

**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 compromised 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.

## **The Theatre Royal Bath Limited**

### **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

## **The Theatre Royal Bath Limited**

- 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.

## **The Theatre Royal Bath Limited**

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](http://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 4<sup>th</sup> May 2023)  
Jayne Davis (appointed 23<sup>rd</sup> May 2023)  
Dominic Eaton  
Cosmo Fry  
Simon Holdsworth  
Katja Kammerer  
Ruth Keily (appointed 23<sup>rd</sup> 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

## **The Theatre Royal Bath Limited**

### **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 18<sup>th</sup> 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 23<sup>rd</sup> 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 1<sup>st</sup> 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 20<sup>th</sup> February 2024

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

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**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.

## **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

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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](http://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 at the end.

**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
<b>Income from:</b>					
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
<b>Total income</b>		<b>14,036</b>	<b>463</b>	<b>14,499</b>	<b>14,279</b>
<b>Expenditure on:</b>					
Cost of raising funds		(58)	(10)	(68)	(44)
Charitable activities	8	(13,383)	(504)	(13,887)	(12,405)
<b>Total expenditure</b