees on Monday 30th January 2022

Consolidated Cash Flow Statement

For the year ended 31 May 2022

	Note	2022 £'000s	2021 £'000s
Cash generated (used in) / from operating activities	25	3,274	491
Cash flows from investing activities			
Interest received		18	5
Purchase of intangible fixed assets		(2)	-
Purchase of tangible fixed assets		(109)	(13)
Cash used in investing activities		(93)	(8)
New bank loans		-	1,000
Repayment of bank loans		(100)	-
Net cash flow from financing activities		(100)	1,000
Increase in cash and cash equivalents in the year		3,081	1,483
Cash and cash equivalents at the beginning of the year		4,794	3,311
Cash and cash equivalents at the end of the year		7,875	4,794

Reconciliation of net funds

For the year ended 31 May 2022

	As at 1 June 2021 £'000s	Cashflows for the year £'000s	Other non- cash changes £'000s	As at 31 May 2022 £'000s
Cash and cash equivalents				
Cash at bank and in hand	4,794	3,081	-	7,875
Borrowings				
Bank loans - amounts falling due within one year	(100)	100	(200)	(200)
Bank loans - amounts falling due after more than one year	(900)		200	(700)
	(1,000)	100	-	(900)
Net Funds	3,794	3,181	-	6,975

Notes to the Financial Statements

1 Accounting Policies

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

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - Charities SORP, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and, in relation to the consolidated financial statements, the Charities Act 2011.

The accounting policies have been applied consistently from the prior year.

The Theatre Royal Bath Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

b) Preparation of the financial statements on a going concern basis

The financial statements have been prepared on a going concern basis.

In the previous year, the Charity had managed the impact on Coronavirus by reducing its fixed costs and managing staffing levels when theatres could not open. Throughout this year, the theatre has been able to open and has seen sales and attendance recover to close to pre-Coronavirus levels. The Charity continues to monitor the situation and impact and has shown caution in committing to further costs. It has also continued to benefit from the Culture Recovery Fund, through its Sustainability programme.

The trustees consider that the level of funds held by the Charity, the available cash on hand, and the budgeted income and expenditure is sufficient for the Charity to be able to continue as a going concern. Whilst there is still some uncertainty regarding the long term impact of Coronavirus, the level of cash on hand means that the Group can cover its costs even through a period of significantly reduced income and thus there are no material uncertainties relating to going concern.

c) Group financial statements

The financial statements consolidate the results of the Charity and its wholly owned subsidiaries Theatre Royal Bath Productions Limited, Theatre Royal Bath (Trading) Limited and Theatre Royal Bath Enterprises Limited. A separate Statement of Financial Activities and Income and Expenditure Account for the Charity has not been presented because the Charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

The Charity is a qualifying entity as defined by FRS 102 and, as such, has taken advantage of the following exemptions:

- presenting a statement of entity cash flows on the grounds that the relevant information is included within the consolidated information presented within these financial statements; and
- presenting certain financial instruments disclosures on the grounds that the relevant information is included within the consolidated information presented within these financial statements.

d)Income

Income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the item(s) of income 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' grants or 'revenue' grants, 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.

For legacies, entitlement is taken as the earlier of the date on which either: the Charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Charity or the Charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income received in advance of a theatrical performance or provision of other specified service it is deferred until the performance or the service has been given (see note 21).

e)Donated services and facilities

Donated professional services and donated facilities are recognised as income when the Charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the Charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised; the trustees' annual report gives information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the Charity which is the amount the Charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

f)Interest receivable

Interest is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the Bank.

g)Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the Charity. Designated funds are unrestricted funds of the Charity which the Charity trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the Charity's work or for specific artistic projects being undertaken by the Charity.

h)Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- costs of raising funds – which comprise the costs of commercial trading including the catering and the associated support costs;

- expenditure on charitable activities – which includes activities undertaken to further the purposes of the Charity and the associated support costs.

i)Allocation of support costs

Support costs are those functions that assist the work of the Charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll processing and governance costs which support the Charity's artistic programmes and activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 10.

j)Tangible fixed assets

Individual fixed assets costing £200 or more are capitalised at cost and are depreciated over their estimated useful lives on a straight line basis as follows:

Asset Category	Annual Rate
Equipment	10% - 33%
Motor vehicles	25%
Leasehold improvements	2%
Freehold property improvements	2%

The freehold property is not depreciated as the trustees do not believe its residual value to be significantly lower than its cost due to the age and nature of the building, and its location in the conservation area of central Bath.

k)Work in Progress

Work in progress, which represents direct costs of theatrical productions that had yet to start at the year end, is stated at the lower of cost and net realisable value.

l)Debtors

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

m)Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

n)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 or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

o)Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments; all such financial assets are current. Except for financing instruments, basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Financing instruments are initially recorded at the proceeds received net of direct issue costs and are subsequently measured at amortised cost, using the effective interest rate method.

p)Pensions

The Group provides a range of benefits to employees, including paid holiday arrangements and defined contribution pension plans.

Short term benefits, including compensation for loss of employment, holiday pay and other non-monetary benefits, are recognised as an expense in the period in which the service is received.

New and existing employees are automatically enrolled into a defined contribution pension scheme unless they have exercised their right to opt out of scheme membership.

The Group operates a defined contribution plan, whereby the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations. The contributions are recognised as an expense in the period to which they relate. Amounts not paid are shown in accruals in the Consolidated and Charity Balance Sheets. The assets of the plan are held separately from the Group in independently administered funds.

q)Taxation

The Charity's current trading activities are charitable and therefore, to the extent that any surpluses are applied to its charitable objects, the Charity is not liable to tax, and no provision is made for current or deferred tax by the Charity.

No provision is made for current or deferred tax on any profits arising in the year generated by the Charity's subsidiaries which are expected to be offset by the carry back of future donations to the Charity. The current tax charge recognised in the subsidiaries is based on the remaining taxable profit for the year. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Other than as described above, deferred tax is recognised in respect of all timing differences between taxable profits and the net movement in funds that have originated but not reversed at the balance sheet date. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised.

Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The Group receives Theatre Tax Relief which is surrendered, giving rise to tax payments to the Group. The arising credit is recognised in the year in which the related expenditure is incurred. The credit is recognised in charitable expenditure in the Consolidated Statement of Financial Activities.

r)Key judgments and sources of estimation uncertainty

The preparation of financial statements in conformity with UK GAAP requires management to make judgements and estimates that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the statement of financial position date and the reported amounts of revenues and expenses during the reporting period. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates.

In preparing the financial statements, the only judgements which had, or could have had, a material impact on the financial statements is the adoption of the going concern basis for the preparation of the financial statements (as explained above) and the assessment of whether a freehold property that is currently sublet should be classed as an investment property or, as is currently the case, not. If in future the property is reclassified as an investment property, it will need to be stated at its fair value rather than depreciated cost, which is likely to result in an increase in the reported net assets of the Group.

The only material estimate required is the estimated useful lives of assets and their residual values, which are described above. The carrying value of the assets is given in note 17.

2 Legal Status of the Charity

The Charity is a private company limited by guarantee and has no share capital. It is registered in England and its registered office is Theatre Royal Bath, Sawclose, Bath, BA1 1ET and its registered company number is 01416448. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £100 per member of the Charity.

3 Financial Performance of the Charity

The consolidated statement of financial activities includes the results of the Charity's wholly owned subsidiaries (see note 7).

The summary financial performance of the Charity alone is:

	2022 £'000s	2021 £'000s
Income	7,209	2,868
Donation from subsidiary companies	27	193
	<hr/> 7,236	<hr/> 3,061
Expenditure on charitable activities	<hr/> (5,894)	<hr/> (3,587)
Net income / (expenditure)	1,342	(526)
Total funds brought forward	6,724	7,250
Total funds carried forward	<hr/> 8,066 <hr/>	<hr/> 6,724 <hr/>
Represented by:		
Unrestricted income funds	6,598	5,297
Restricted income funds	1,468	1,427
	<hr/> 8,066 <hr/>	<hr/> 6,724 <hr/>

The consolidated income of £14,279k (2021: 2,912k) comprises the charity income above of £7,209k (2021: £2,868 k) plus the income of the subsidiaries of £16,085k (2021: £37k) (Note 7) less net inter-company trading adjustment of £9,015k (2021: £7k).

4 Income from charitable activities

	2022 Unrestricted Funds £'000s	2022 Restricted Funds £'000s	2022 Total Funds £'000s	2021 Total Funds £'000s
Main House & Ustinov Performances	5,732	-	5,732	311
Education (inc performances in the egg)	462	3	465	209
Touring and West End Productions	6,813	-	6,813	-
Grant Income	24	759	783	1,508
	13,031	762	13,793	2,028

5 Income from donations and legacies

	2022 Unrestricted Funds £'000s	2022 Restricted Funds £'000s	2022 Total Funds £'000s	2021 Total Funds £'000s
Donations and Legacies				
Memberships	76	-	76	91
Donations	17	88	105	73
Legacies	25	-	25	30
	118	88	206	194

The Charity benefits greatly from the involvement and enthusiastic support of its volunteers, details of which are given in our annual report. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of volunteers is not recognised in the financial statements.

6 Income from other trading activities

	2022 £'000s	2021 £'000s
Other trading income	262	134
	262	134

All income from other trading activities is unrestricted in both 2022 and 2021. Of the income, £68 k (2021: £75k) is from rents and the balance from the provision of services.

7 Income from trading activities of subsidiaries

The Charity has three wholly owned trading subsidiaries all of which are incorporated in the UK and all of which have their registered office at Theatre Royal Bath, Sawclose, Bath BA1 1ET. The Theatre Royal Bath (Trading) Limited operates the bars within the Theatre, procures sponsorship for The Theatre Royal Bath and operates the 1805 Entertaining Suite and a ticket booking agency. The Theatre Royal Bath Productions Limited generates and presents theatrical productions. The Theatre Royal Bath Enterprises Limited manages and runs theatrical productions for The Theatre Royal and for The Theatre Royal Bath Productions Limited

These companies donate their taxable profits and pay management charges to The Theatre Royal Bath Limited. Audited financial statements are filed with the Registrar of Companies. A summary of their trading results is shown below. In the consolidated statement of financial activities, the turnover of Theatre Royal Bath Productions is included in touring and west end productions income. Other income, after eliminating intra-group transactions, is included as income from other trading activities.

The summary financial performances of the subsidiaries are:

2022	TRB	TRB	TRB	Total
	Productions	Trading	Enterprises	
	£'000s	£'000s	£'000s	£'000s
Turnover	8,057	416	7,612	16,085
Other Expenditure	(7,389)	(156)	(8,202)	(15,747)
Net profit/(loss)	668	260	(590)	338
Theatre tax relief	-	-	590	590
Management charges	(181)	(232)	-	(413)
Amount donated to the charity	(27)	-	-	(27)
Retained in subsidiary	460	28	-	488
2021	£'000s	£'000s	£'000s	£'000s
Turnover	53	32	(48)	37
Other Expenditure	(26)	(37)	43	(20)
Net profit/(loss)	27	(5)	(5)	17
Theatre tax relief	-	-	5	5
Management charges paid to the Charity	(2)	(1)	-	(3)
Amount donated to the charity	(74)	(119)	-	(193)
Retained in subsidiary	(49)	(125)	-	(174)

The assets and liabilities of the subsidiaries were:

2022	TRB	TRB	TRB	Total
	Productions	Trading	Enterprises	
	£'000s	£'000s	£'000s	£'000s
Fixed assets	4	13	-	17
Current assets	1,463	56	815	2,334
Current liabilities	(992)	(40)	(805)	(1,837)
Total net assets	475	29	10	514
2021	TRB	TRB	TRB	Total
	Productions	Trading	Enterprises	£'000s
	£'000s	£'000s	£'000s	
Fixed assets	-	15	-	15
Current assets	343	74	303	720
Current liabilities	(332)	(88)	(293)	(713)
Total net assets	11	1	10	22

8 Other income

	2022 £'000s	2021 £'000s
Coronavirus job retention scheme	-	551
	-	551

9 Analysis of expenditure on charitable activities

2022	Main House & Ustinov £'000s	Education (incl the egg) £'000s	Touring & West End Productions £'000s	Creative Fund £'000s	Total £'000s
Cost of productions	1,972	166	6,872	-	9,010
Education and outreach	-	341	-	-	341
Box office and front of house	658	31	-	-	689
Marketing	273	19	-	-	292
Building and stage	466	26	11	-	503
Amortisation and depreciation	143	39	2	-	184
Grants made	-	-	-	(5)	(5)
Support costs (note 10)	835	260	242	-	1,337
Governance costs (note 10)	34	8	12	-	54
Total	4,381	890	7,139	(5)	12,405

2021	Main House & Ustinov £'000s	Education (incl the egg) £'000s	Touring & West End Productions £'000s	Creative Fund £'000s	Total £'000s
Cost of productions	580	99	(18)	-	661
Education and outreach	-	244	-	-	244
Box office and front of house	483	42	-	-	525
Marketing	198	7	(5)	-	200
Building and stage	494	28	2	-	524
Amortisation and depreciation	143	38	1	-	182
Grants made	-	-	-	-	-
Support costs (note 10)	853	270	35	-	1,158
Governance costs (note 10)	54	16	20	-	90
Total	2,805	744	35	-	3,584

Of the above expenditure, 806k was restricted (2021: 1,576k) and the balance unrestricted.

10 Analysis of governance and support costs

2022	General Support £'000s	Governance function £'000s	Total £'000s
Administrative costs	306	2	308
Administrative staff costs	1,031	9	1,040
Audit fees	-	32	32
Accountancy services	-	12	12
Legal and other professional fees	-	(2)	(2)
Total	1,337	53	1,390

2021	General Support £'000s	Governance function £'000s	Total £'000s
Administrative costs	202	1	203
Administrative staff costs	956	9	965
Audit fees	-	38	38
Accountancy services	-	19	19
Legal and other professional fees	-	23	23
Total	1,158	90	1,248

11 Net income / (expenditure) for the year

This is stated after charging:	2022 £'000s	2021 £'000s
Amortisation of intangible fixed assets	2	6
Depreciation of tangible fixed assets	182	176
Auditor's remuneration		
-- Audit Fees	37	38
-- Tax compliance	5	7

12 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

	2022 £'000s	2021 £'000s
Staff Costs		
Salaries and wages	2,128	1,716
Social security costs	189	131
Pension costs	47	42
	2,364	1,889
	2,364	1,889

Pension costs, comprising defined contribution payments, are included in administrative staff costs and are wholly charged to unrestricted funds.

The number of employees who received total employee benefits (excluding employer pension costs) of more than £60k is as follows:-

	2022 Number	2021 Number
£'000		
60-70	1	1
160-170	1	1
	2	2
	2	2

The Charity trustees were not paid nor received any other benefits from employment with the Charity or its subsidiaries in the year (2021: £nil) neither were they reimbursed expenses during the year (2021: £nil). No Charity trustee received payment for professional or other services supplied to the Charity (2021: £nil).

The key management personnel of the parent charity comprise the trustees, the Theatre Director, Finance Director, General Manager and Theatre Administrator. The total employee benefits of the key management personnel of the Charity were £382k (2021: £381k).

The key management personnel of the group are those of the Charity and the key management personnel of its wholly owned subsidiary Theatre Royal Bath Productions. The key management personnel of Theatre Royal Bath Productions Limited are the Board of Directors, the Finance Director, General Manager and Theatre Administrator whose employee benefits total £0k (2021: £0k). The employee benefits of key management personnel for the group was therefore £382k (2021: £381k).

The higher paid staff disclosures above are based on salary payments in the year which can include bonus payments relating in part to the preceding financial year.

13 Staff Numbers

The average monthly head count was 123 staff (2021: 99 staff)

	2022 Number	2021 Number
Fundraising	3	3
Production	41	21
Main House & Ustinov Front of House	33	30
Box Office	6	6
Marketing	2	3
Management	9	9
Administration	10	10
Education and the egg	19	17
	123	99
	123	99

14 Related party transactions

In 2022, the following transactions took place between the Charity and its wholly owned subsidiaries:

- Donations from the subsidiaries to the Parent Charity
- The payment of management charges

Details of these transactions are shown in note 7.

In addition, the Charity, on behalf of the Group, employs all staff. Recharges of salary costs to the subsidiaries were £354k (2021: £7k). TRBE charges a commissioning fee for productions produced on behalf TRB. In 2022, this was £105k (2021: £nil)

Balances due from and to the subsidiaries are shown in notes 19 and 20 respectively.

From time to time, related parties purchase tickets for productions in the auditoria. The price of these tickets is the same as that available to the general public at the time.

15 Government Grants

In the year, the Charity received a grant from the Arts Council of £26k (2021: £81k) and also Culture Recovery Grants of £669k (2021: £1,241k) from the Arts Council and the Department for Digital, Culture, Media and Sport (included within income from charitable activities - note 4). The charity also received coronavirus job retention scheme income during 2021 (2022: Nil) (note 8).

16 Intangible fixed assets - group and charity

	Software £'000s
Cost	
At beginning of year	44
Additions	2
Disposals	(4)
At end of year	<u>42</u>
Amortisation	
At beginning of year	42
Additions	2
Disposals	(4)
At end of year	<u>40</u>
Net book value	
At end of year	<u>2</u>
At beginning of year	<u>2</u>

17 Tangible fixed assets

Group	Long leasehold	Freehold	Motor vehicles	Equipment	Total
	improvements	property			
	£'000s	improvements	£'000s	£'000s	£'000s
Cost					
At beginning of year	2,736	3,738	23	1,056	7,553
Additions	48	-	30	31	109
Disposals	-	-	(23)	(11)	(34)
At end of year	2,784	3,738	30	1,076	7,628
Depreciation					
At beginning of year	1,607	763	23	784	3,177
Additions	59	46	8	70	183
Disposals	-	-	(23)	(10)	(33)
At end of year	1,666	809	8	844	3,327
Net book value					
At end of year	1,118	2,929	22	231	4,300
At beginning of year	1,129	2,975	-	272	4,376
Charity					
	Long leasehold	Freehold	Motor vehicles	Equipment	Total
	improvements	property			
	£'000s	improvements	£'000s	£'000s	£'000s
Cost					
At beginning of year	2,736	3,738	23	1,005	7,502
Additions	48	-	30	20	98
Disposals	-	-	(23)	(11)	(34)
At end of year	2,784	3,738	30	1,014	7,566
Depreciation					
At beginning of year	1,607	763	23	748	3,141
Additions	59	46	8	62	175
Disposals	-	-	(23)	(10)	(33)
At end of year	1,666	809	8	800	3,283
Net book value					
At end of year	1,118	2,929	22	214	4,283
At beginning of year	1,129	2,975	-	257	4,361

The original cost of the freehold property, which was not depreciated, is £1.4 million. The freehold property can only be sold with the consent of the Bath Theatre Trust, which is the freeholder of the main theatre, which the Charity leases from the Trust.

18 Investments

Charity	2022 £'000s	2021 £'000s
Shares at cost in group undertakings:		
At beginning and end of year - at cost	10	10

Details of consolidated subsidiary undertakings, which are all registered in England and Wales, as follows:

Subsidiary undertaking:	Principal activity	Class and percentage of shares held
Theatre Royal Bath (Trading) Limited - 02353880	Operation of the Theatre Bars, Procurement of sponsorship and operation of 1805 Suite	Ordinary 100%
Theatre Royal Bath Enterprises Limited - 01640869	Control and running of theatre productions	Ordinary 100%
Theatre Royal Bath Productions Limited - 03495565	Development of theatre productions	Ordinary 100%
Joint Venture: Bugsy Malone UK Limited	Production of a UK Tour	Ordinary 50%

19 Debtors

	Group		Charity	
	2022 £'000s	2021 £'000s	2022 £'000s	2021 £'000s
Trade debtors	184	114	152	102
Other debtors	812	123	73	91
Prepayments and accrued income	780	699	202	696
Amounts owed by group undertakings	-	-	598	197
	1,776	936	1,025	1,086

20 Creditors: amounts falling due within one year

	Note	Group		Charity	
		2022 £'000s	2021 £'000s	2022 £'000s	2021 £'000s
Bank loan	22	200	100	200	100
Trade Creditors		613	166	159	131
Taxations and social security		264	219	264	217
Amounts owed to group undertakings		-	-	-	62
Short-term compensated absences (holiday pay)		63	57	64	57
Other creditors		323	158	35	17
Accruals		1,933	349	823	215
Advance ticket sales & other deferred income	21	1,474	1,709	1,474	1,709
		4,870	2,758	3,019	2,508

21 Deferred Income

Deferred income consists primarily of advance ticket sales and gift vouchers.

	Gift vouchers and other deferred income £'000s	Advance ticket sales £'000s	Total £'000s
Prior year			
At beginning of the prior year	188	589	777
Amount released to incoming resources	(188)	(589)	(777)
Amount deferred in year	178	1,531	1,709
Deferred income as at the year end	<u>178</u>	<u>1,531</u>	<u>1,709</u>
Current year			
At beginning of the current year	178	1,531	1,709
Amount released to incoming resources	(178)	(1,531)	(1,709)
Amount deferred in year	122	1,352	1,474
Deferred income as at the year end	<u>122</u>	<u>1,352</u>	<u>1,474</u>

22 Creditors: amounts falling due after more than one year

	Group		Charity	
	2022 £'000s	2021 £'000s	2022 £'000s	2021 £'000s
Bank loan	700	900	700	900
	<u>700</u>	<u>900</u>	<u>700</u>	<u>900</u>

The bank loan is secured by way of a fixed and floating charge over the assets of the Group. The loan is repayable in monthly instalments over a period of five years from December 2021 and bears interest at a margin of 2.75% per annum. The interest arising in the first year was paid by the Government.

23 Analysis of charitable funds

Analysis of movement in unrestricted funds

	Balance 1 June 2021	Incoming resources	Resources expended	Transfers	Funds at 31 May 2022
	£'000s	£'000s	£'000s	£'000s	£'000s
2022					
General Fund	3,408	13,132	(11,351)	(750)	4,439
Designated production fund	123	-	-	500	623
Designated stability fund	150	-	-	-	150
Designated creative fund	47	-	5	-	52
Designated building levy	1,585	297	(294)	(500)	1,088
Designated building development fund	-	-	-	750	750
Total	5,313	13,429	(11,640)	-	7,102
2021					
	£'000s	£'000s	£'000s	£'000s	£'000s
General Fund	3,909	1,386	(1,887)	-	3,408
Designated production fund	110	-	13	-	123
Designated stability fund	150	-	-	-	150
Designated creative fund	47	-	-	-	47
Designated building levy	1,738	16	(169)	-	1,585
Designated building development fund	-	-	-	-	-
Total	5,954	1,402	(2,043)	-	5,313

Details of unrestricted fund

Name of unrestricted fund	Description, nature and purposes of the fund
General Fund	The balance of unrestricted reserves after designations.
Designated funds	<p>a) Designated production fund for own-house productions in the Main house, Ustinov and egg auditoria.</p> <p>b) Designated stability fund to enable continuity in activities as a result of unforeseen circumstances.</p> <p>c) Designated creative fund to enable the Charity to offer grants to local arts organisations.</p> <p>d) Designated building levy to cover the upkeep and running of the theatre building and its three auditoria.</p> <p>e) Designated to enable future capital projects to enhance the building</p>

Analysis of movement in restricted funds

2022	Balance 1 June 2021 £'000s	Incoming resources £'000s	Resources expended £'000s	Transfers £'000s	Funds at 31 May 2022 £'000s
Restoration reserve	-	2	(2)	-	-
The egg reserve	57	73	(64)	-	66
Arts Council Culture Recovery Fund Grants	-	695	(695)	-	-
The egg appeal reserve	1,335	1	(39)	-	1,297
Lifelong learning fund	35	3	(5)	-	33
2010 appeal reserve	-	1	(1)	-	-
Fixed asset reserve	-	-	-	-	-
Wonderfund	-	76	(4)	-	72
Total	1,427	851	(810)	-	1,468

2021	£'000s	£'000s	£'000s	£'000s	£'000s
Restoration reserve	3	2	(5)	-	-
The egg reserve	80	266	(289)	-	57
Arts Council Culture Recovery Fund Grants	-	1,241	(1,241)	-	-
The egg appeal reserve	1,374	-	(39)	-	1,335
Lifelong learning fund	36	-	(1)	-	35
2010 appeal reserve	-	1	(1)	-	-
Fixed asset reserve	-	-	-	-	-
Wonderfund	-	-	-	-	-
Total	1,493	1,510	(1,576)	-	1,427

Details of restricted funds

Name	Description, nature and purposes of the fund
Restoration reserve	The balance specifically for the renovation work for the Ustinov.
The egg reserve	Funds received for the support of the egg and its educational work including Arts Council grants that are not from the Culture Recovery Fund.
Arts Council Culture Recovery Fund	Arts Council Culture Recovery Fund Grants publicly funded by the Department for Digital, Culture, Media and Sport.
The egg appeal reserve	Funds raised for the development of the egg auditorium to provide a theatre specifically for children and young people.
Lifelong learning fund	Funds received for the support of educational work for adults.
2010 appeal reserve	The balance specifically for the renovation and development work to the Main House.
Fixed asset reserve	Funds donated towards the purchase of equipment.
Wonderfund	Funds raised to offer state school children free access to live performance.

24 Analysis of group net assets between funds

2022	General Fund	Designated funds	Restricted funds	Total
	£'000s	£'000s	£'000s	£'000s
Fixed Assets	2,841	164	1,297	4,302
Current assets	6,736	2,616	486	9,838
Current liabilities	(4,438)	(117)	(315)	(4,870)
Long term liabilities	(700)	-	-	(700)
Total	4,439	2,663	1,468	8,570

2021	General Fund	Designated funds	Restricted funds	Total
	£'000s	£'000s	£'000s	£'000s
Fixed Assets	2,844	198	1,335	4,377
Current assets	4,031	1,843	147	6,021
Current liabilities	(2,567)	(136)	(55)	(2,758)
Long term liabilities	(900)	-	-	(900)
Total	3,408	1,905	1,427	6,740

25 Reconciliation of net movement in funds to cash generated by / (used in) operations

	2022 £'000s	2021 £'000s
Net movement in funds	1,830	(707)
Add back amortisation charge	2	6
Add back depreciation charge	183	176
Add back loss on disposal of fixed assets	1	3
Deduct interest income shown in investing activities	(18)	(5)
Movement in work in progress	104	(183)
Movement in debtors	(840)	568
Movement in creditors	2,012	633
Net cash generated/ (used in) operating activities	<u>3,274</u>	<u>491</u>

26 Financial instruments

	Group		Charity	
	2022 £'000s	2021 £'000s	2022 £'000s	2021 £'000s
Financial assets which are debt instruments measured at amortised cost	815	780	874	964
Financial assets which are equity instruments measured at amortised cost	-	-	10	10
Financial liabilities measured at amortised cost	<u>2,315</u>	<u>530</u>	<u>754</u>	<u>428</u>

The risk from financial instruments primarily arises from cash at bank, where the Charity is exposed to credit risk. The Group is also exposed to credit risk from its trade debtors and the Charity is exposed to credit risk relating to balances due from its subsidiaries.

27 Operating leases

Income due under non-cancellable operating leases

Group and Charity	2022 £'000s	2021 £'000s
Due next year	64	64
Due in 2 to 5 years	256	256
Due after more than 5 years	565	629
	885	949
	885	949

Under the terms of the leases, the rental income is subject to periodic review. The leases give the tenants no right of acquisition.

28 Consolidated Statement of Financial Activities - Prior Year

	Unrestricted Funds £'000s	Restricted Funds £'000s	Total Funds £'000s
Income from:			
Charitable activities	526	1,502	2,028
Donations and legacies	186	8	194
Other trading activities	134	-	134
Investment income	5	-	5
Other income	551	-	551
Total income	1,402	1,510	2,912
Expenditure on:			
Cost of raising funds	(35)	-	(35)
Charitable activities	(2,008)	(1,576)	(3,584)
Total expenditure	(2,043)	(1,576)	(3,619)
Net income/(expenditure)	(641)	(66)	(707)
Funds transfer	-	-	-
Net movement in funds for the year	(641)	(66)	(707)
Reconciliation of funds			
Total funds brought forward	5,954	1,493	7,447
Total funds carried forward	5,313	1,427	6,740

THE THEATRE ROYAL BATH LIMITED

England & Wales - Charity number 277723

Accounts

The Theatre Royal Bath Limited

(Registered Charity Number: 277723)

(Registered Number: 01416448)

*Trustees' Report and Consolidated
Financial Statements*

For the year ended 31 May 2021

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The Theatre Royal Bath Limited

Trustees' report

Introduction

The trustees are pleased to present their annual report together with the consolidated financial statements of The Theatre Royal Bath Limited ("TRB", the "Charity") and its subsidiaries (the "Group") for the year ended 31 May 2021.

Theatre Royal Bath Limited is a registered charity and these financial statements comply with the Charities Act 2011 as well as the Companies Act 2006 and Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Objectives and Activities

Our purposes and activities

The Group's purposes continue to be the advancement and promotion of the arts including theatre, music, dance and live performance and the encouragement of artistic knowledge and appreciation by providing opportunities for all to experience live theatre and artistic performance, together with the advancement and promotion of education in the arts for public benefit.

The Group's strategy is to maintain a financially robust, enduring theatre business to support delivery of our objectives for public benefit. Its strategy is to recover its operating costs in the Main House from ticket sales and charges. Any surplus generated by activity in the Main House, together with all profits from Theatre Royal Bath Productions Limited (TRBP), and Theatre Royal Bath (Trading) Limited (TRBT) the Group's commercial arms, are used to support the Ustinov and egg theatres, the presentation of the Summer Season as well as a wide variety of educational and outreach projects.

While the Group receives a limited number of grants and donations, usually for specific educational projects, it strives to be financially independent.

Strategic Report

The strategies employed to achieve the Group's objectives are to:

- present a broad range of artistic work in the Main House, the Ustinov and the egg for the education and entertainment of the local community and the general public at large;
- offer opportunities for a wide range of people of all ages and from all areas of our local community and beyond, to appreciate and participate in the arts through an extensive programme of educational and outreach activity, lectures and workshops;
- celebrate the diversity of cultures in our society by programming presentations by, and with, artists of different cultural backgrounds;
- offer a range of subsidies including bursaries and discounted seats, events and projects, to enable members of our community who otherwise might not have access to the arts to become involved and enjoy the programmes on offer; and
- provide grant funding, via the Creative Fund, for arts projects organised by local third parties.

The Group has four major areas of activity: performances in the Main House and Ustinov auditoria; educational and participative programmes and community outreach activity, including performances in the egg auditorium; touring and West End productions produced via TRBP; and the Creative Fund.

The Theatre Royal Bath Limited

Trustees' report (Continued)

Main House and Ustinov performances

Due to the Coronavirus and the restrictions in place, there have been few opportunities for the auditoria to be open. When it was possible to have performances, all with socially restricted audiences, the Main House opened for A Welcome Back Season of three in-house produced plays. The first play, Harold Pinter's *Betrayal* started the season in October 2020. Unfortunately, theatres were required to close in November and the second play of the Season, *Copenhagen* by Michael Frayn was postponed until January 2021. When theatres were allowed to re-open in December 2020, the third play of the Season, *Oleanna* by David Mamet, was presented in the Ustinov auditorium albeit later than originally planned. The Christmas show in the Main House was a toured in production of the *The Play That Goes Wrong*. The runs of both the shows were curtailed when the theatre was closed as it was under Tier 3 rules at the end of December. And the auditoria were then closed for the remainder of the financial year; with performances of *Copenhagen* postponed for a second time.

the egg, education and outreach

The education and egg's activities predominantly moved online during the year. The creation during the year of the Egg Assembly, funded by Innovate, enabled the TRB theatre school to initially offer free online workshops and then integrate tools to create a new online theatre training experience. The two-year Level 3 diploma in Performing and Production Arts, where Theatre Royal Bath's Creative Learning team work in partnership with Bath College, was taught in person when schools were able to be open but had to go online between January 2021 and March 2021. For December 2020, the egg produced an online Advent Calendar featuring scenes from *Snow Mouse* and *Squirrel*, two previous own productions for very young children. Also in December 2020, the egg auditoria re-opened for the month with two productions, one for younger children and one for older children. In the spring of 2021, the egg rehearsed and prepared its new production, *Josephine* about the performer and civil rights campaigner Josephine Baker, so that it was ready to tour once theatres could re-open. Josephine has completed a successful autumn/winter 2021 tour playing thirteen venues and schools. The egg created online resources for schools that can be used in conjunction with the play.

Touring and West End Productions

Touring and West End Productions are normally produced through TRBP, a wholly owned subsidiary company, with a view to generating profits which are then gift-aided to TRB to support the Group's objectives. This financial year, there have been no TRBP productions.

Coronavirus

The Coronavirus has had a significant impact on the theatre industry, not only because theatres have been mandated to be closed for the majority of the financial year but also when they were able to initially re-open, audiences were socially distanced reducing an auditorium's capacity and the box office.

At the start of the pandemic, whilst theatres were closed, the Group reviewed its activities to minimise spend and it undertook a cost reduction programme. During the year, this has unfortunately included a number of staff redundancies. Shows that were due to play TRB in the financial year have either been cancelled or postponed to a later date. Customers were offered a refund of the ticket price or a credit note for application against future bookings or in the case of postponed shows, a transfer of the ticket to the new performances. Refunds were paid where requested.

The Group utilised the Coronavirus Job Retention Scheme where it was possible to do so up to the year end and received business rates relief. In August 2020, the first Culture Recovery Fund grant, delivered by Arts Council England using funds provided by the Department for Digital, Culture, Media and Sport was applied for. The Group was successful and was awarded £955k. The Group also

The Theatre Royal Bath Limited

Trustees' report (Continued)

applied for and received a Coronavirus Business Interruption Loan of £1m from Barclays Bank PLC. In January 2021, the Group subsequently applied and was notified of success in March 2021 for £476k from the second Culture Recovery Fund grant from Arts Council England. The grants from Arts Council England have been awarded to cover operating expenses, are non-refundable and subject to conditions including, *inter alia* requirements to increase diversity, protect heritage assets, and increase education work. After the year end, the Group applied for the third Culture Recovery Fund grant and was awarded a continuity grant of £423k and a sustainability grant of £390k in November 2021.

Throughout the year, the Finance and Risk Committee has met regularly to monitor the financial health of the Group and assist the executive team in managing through the pandemic.

The Main House re-opened at the end of the financial year with Ralph Fiennes directing and starring in *Four Quartets*. This was followed by a three week run of the twice postponed *Copenhagen*. There has been significant production activity in TRBP after the end of the financial year. From June 2021 to December 2021 there have been six productions touring to seventeen venues with a total of forty five playing weeks. Three productions *Oleanna*, *Blithe Spirit* and *Four Quartets* have played the West End for a total of twenty seven weeks.

The Creative Fund

The Creative Fund awards grants to arts organisations within a twenty mile radius of Bath. All applications are closely scrutinised by the Creative Fund Committee (a sub-committee of the Board) in accordance with pre-defined criteria. When the Creative Fund is open for applications, information about how to apply and the criteria against which applications are assessed is available on the Theatre Royal Bath website. Additional due diligence is undertaken on all shortlisted candidates and the final awards are ratified by the Board. No Creative Fund awards were made in the financial year.

Our volunteers

Theatre Royal Bath is grateful for the support it receives via a team of dedicated voluntary fundraisers and volunteers. TRB Fundraisers generously donate their time to raise important funds. Trained volunteers normally assist with audio-described performances for the visually impaired; and placements from universities, drama schools, and colleges provide support for the production and education departments. In the financial year, with the auditoria mostly closed, there has been limited opportunity for TRB's volunteers. No monetary amount has been included in the Group's voluntary income for the period to reflect the 'in kind' support provided by the Group's volunteers.

Our artistic values

There is always a regard to providing productions of the highest quality and artistic merit and consideration is given to the appropriateness of potentially offensive or subversive material. Understanding that freedom of expression is totally subjective, we do not attempt to censor productions, but indicate age range suitability where appropriate. Any complaints or comments are responded to by the Theatre Director and, throughout the year, there are various open post-show discussions held by the education team where public comment is invited.

Monitoring and assessing performance

The trustees assess and monitor the Group's activities as follows:

- audience numbers and average ticket prices of the performances in the Main House, *Ustinov* and the egg are analysed on a monthly basis against five years of comparative data;
- an annual budget is produced, reviewed by the Finance and Risk Committee and approved by the Board in May each year;

Trustees' report (Continued)

- management accounts, where actual results are compared to budget and prior year, the variances are explained, and the year end results forecasted are prepared monthly and reported to the Finance and Risk Committee and the Board at their bi-monthly meetings;
- the Finance and Risk Committee, reporting to the Board, undertakes risk assessment and analysis in relation to a variety of financial, operational and regulatory risks and reviews applicable Group policies and procedures on a regular basis. During the pandemic the Finance and Risk Committee met on average every fortnight, to review the evolving situation and agree appropriate actions to be approved by the trustees;
- critics' and audiences' responses to the Group's own productions and the shows programmed in the three auditoria are reported regularly to the Board;
- the egg Director reports about the performance of the education programme to the Board at each meeting;
- the applications to the Creative Fund are assessed by the Creative Fund Committee and their recommendations are discussed and reviewed by the Board. The outcomes from the donations by the Creative Fund are reported on an annual basis;
- the general manager reports to the Board at their bi-monthly meetings on issues relating to building maintenance and repairs;
- health and safety performance is reviewed annually and the results, including three years of comparative data are reported to the Board; and
- the child and vulnerable adult, and the adult safeguarding policies and procedures are reviewed at least annually and reported to the Board.

Financial review

Principal Risks and Uncertainties

The Theatre Royal Bath Limited faces the following principal risks and challenges:

- weighing the promotion and fostering of artistic knowledge with commercial pressures to ensure continued financial viability;
- continuing to attract attendees in sufficient number to achieve the Group's objectives;
- making sure that necessary funds are generated to enable maintenance and improvement of existing assets to allow the Group to meet its artistic and audience requirements;
- the risk that the Group's access to publicly and non-publicly funded grants, which enrich the educational and outreach activities, is reduced as a result of increased competition because of the continued and significant cuts to public funding of the arts; and
- the impact of Covid-19 on the Group's operations.

The consolidated statement of financial activities shows income from charitable activities for the year was £2.0 million (2020: £9.6 million). Total income for the year was £2.9 million (2020: £11.0 million). Expenditure on charitable activities in the year to 31 May 2021 was £3.6 million (2020: £10.4 million). The net expenditure of the Group for the year was £707k (2020: net income of £627k). The results demonstrate the effects of operating during Coronavirus.

TRBP develops and produces theatrical productions. TRBP has generated a gross profit of £18k (2020: £339k) and a profit for the financial year of £27k (2020: £107k). TRBP has donated £74k (2020: £527k) in the year to TRB. Theatre Royal Bath Enterprises Limited ("TRBE") manages and runs certain theatrical productions for both TRB and TRBP. It has a profit of £nil (2020: £nil).

TRBT, the third wholly owned subsidiary, is responsible for operating and overseeing all aspects of the bars and retail operation within the theatre, procuring sponsorships and running a ticket booking agency for local events. It generated gross profits of £12k (2020: £243k), a loss for the financial year

The Theatre Royal Bath Limited

Trustees' report (Continued)

of £6k (2020: a profit of £115k) and in the year it has donated £119k (2020: £97k) to TRB.

The differences between the reported profits of the subsidiaries noted above and the amounts donated are a function of when donations are made. All profits of the subsidiaries are ultimately donated to the TRB.

Overall, the trustees are satisfied with the year's results, during a year operating under Coronavirus restrictions. On behalf of the Board, the trustees thank Danny Moar and his staff for all their effort and commitment in this year 2020/21.

Subsidies and pricing policy

In setting the rates for admission to the auditoria and participation in the educational programme, the trustees have considered the Charity Commission's guidance on public benefit and fee charging, with a particular regard for those on low incomes. Many standard discounts applicable to generic groups such as under 16s, students, JSA claimants, registered disabled patrons and their carers are offered in respect of tickets for all shows.

In the Main House, there are 30 low cost "standby" seats available for £7.50-£12.50 for every performance which are sold from 12 noon on the day of performance. Last minute seats are also available 30 minutes before performance offering between 30% and 50% reductions in normal ticket prices. For sold-out performances, the theatre offers a standing ticket for £4.00.

Tickets for the Ustinov Seasons and toured in shows in the Ustinov are priced from £12.00 to £23.50 with standard discounts available, and the egg prices typically range from £8.00 to £10.00 (Christmas shows up to £18.00).

Financial assistance is also available for performances and participation in the egg events through the "egg pot". The "egg pot" provides funds for disadvantaged young people to participate in the egg events and projects. The "egg pot" exists to remove any obstacles that may prevent a school or young person taking part on the grounds of finance, geography, personal physical impairment or support needs.

To view our programme, and for fuller details of ticket prices and discount terms and conditions, or to e-book, visit our website www.theatreroyal.org.uk or telephone our booking office 01225 448844 or visit our booking office, open 10am until 8pm Mondays to Saturdays and 12 noon to start of show on Sundays on show days.

Investment powers and policy

The trustees have the power to invest funds not immediately required for operational use in such ways as they consider appropriate. Currently the funds are held with instant access at Barclays Bank PLC at a competitive interest rate.

Reserves policy and going concern

The trustees consider that a reserves policy is necessary to maintain sufficient reserves to achieve twin objectives:

- i) the presentation of high quality theatre throughout the year; and
- ii) the maintenance of the Grade II listed building in which the Group is housed.

The trustees regularly review the nature and level of the unrestricted reserves held to try and achieve balance in these objectives.

Total reserves as at the year end are £6.7 million (2020: £7.4 million) comprising restricted funds of

The Theatre Royal Bath Limited

Trustees' report (Continued)

£1.4 million (2020: £1.5 million) and unrestricted funds of £5.3 million (2020: £5.9 million).

The unrestricted funds include designated funds of £1.9 million (2020: £2.0 million). The designated funds are stated below:

The Group has maintained the balance on its production fund this year so that it is ready, once trading returns to normal levels, to finance future productions for TRB as it has done in the past funding the Summer Season, the Ustinov Seasons and the egg Christmas production. The balance to carry forward was £123k (2020: £110k).

The stability fund provides a general buffer in the event of a sudden decrease in income or increase in expenditure. The balance of the stability fund is at £150k (2020:£150k).

The Creative Fund, that was set up using funds transferred from the stability fund, awards grants to local arts organisations. No grants were awarded during the financial year.

The Building Levy fund is used by the Group to maintain and run the building and equipment in the three auditoria. The trustees recognise that significant expenditure is required for a building such as the Theatre Royal Bath and its three auditoria, and the current reserve balance is of a size whereby annual planned expenditure as well as unpredictable works can be met.

Free reserves as at 31 May 2021 amounted to £0.6 million (2020: £1.0 million) and the trustees aim to maintain an adequate level of reserves in the coming years. The trustees have considered the level of funds and cash held, the future budgeted income and expenditure and the levels of reserves, such that they have determined that the Group is able to continue as a going concern. As noted above the Group has been able to draw on various support measures available during the Coronavirus pandemic which have assisted in enabling the Group to continue as a going concern.

Plans for future periods

Theatre Royal Bath will continue to programme and produce work of the highest quality for presentation to audiences in Bath and beyond. To this end, TRBP is undertaking a high level of activity, creating touring productions for Theatre Royal Bath and then on tour to UK theatres and the West End.

The egg intends to build on the success of its touring productions and significantly to expand its digital activity.

Full advantage will continue to be taken of any government grants or support to help theatres and other businesses manage during the Coronavirus pandemic.

While no expenditure has been committed at the year end, the trustees are considering proposals for a programme of capital expenditure in the future to improve significantly the toilet facilities for women in the Main House, at least doubling the number of cubicles. During extended periods of closure necessary maintenance works, not possible when the building is being used, have been carried out.

The Theatre Royal Bath Limited

Trustees' report (Continued)

Structure, Governance and Management

Reference and administrative details

Charity number: 277723
Company number: 01416448
Registered Office: Theatre Royal Bath, Sawclose, Bath, BA1 1ET

Our advisers

Auditor
Nexia Smith & Williamson Portwall Place, Portwall Lane, Bristol, BS1 6NA

Banker
Barclays Bank PLC 4 Queen Street, Bath, BA1 1HE

Solicitors
Mogers Drewett The Square, Lower Bristol Road, Bath, BA2 3BH

Directors and Trustees

The directors of TRB (the Charity) are its trustees for the purpose of Charity law.
The trustees and officers serving during the year and since the year end were as follows:

Key management personnel - Theatre Royal Bath Limited: Trustees and Directors

Paul Heal (Chairman)
Suresh Ariaratnam
Margaret Cooke
Cllr Susan Craig
Dominic Eaton
Cosmo Fry
Nick Hall
Simon Holdsworth
Katja Kammerer
Melanie Macer (resigned 22 November 2021)
Henry Meakin
Vicky Moffat (resigned 2 August 2021)
John Monahan
Charlotte Walker (Vice Chairman)

Finance and Risk Committee

Nick Hall Trustee and Chairman of the Finance and Risk Committee
Dominic Eaton Trustee
Paul Heal Trustee and Chairman of the Board of Trustees
Charlotte Walker Trustee and Vice Chairman of the Board of Trustees

The Theatre Royal Bath Limited

Trustees' report (Continued)

Remuneration committee

Paul Heal	Trustee and Chairman of the Board of Trustees
Stephen Ross	Chairman Theatre Royal Bath Productions
Nick Hall	Trustee and Chairman Finance and Risk Committee

Key management personnel: Senior managers of Theatre Royal Bath Limited

Theatre Director and Chief Executive	D Moar
Financial Director	G Akbar (resigned 28 December 2021)
General Manager	E Hibbert
Theatre Administrator	N Palmer

Governing Document

The Theatre Royal Bath Limited is a company limited by guarantee (number 01416448) and a registered Charity (number 277723 registered in May 1979) under the Charities Act 2011. Its governing instrument is the Memorandum and Articles of Association, which were last amended in February 2021.

All trustees are also the members and thus undertake to contribute the sum of £100 each to the assets of TRB in the event of it being wound up during the time that they are members or within one year thereafter.

Appointment of Trustees

The Charity's governing body is a Board of Directors (who are also the trustees of the Charity) whose members are invited to serve on the Board and retire periodically by rotation. Representatives of local businesses, people involved in the wider arts world and council members from Bath & North East Somerset are represented on the Board. When considering co-opting trustees, regard is given to the necessity for any specialist skills so that the Board can call on a wide range of relevant knowledge and expertise. The councillor board member is subject to the appointment process of the Bath & North East Somerset council.

Trustee induction and training

New trustees are briefed on their legal and other responsibilities as trustees and an appropriate induction process is arranged by existing trustees. There is a formal induction process pursuant to which new trustees are briefed by members of the executive team and trustees.

There is no set policy for the provision of trustee training. However, where training needs are identified, suitable training is organised. Additionally, the trustees are periodically reminded of their responsibilities as trustees.

Organisation

The Board of trustees administers the Charity. The Board normally meets bi-monthly, as does the Finance and Risk sub-committee. The Theatre Director is appointed by the trustees to manage the day-to-day operations with the senior managers.

Related parties and co-operation with other organisations

None of our trustees receive any remuneration or other benefit for services to the Charity. Any connection between a trustee with a supplier or contracted person must be disclosed to the full Board of trustees. In the current year, no such related party transactions were reported.

The Theatre Royal Bath Limited

Trustees' report (Continued)

In order to enable the trustees to carry out their duties to assess and support the Charity, they are able to receive a maximum of two complimentary tickets to attend a performance of each of the Charity's own productions.

Pay policy for senior managers

The directors consider that the Board of directors, who are the Charity's trustees, and the senior management team comprise the key management personnel of the Charity. All directors give of their time freely and no director received remuneration in the year. Details of directors' expenses are disclosed in note 12 to the financial statements. The pay of the senior staff is reviewed annually and normally increased in accordance with CPI rates as approved by the trustees.

The Remuneration Committee considers the pay of the Chief Executive in his role as both Group Chief Executive and managing director of TRBP, the Group's commercial arm. The committee seeks to bench mark his remuneration against the executives of comparable theatres. His remuneration in relation to TRBP is wholly based on the profitability of that business. Other members of the senior management team also receive remuneration in relation to TRBP wholly based on the profitability of that business.

Fundraising

The Charity has a Development team that raises funds from individuals, trusts and corporate entities. It does not engage third parties to carry out fundraising activities on its behalf. No complaints were received during the year by the Charity about fundraising activity. The Charity currently does not have any major fundraising campaigns and the biggest area of fundraising is its membership scheme for Friends and Associates. Once a year, Friends and Associates are reminded in writing that their membership is up for renewal. If a member does not renew, they are informed in writing that their membership has lapsed with information about applying for the membership if they would like to join. Given the limited nature of the Charity's fundraising activities, the Charity has not signed up to a fundraising standard.

Risk management

The trustees are alert to the wide range of risk factors which may arise in connection with the Charity and its operations. The trustees are satisfied that policies and procedures are in place which address corporate governance risks including such as conflicts of interest and anti-corruption and bribery, together with policies which address operational risks such as health and safety; child and young person protection issues; adult safeguarding; disaster recovery; insurance; and IT systems and data security. Certain financial risks are provided for by way of the stability fund referred to above. The trustees regularly review these policies and procedures.

In particular, the trustees are aware of the risks posed by the fabric of the theatre as a historic building and the possibility that unforeseen maintenance may be required. By means of a rolling repairs programme and the Building Levy, the trustees are satisfied that they have adequately provided for this contingency.

Trustees' responsibilities in relation to the financial statements

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

Company law requires the Charity trustees to prepare financial statements for each 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

The Theatre Royal Bath Limited

Trustees' report (Continued)

Group for that period. In preparing the 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity 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 Charity and the Group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

Statement as to disclosure to our auditor

In so far as the trustees are aware at the time of approving our trustees' annual report:

- there is no relevant audit information, being information needed by the auditor in connection with preparing their report, of which the Group's auditor is unaware; and
- the trustees, having made enquiries of fellow directors and the Group's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

By order of the Board of Trustees



Paul Heal (Chairman)

Approved by the trustees on 24 February 2022

Independent auditor's report to the members of The Theatre Royal Bath Limited

Opinion

We have audited the financial statements of The Theatre Royal Bath Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 May 2020 which comprise the Consolidated Statement of Financial Activities (including income and expenditure account), the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow Statement and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 group's and of the parent charitable company's affairs as at 31 May 2020 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 group and parent 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 other information comprises the information included in the Trustee's Report and Consolidated Financial Statements, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

Independent auditor's report to the members of The Theatre Royal Bath Limited (Continued)

Other information (Continued)

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 Trustees' Annual Report, which includes the Strategic Report and the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report included within the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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 and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities in relation to the financial statements set out on pages 10 and 11, the trustees (who are directors of the parent 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.

Independent auditor's report to the members of The Theatre Royal Bath Limited (Continued)

Responsibilities of trustees (Continued)

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and under section 151 of the Charities Act 2011, and report in accordance with those Acts and relevant regulations made or having effect thereunder.

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:

We obtained a general understanding of the charitable company's legal and regulatory framework through enquiry of management in respect of their understanding of the relevant laws and regulations. We obtained an understanding of the charitable company's policies and procedures in relation to compliance with relevant laws and regulations. We also drew on our existing understanding of charity regulation.

We understand that the charitable company complies with the framework through:

- Updating operating procedures and internal controls as legal and regulatory requirements change;
- Regular reviews of risk by management and the Trustees; and
- The Trustees' close oversight through regular meetings and compliance reporting.

In the context of the audit, we considered those laws and regulations which determine the form and content of the financial statements, which are central to the charitable company's ability to conduct operations and where failure to comply could result in material penalties. We have identified the following laws and regulations as being of significance in the context of the charitable company:

- FRS 102 and the requirements of the Companies Act 2006 and the Charities Act 2011 in respect of the preparation and presentation of the financial statements;
- Health and safety regulations, including building and fire safety; and
- Charity law and regulation.

Independent auditor's report to the members of The Theatre Royal Bath Limited (Continued)

Auditor's responsibilities for the audit of the financial statements (Continued)

We performed the following specific procedures to gain evidence about compliance with the significant laws and regulations above:

- Making enquiries with management and a trustee (as representative of the Trustees as a whole) as to the risks of non-compliance and any instances thereof; and
- Reading minutes of meetings of those charged with governance and reviewing any correspondence between regulators and the charitable company.

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the charitable company's financial statements to material misstatement, including how fraud might occur. The key areas identified as part of the discussion were:

- Management override of control; and
- Revenue recognition, specifically the manipulation of revenue through incorrect recognition.

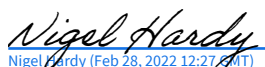
The procedures carried out to gain evidence in the above areas included:

- Testing of a sample of journal entries, selected through applying specific risk assessments based on the charitable company's processes and controls surrounding journal entries;
- reviewing and challenging estimates made by management; and
- substantive work on revenue transactions.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the parent 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 parent 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 parent charitable company, and the parent charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.


Nigel Hardy (Feb 28, 2022 12:21 GMT)

28/02/2022

Nigel Hardy
Senior Statutory Auditor, for and on behalf of
Nexia Smith & Williamson
Statutory Auditor
Chartered Accountants

Portwall Place
Portwall lane
Bristol
BS1 6NA

Nexia Smith & Williamson is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

*Independent auditor's report to the members of The Theatre
Royal Bath Limited (Continued)*

The Theatre Royal Bath Limited

Consolidated Statement of Financial Activities (including income and expenditure account)

For the year ended 31 May 2021

	Note	2021 Unrestricted Funds £'000	2021 Restricted Funds £'000	2021 Total Funds £'000	2020 Total Funds £'000
Income from:					
Charitable activities:	4	526	1,502	2,028	9,635
Donations and legacies	5	186	8	194	365
Other trading activities:	6	134	-	134	257
Investment income		5	-	5	11
Other income	8	551	-	551	715
Total income		1,402	1,510	2,912	10,983
Expenditure on:					
Costs of raising funds:		(35)	-	(35)	(51)
Charitable activities:	9	(2,008)	(1,576)	(3,584)	(10,305)
Total expenditure		(2,043)	(1,576)	(3,619)	(10,356)
Net income/(expenditure)	11	(641)	(66)	(707)	627
Funds transfer	22	-	-	-	-
Net movement in funds for the year		(641)	(66)	(707)	627
Reconciliation of funds					
Total funds brought forward		5,954	1,493	7,447	6,820
Total funds carried forward		5,313	1,427	6,740	7,447

All income and expenditure derive from continuing activities.

The Theatre Royal Bath Limited

Consolidated and Charity Balance Sheets

Registered number: 01416448

As at 31 May 2021

	Note	Group 2021 £'000	Group 2020 £'000	Charity 2021 £'000	Charity 2020 £'000
Fixed assets					
Intangible assets	16	2	8	2	8
Tangible assets	17	4,375	4,541	4,361	4,519
Investments	18	-	-	10	10
Total Fixed Assets		4,377	4,549	4,373	4,537
Current assets					
Work in progress		291	108	2	4
Debtors	19	936	1,504	1,086	2,210
Cash at bank and in hand		4,794	3,311	4,671	3,045
Total Current Assets		6,021	4,923	5,759	5,259
Liabilities					
Creditors falling due within one year	20	(2,758)	(2,025)	(2,508)	(2,546)
Net Current assets		3,263	2,898	3,251	2,713
Creditors falling due after more than one year	22	(900)	-	(900)	-
Net assets		6,740	7,447	6,724	7,250
The funds of the charity:					
Unrestricted income funds		5,313	5,954	5,297	5,757
Restricted income funds		1,427	1,493	1,427	1,493
Total Charity funds	23	6,740	7,447	6,724	7,250

The trustees have prepared group financial statements in accordance with section 398 of the Companies Act 2006 and section 38 of the Charities Act 2011. The net expenditure of the charity was £526k (2020 – a surplus of £1,028k).

Signed and authorised for issue on behalf of the trustees by



Paul Heal (Chairman)

Approved by the trustees on 24 February 2022

The Theatre Royal Bath Limited

Consolidated Cash Flow Statement

For the year ended 31 May 2021

	Note	2021 £'000	2020 £'000
Cash generated (used in) / from operating activities	25	491	(1,163)
Cash flows from investing activities			
Interest received		5	11
Purchase of intangible fixed assets		-	-
Purchase of tangible fixed assets		(13)	(80)
Cash used in investing activities		(8)	(69)
New bank loans		1,000	-
Net cash flow from financing activities		1,000	-
Increase / (decrease) in cash and cash equivalents in the year		1,483	(1,232)
Cash and cash equivalents at the beginning of the year		3,311	4,543
Total cash and cash equivalents at the end of the year		4,794	3,311

Reconciliation of net funds

For the year ended 31 May 2021

	As at 1 June 2020	Cashflows for the year	Other non- cash changes	As at 31 May 2021
	£'000	£'000	£'000	£'000
Cash and cash equivalents				
Cash at bank and in hand	3,311	1,483	-	4,794
Borrowings				
Bank loans – amounts falling due within one year	-	-	(100)	(100)
Bank loans – amounts falling due after more than one year	-	(1,000)	100	(900)
	-	(1,000)	-	(1,000)
Net funds	3,331	483	-	3,794

Notes to the Financial Statements

1 Accounting Policies

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

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015 and as updated with effective from 1 January 2016) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and, in relation to the consolidated financial statements, the Charities Act 2011.

The accounting policies have been applied consistently from the prior year except as detailed below.

The Theatre Royal Bath Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

b) Preparation of the financial statements on a going concern basis

The financial statements have been prepared on a going concern basis.

The Charity has reduced its fixed costs to reduce cash outflow; staffing and running the organisation at a minimum level when theatres could not open. It has utilised available Government financial help including the Coronavirus Job Retention Scheme, the Culture Recovery Fund and has received a Coronavirus Business Interruption Loan.

The trustees consider that the level of funds held by the Charity, the available cash on hand, and the budgeted income and expenditure is sufficient for the Charity to be able to continue as a going concern. Whilst future attendance figures, and thus the Group's income is uncertain, the level of cash on hand means that the Group can cover its costs even through a period of significantly reduced income and thus there are no material uncertainties relating to going concern.

c) Group financial statements

The financial statements consolidate the results of the Charity and its wholly owned subsidiaries Theatre Royal Bath Productions Limited, Theatre Royal Bath (Trading) Limited and Theatre Royal Bath Enterprises Limited. A separate Statement of Financial Activities and Income and Expenditure Account for the Charity has not been presented because the Charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

The Charity is a qualifying entity as defined by FRS 102 and, as such, has taken advantage of the following exemptions:

- presenting a statement of entity cash flows on the grounds that the relevant information is included within the consolidated information presented within these financial statements; and
- presenting certain financial instruments disclosures on the grounds that the relevant information is included within the consolidated information presented within these financial statements.

Notes to the Financial Statements (Continued)

d) Income

Income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the item(s) of income 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' grants or 'revenue' grants, 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.

For legacies, entitlement is taken as the earlier of the date on which either: the Charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Charity or the Charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income received in advance of a theatrical performance or provision of other specified service it is deferred until the performance or the service has been given (see note 21).

e) Donated services and facilities

Donated professional services and donated facilities are recognised as income when the Charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the Charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised; the trustees' annual report gives information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the Charity which is the amount the Charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

f) Interest receivable

Interest is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the Bank.

g) Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the Charity. Designated funds are unrestricted funds of the Charity which the Charity trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the Charity's work or for specific artistic projects being undertaken by the Charity.

h) Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- costs of raising funds – which comprise the costs of commercial trading including the catering and the associated support costs;

Notes to the Financial Statements (Continued)

- expenditure on charitable activities – which includes activities undertaken to further the purposes of the Charity and the associated support costs.

i) Allocation of support costs

Support costs are those functions that assist the work of the Charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll processing and governance costs which support the Charity's artistic programmes and activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 10.

j) Tangible fixed assets

Individual fixed assets costing £200 or more are capitalised at cost and are depreciated over their estimated useful lives on a straight line basis as follows:

Asset Category	Annual rate
Equipment	10% - 33%
Motor vehicles	25%
Leasehold improvements	2%
Freehold property improvements	2%

The freehold property is not depreciated as the trustees do not believe its residual value to be significantly lower than its cost due to the age and nature of the building, and its location in the conservation area of central Bath.

k) Work in Progress

Work in progress, which represents direct costs of theatrical productions that had yet to start at the year end, is stated at the lower of cost and net realisable value.

l) Debtors

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

m) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

n) 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 or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Notes to the Financial Statements (Continued)

o) Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments; all such financial assets are current. Except for financing instruments, basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Financing instruments are initially recorded at the proceeds received net of direct issue costs and are subsequently measured at amortised cost, using the effective interest rate method.

p) Pensions

The Group provides a range of benefits to employees, including paid holiday arrangements and defined contribution pension plans.

Short term benefits, including compensation for loss of employment, holiday pay and other non-monetary benefits, are recognised as an expense in the period in which the service is received.

New and existing employees are automatically enrolled into a defined contribution pension scheme unless they have exercised their right to opt out of scheme membership. The Group operates a defined contribution plan, whereby the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations. The contributions are recognised as an expense in the period to which they relate. Amounts not paid are shown in accruals in the statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

q) Taxation

The Charity's current trading activities are charitable and therefore, to the extent that any surpluses are applied to its charitable objects, the Charity is not liable to tax, and no provision is made for current or deferred tax by the Charity.

No provision is made for current or deferred tax on any profits arising in the year generated by the Charity's subsidiaries which are expected to be offset by the carry back of future donations to the Charity. The current tax charge recognised in the subsidiaries is based on the remaining taxable profit for the year. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Other than as described above, deferred tax is recognised in respect of all timing differences between taxable profits and the net movement in funds that have originated but not reversed at the balance sheet date. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised.

Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The Group receives Theatre Tax Relief which is surrendered, giving rise to tax payments to the Group. The arising credit is recognised in the year in which the related expenditure is incurred. The credit is recognised in charitable expenditure in the Consolidated Statement of Financial Activities.

Notes to the Financial Statements (Continued)

r) Key judgments and sources of estimation uncertainty

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make judgements and estimates that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the statement of financial position date and the reported amounts of revenues and expenses during the reporting period. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates.

In preparing the financial statements, the only judgements which had, or could have had, a material impact on the financial statements is the adoption of the going concern basis for the preparation of the financial statements (as explained above) and the assessment of whether a freehold property that is currently sublet should be classed as an investment property or, as is currently the case, not. If in future the property is reclassified as an investment property, it will need to be stated at its fair value rather than depreciated cost, which is likely to result in an increase in the reported net assets of the Group.

The only material estimate required is the estimated useful lives of assets and their residual values, which are described above. The carrying value of the assets is given in note 17.

2 Legal status of the Charity

The Charity is a private company limited by guarantee and has no share capital. It is registered in England and its registered office is Theatre Royal Bath, Sawclose, Bath, BA1 1ET and its registered company number is 01416448. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £100 per member of the Charity.

3 Financial Performance of the Charity

The consolidated statement of financial activities includes the results of the Charity's wholly owned subsidiaries (see note 7).

The summary financial performance of the Charity alone is:

	2020	2020
	£'000	£'000
Income	2,868	8,617
Donation from subsidiary companies	193	624
	<u>3,061</u>	<u>9,241</u>
Expenditure on charitable activities	<u>(3,587)</u>	<u>(8,213)</u>
Net income/(expenditure)	(526)	1,028
Total funds brought forward	7,250	6,222
Total funds carried forward	<u>6,724</u>	<u>7,250</u>
Represented by:		
Unrestricted income funds	5,297	5,757
Restricted income funds	1,427	1,493
	<u>6,724</u>	<u>7,250</u>

Notes to the Financial Statements (Continued)

3 Financial Performance of the Charity (continued)

The consolidated income of £2,912k (2020: £10,983k) comprises the charity income above of £2,868k (2020: £8,617k) plus the income of the subsidiaries of £37k (2020: £5,893k) (Note 7) plus a net inter-company trading adjustment of £7k (2020: less net inter-company trading of £3,527k).

4 Income from charitable activities

	Unrestricted Funds 2021 £'000	Restricted Funds 2021 £'000	Total 2021 £'000	Total 2020 £'000
Main House & Ustinov Performances	311	-	311	7,086
Education (inc performances in the egg)	209	-	209	543
Touring and West End Productions Income	-	-	-	1,931
Grant Income	6	1,502	1,508	75
	526	1,502	2,028	9,635

Grant income received in 2020 of £75k was restricted; all other 2020 income was unrestricted.

Income from charitable activities arises from the provision of services.

5 Income from donations and legacies

	2021 £'000	2020 £'000
Donations and Legacies		
Memberships	91	102
Donations	73	258
Legacies	30	5
	194	365

Of the donations, £65k was unrestricted (2020: £142k) and £8k restricted (2020: £116k). Income from legacies and memberships was all unrestricted (2020: all).

The Charity benefits greatly from the involvement and enthusiastic support of its volunteers, details of which are given in our annual report. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of volunteers is not recognised in the financial statements.

6 Income from other trading activities

	Total 2021 £'000	Total 2020 £'000
Other trading income	134	257
	134	257

All income from other trading activities is unrestricted in both 2021 and 2020. Of the income, £75k (2020: £63k) is from rents and the balance from the provision of services.

Notes to the Financial Statements (Continued)

7 Income from trading activities of subsidiaries

The Charity has three wholly owned trading subsidiaries all of which are incorporated in the UK and all of which have their registered office at Theatre Royal Bath, Sawclose, Bath BA1 1ET. The Theatre Royal Bath (Trading) Limited operates the bars within the Theatre, procures sponsorship for The Theatre Royal Bath and operates the 1805 Entertaining Suite and a ticket booking agency. The Theatre Royal Bath Productions Limited generates and presents theatrical productions. The Theatre Royal Bath Enterprises Limited manages and runs theatrical productions for The Theatre Royal and for The Theatre Royal Bath Productions Limited

These companies donate their taxable profits and pay management charges to The Theatre Royal Bath Limited. Audited financial statements are filed with the Registrar of Companies. A summary of their trading results is shown below. In the consolidated statement of financial activities, the turnover of Theatre Royal Bath Productions is included in touring and west end productions income. Other income, after eliminating intra-group transactions, is included as income from other trading activities.

The summary financial performances of the subsidiaries are:

2021	TRB Productions £'000	TRB Trading £'000	TRB Enterprises £'000	Total £'000
Turnover	53	32	(48)	37
Other expenditure	(26)	(37)	43	(26)
Net profit/(loss)	27	(5)	(5)	11
Theatre tax relief	-	-	5	5
Management charges	(2)	(1)	-	(3)
Amount donated to the Charity	(74)	(119)	-	(193)
Retained in subsidiary	(49)	(125)	-	(180)
2020	£'000	£'000	£'000	£'000
Turnover	2,216	487	3,190	5,893
Other expenditure	(1,949)	(285)	(3,508)	(5,742)
Net profit/(loss)	267	202	(318)	151
Theatre tax relief	-	-	318	318
Management charges	(160)	(87)	-	(247)
Amount gift aided to the Charity	(527)	(97)	-	(624)
Retained in subsidiary	(420)	18	-	(402)

The management charges were paid to the Charity.

Notes to the Financial Statements (Continued)

7 Income from trading activities of subsidiaries (continued)

The assets and liabilities of the subsidiaries were:

2021	TRB	TRB	TRB	Total
	Productions	Trading	Enterprises	
	£'000	£'000	£'000	£'000
Fixed assets	-	15	-	15
Current assets	343	74	303	724
Current liabilities	(332)	(88)	(293)	(713)
Total net assets	21	1	10	26

2020	£'000	£'000	£'000	£'000
	Fixed assets	1	20	-
Current assets	314	171	642	1,127
Current liabilities	(245)	(65)	(632)	(942)
Total net assets	70	126	10	206

8 Other income

	Total	Total
	2021	2020
	£'000	£'000
Coronavirus job retention scheme	551	202
VAT reclaim	-	513
	551	715

The Theatre joined with a number of other theatres to reclaim a portion of input VAT previously disallowed. The reclaim relates to the VAT incurred in the period to May 2017, the repayment of which has been agreed, and a further estimated amount relating to the period to May 2020.

9 Analysis of expenditure on charitable activities

2021	Main	Education	Touring &	Creative	Total
	House & Ustinov	(incl the egg)	West End Productions	Fund	
	£'000	£'000	£'000	£'000	£'000
Cost of productions	580	99	(18)	-	661
Education and outreach	-	244	-	-	244
Box office and front of house	483	42	-	-	525
Marketing	198	7	(5)	-	200
Building and stage	494	28	2	-	524
Amortisation and depreciation	143	38	1	-	182
Grants made	-	-	-	-	-
Support costs (note 10)	853	270	35	-	1,158
Governance costs (note 10)	54	16	20	-	90
Total	2,805	744	35	-	3,584

Notes to the Financial Statements (Continued)

9 Analysis of expenditure on charitable activities (continued)

2020	Main House & Ustinov	Education (incl the egg)	Touring & West End Productions	Creative Fund	Total
	£'000	£'000	£'000	£'000	£'000
Cost of productions	4,348	276	1,651	-	6,275
Education and outreach	-	342	-	-	342
Box office and front of house	807	55	-	-	862
Marketing	394	25	171	-	590
Building and stage	414	21	8	-	443
Amortisation and depreciation	155	39	2	-	196
Grants made	-	-	-	(1)	(1)
Support costs (note 10)	999	334	209	3	1,545
Governance costs (note 10)	29	9	15	-	53
Total	7,146	1,101	2,056	2	10,305

Of the above expenditure, £1,576k was restricted (2020: £228k) and the balance unrestricted.

10 Analysis of governance and support costs

The Charity initially identifies the costs of its support functions, including governance costs. The support costs are apportioned between the charitable activities undertaken (see note 9) in the year. Administrative staff costs are allocated based on the time spent by the relevant staff in supporting the various activities. Other costs apportioned pro-rata to administrative staff costs.

2021	General Support	Governance function	Total
	£'000	£'000	£'000
Administrative costs	202	1	203
Administrative staff costs	956	9	965
Audit fees	-	38	38
Accountancy services	-	19	19
Legal and other professional fees	-	23	23
	1,158	90	1,248
2020	£'000	£'000	£'000
Administrative costs	297	2	289
Administrative staff costs	1,171	11	1,182
Audit fees	-	28	28
Accountancy services	-	12	12
Legal and other professional fees	77	-	77
	1,545	53	1,598

Notes to the Financial Statements (Continued)

11 Net income / (expenditure) for the year

This is stated after charging:	2021 £'000	2020 £'000
Amortisation of intangible fixed assets	6	5
Depreciation of tangible fixed assets	176	191
Auditor's remuneration:		
Audit fees	38	28
Tax compliance	7	5

12 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs	2021 £'000	2020 £'000
Salaries and wages	1,716	2,231
Social security costs	131	178
Pension costs	42	52
	<u>1,889</u>	<u>2,461</u>

Pension costs, comprising defined contribution payments, are included in administrative staff costs and are wholly charged to unrestricted funds.

The number of employees who received total employee benefits (excluding employer pension costs) of more than £60k is as follows:-

£'000	2021 Number	2020 Number
60-70	1	2
80-90	-	1
160-170	1	-
310-320	-	1

The Charity trustees were not paid nor received any other benefits from employment with the Charity or its subsidiaries in the year (2020: £nil) neither were they reimbursed expenses during the year (2020: £nil). No Charity trustee received payment for professional or other services supplied to the Charity (2020: £nil).

The key management personnel of the parent charity comprise the trustees, the Theatre Director, Finance Director, General Manager and Theatre Administrator. The total employee benefits of the key management personnel of the Charity were £381k (2020: £422k).

The key management personnel of the group are those of the Charity and the key management personnel of its wholly owned subsidiary Theatre Royal Bath Productions. The key management personnel of Theatre Royal Bath Productions Limited are the Board of Directors, the Finance Director, General Manager and Theatre Administrator whose employee benefits total £nil (2020: £186k). The employee benefits of key management personnel for the group was therefore £381k (2020: £608k).

The higher paid staff disclosures above are based on salary payments in the year which can include bonus payments relating in part to the preceding financial year.

Notes to the Financial Statements (Continued)

13 Staff Numbers

The average monthly head count was 99 staff (2020: 140 staff).

	2021	2020
	Number	Number
Fundraising	3	3
Production	21	36
Main House & Ustinov Front of House	30	46
Box Office	6	9
Marketing	3	3
Management	9	9
Administration	10	10
Education and the egg	17	24
	<hr/> <hr/> 99	<hr/> <hr/> 140

14 Related party transactions

In 2021, the following transactions took place between the Charity and its wholly owned subsidiaries:

- Donations from the subsidiaries to the Parent Charity
- The payment of management charges

Details of these transactions are shown in note 7.

In addition, the Charity, on behalf of the Group, employs all staff. Recharges of salary costs to the subsidiaries were £7k (2020: £160k).

Balances due from and to the subsidiaries are shown in notes 19 and 20 respectively.

During the year, the group obtained services with a total value of £950, of which the Charity obtained services cost £500, from the daughter of D Moar, a member of the key management team. There was no balance outstanding as at the year end.

In the prior year, the Charity obtained services with a VAT inclusive value of £12,150 from a company which is partly owned by the husband of M Cooke, a trustee. There was no balance outstanding as at the year end.

From time to time, related parties purchase tickets for productions in the auditoria. The price of these tickets is the same as that available to the general public at the time.

15 Government Grants

In the year, the Charity received a grant from the Arts Council of £81k (2020: £65k) and also Culture Recovery Grants of £1,241k (2020: £nil) from the Arts Council and the Department for Digital, Culture, Media and Sport (included within income from charitable activities - note 4). The charity also received coronavirus job retention scheme income (note 8).

Notes to the Financial Statements (Continued)

16 Intangible fixed assets – group and charity

	Software £'000
Cost	
At beginning of year	44
Additions	-
Disposals	-
At end of year	<u>44</u>
Amortisation	
At beginning of year	36
Charge for Year	6
Disposals	-
At end of year	<u>42</u>
Net book value	
At end of year	<u>2</u>
At beginning of year	<u>8</u>

17 Tangible fixed assets

Group	Long leasehold improvements £'000	Freehold property and improvements £'000	Motor vehicles £'000	Equipment £'000	Total £'000
Cost					
At start of year	2,736	3,738	23	1,074	7,571
Additions	-	-	-	13	13
Disposals	-	-	-	(31)	(31)
At end of year	<u>2,736</u>	<u>3,738</u>	<u>23</u>	<u>1,056</u>	<u>7,553</u>
Depreciation					
At start of year	1,548	717	23	742	3,030
Charge for year	59	46	-	71	176
Disposals	-	-	-	(28)	(28)
At end of year	<u>1,607</u>	<u>763</u>	<u>23</u>	<u>785</u>	<u>3,178</u>
Net book value					
At end of year	<u>1,129</u>	<u>2,975</u>	<u>-</u>	<u>271</u>	<u>4,375</u>
At beginning of year	<u>1,188</u>	<u>3,021</u>	<u>-</u>	<u>332</u>	<u>4,541</u>

Notes to the Financial Statements (Continued)

17 Tangible fixed assets (continued)

Charity	Long leasehold improvements £'000	Freehold property and improvements £'000	Motor vehicles £'000	Equipment £'000	Total £'000
Cost					
At start of year	2,736	3,738	23	1,015	7,512
Additions	-	-	-	13	13
Disposals	-	-	-	(23)	(23)
At end of year	2,736	3,738	23	1,005	7,502
Depreciation					
At start of year	1,548	717	23	705	2,993
Charge for year	59	46	-	64	169
Disposals	-	-	-	(21)	(21)
At end of year	1,607	763	23	748	3,141
Net book value					
At end of year	1,129	2,975	-	257	4,361
At beginning of year	1,188	3,021	-	310	4,519

The original cost of the freehold property, which was not depreciated, is £1.4 million. The freehold property can only be sold with the consent of the Bath Theatre Trust, which is the freeholder of the main theatre, which the Charity leases from the Trust.

18 Investments

Charity	2021 £'000	2020 £'000
Shares at cost in group undertakings:		
At beginning and end of year – at cost	10	10

Details of consolidated subsidiary undertakings, which are all registered in England and Wales, as follows:

Subsidiary undertaking	Principal activity	Class and percentage of shares held
Theatre Royal Bath (Trading) Limited - 02353880	Operation of the Theatre Bars, Procurement of sponsorship and operation of 1805 Suite	Ordinary 100%
Theatre Royal Bath Enterprises Limited - 01640869	Control and running of theatre productions	Ordinary 100%
Theatre Royal Bath Productions Limited - 03495565	Development of theatre productions	Ordinary 100%

Notes to the Financial Statements (Continued)

19 Debtors

	Group		Charity	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Trade debtors	114	73	102	66
Other debtors	123	788	91	123
Prepayments and accrued income	699	643	696	636
Amounts owed by group undertakings	-	-	197	1,385
	<u>936</u>	<u>1,504</u>	<u>1,086</u>	<u>2,210</u>

20 Creditors: amounts falling due within one year

	Note	Group		Charity	
		2021 £'000	2020 £'000	2021 £'000	2020 £'000
Bank loan (see note 22)		100	-	100	
Trade creditors		166	147	131	100
Taxation and social security		219	298	217	245
Amounts owed to group undertakings		-	-	62	990
Short-term compensated absences (holiday pay)		57	61	57	61
Other creditors		158	41	17	36
Accruals		349	701	215	337
Advance ticket sales and other deferred income	21	<u>1,709</u>	<u>777</u>	<u>1,709</u>	<u>777</u>
		<u>2,758</u>	<u>2,025</u>	<u>2,508</u>	<u>2,546</u>

21 Deferred income

Deferred income consists primarily of advance ticket sales and gift vouchers. The majority of income deferred in the current year relates to advance ticket sales in respect of the Summer Season of plays.

Group and Charity	Gift vouchers and other deferred income £'000	Advance ticket sales £'000	Total £000
Prior year			
At beginning of the prior year	183	1,202	1,385
Amount released to incoming resources	(183)	(1,202)	(1,385)
Amount deferred in year	<u>188</u>	<u>589</u>	<u>777</u>
Deferred income as at the year end	<u>188</u>	<u>589</u>	<u>777</u>
Current year			
At beginning of year	188	589	777
Amount released to incoming resources	(188)	(589)	(777)
Amount deferred in year	<u>178</u>	<u>1,531</u>	<u>1,709</u>
Deferred income as at the year end	<u>178</u>	<u>1,531</u>	<u>1,709</u>

Notes to the Financial Statements (Continued)

22 Creditors: amounts falling due after more than one year

	Note	Group		Charity	
		2021 £'000	2020 £'000	2021 £'000	2020 £'000
Bank loan		900	-	900	-
		<u>900</u>	<u>-</u>	<u>900</u>	<u>-</u>

The bank loan is secured by way of a fixed and floating charge over the assets of the Group. The loan is repayable in monthly instalments over a period of five years, commencing in December 2021 and bears interest at a margin of 2.75% per annum. The interest that arose in the first year was paid by the Government.

23 Analysis of charitable funds

Analysis of movements in unrestricted funds

2021	Balance	Incoming resources	Resources expended	Transfers	Funds
	1 June 2020				31 May 2021
	£'000	£'000	£'000	£'000	£'000
General fund	3,909	1,386	(1,887)	-	3,408
Designated production fund	110	-	13	-	123
Designated stability fund	150	-	-	-	150
Designated creative fund	47	-	-	-	47
Designated building levy	1,738	16	(169)	-	1,585
Total	5,954	1,402	(2,043)	-	5,313

2020	£'000	£'000	£'000	£'000	£'000
General Fund	3,183	10,437	(9,753)	42	3,909
Designated production fund	294	-	(184)	-	110
Designated stability fund	150	-	-	-	150
Designated creative fund	49	-	(2)	-	47
Designated building levy	1,572	355	(189)	-	1,738
Total	5,248	10,792	(10,128)	-	5,954

Details of unrestricted funds

Name of unrestricted fund	Description, nature and purposes of the fund
General fund	The balance of unrestricted reserves after designations.
Designated funds:	<ul style="list-style-type: none"> a) Designated production fund for own-house productions in the Main house, Ustinov and egg auditoria. b) Designated stability fund to enable continuity in activities as a result of unforeseen circumstances. c) Designated creative fund to enable the Charity to offer grants to local arts organisations. d) Designated building levy to cover the upkeep and running of the theatre building and its three auditoria.

Notes to the Financial Statements (Continued)

23 Analysis of charitable funds (continued)

Analysis of movements in restricted funds

2021	Balance 1 June 2020 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Funds 31 May 2021 £'000
Restoration reserve	3	2	(5)	-	-
The egg reserve	80	266	(289)	-	57
Arts Council Culture Recovery Fund Grants	-	1,241	(1,241)	-	-
The egg appeal reserve	1,374	-	(39)	-	1,335
Lifelong learning fund	36	-	(1)	-	35
2010 appeal reserve	-	1	(1)	-	-
Fixed asset reserve	-	-	-	-	-
Total	1,493	1,510	(1,576)	-	1,427

2020	Balance 1 June 2019 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Funds 31 May 2020 £'000
Restoration reserve	2	2	(1)	-	3
The egg reserve	105	201	(126)	-	80
The egg appeal reserve	1,412	1	(39)	-	1,374
Lifelong learning fund	9	80	(53)	-	36
2010 appeal reserve	8	1	(9)	-	-
Fixed asset reserve	36	6	-	(42)	-
Total	1,572	191	(228)	(42)	1,493

Details of restricted funds

Name	Description, nature and purposes of the fund
Restoration reserve	The balance specifically for the renovation work for the Ustinov.
The egg reserve	Funds received for the support of the egg and its educational work including Arts Council grants that are not from the Culture Recovery Fund.
Arts Council Culture Recovery Fund Grants	Arts Council Culture Recovery Fund Grants publically funded by the Department for Digital, Culture, Media and Sport.
The egg appeal reserve	Funds raised for the development of the egg auditorium to provide a theatre specifically for children and young people.
Lifelong learning fund	Funds received for the support of educational work for adults.
2010 appeal reserve	The balance specifically for the renovation and development work to the Main House.
Fixed asset reserve	Funds donated towards the purchase of equipment.

Notes to the Financial Statements (Continued)

24 Analysis of group net assets between funds

	General Fund	Designated Funds	Restricted Funds	Total
2021	£'000	£'000	£'000	£'000
Tangible fixed assets	2,844	198	1,335	4,377
Current assets	4,031	1,843	147	6,021
(Current liabilities)	(2,567)	(136)	(55)	(2,758)
(Long term liabilities)	(900)	-	-	(900)
Total	3,408	1,905	1,427	6,740
2020	£'000	£'000	£'000	£'000
Tangible fixed assets	2,939	236	1,374	4,549
Current assets	2,811	1,942	170	4,923
(Current liabilities)	(1,841)	(133)	(51)	(2,025)
Total	3,909	2,045	1,493	7,447

25 Reconciliation of net movement in funds to cash generated by / (used in) operations

	2021 £'000	2020 £'000
Net movement in funds	(707)	627
Add back amortisation charge	6	5
Add back depreciation charge	176	191
Add back loss on disposal of fixed assets	3	1
Deduct interest income shown in investing activities	(5)	(11)
Movement in work in progress	(183)	407
Movement in debtors	568	(104)
Movement in creditors	633	(2,279)
Net cash generated by / (used in) operating activities	491	(1,163)

26 Financial instruments

	Group		Charity	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Financial assets which are debt instruments measured at amortised cost	780	631	964	2,009
Financial assets which are equity instruments measured at amortised cost	-	-	10	10
Financial liabilities measured at amortised cost	530	1,345	428	1,410

The risk from financial instruments primarily arises from cash at bank, where the Charity is exposed to credit risk. The Group is also exposed to credit risk from its trade debtors and the Charity is exposed to credit risk relating to its subsidiaries.

Notes to the Financial Statements (Continued)

27 Operating leases

Income due under non-cancellable operating leases:

Group and Charity	2021 £'000	2020 £'000
Due next year	64	64
Due in 2 to 5 years	256	256
Due after more than 5 years	629	693
	<u>949</u>	<u>1,013</u>

Under the terms of the leases, the rental income is subject to periodic review. The leases give the tenants no right of acquisition.

28 Consolidated Statement of Financial Activities – Prior Year

2020	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000
Income from:			
Charitable activities:	9,560	75	9,635
Donations and legacies	249	116	365
Other trading activities:	257	-	257
Investment income	11	-	11
Other income	715	-	715
Total income	<u>10,792</u>	<u>191</u>	<u>10,983</u>
Expenditure on:			
Costs of raising funds:	(51)	-	(51)
Charitable activities:	(10,077)	(228)	(10,305)
Total expenditure	<u>(10,128)</u>	<u>(228)</u>	<u>(10,356)</u>
Net income/(expenditure)	664	(37)	627
Funds transfer	42	(42)	-
Net movement in funds for the year	<u>706</u>	<u>(79)</u>	<u>627</u>
Reconciliation of funds			
Total funds brought forward	5,248	1,572	6,820
Total funds carried forward	<u>5,954</u>	<u>1,493</u>	<u>7,447</u>

29 Post balance sheet events

Subsequent to the year end, the Charity was awarded further grants of £813,000 towards its operating costs.

The Charity re-opened its auditoria in June 2021 and Theatre Royal Bath Productions Limited also recommenced its touring activities in that month.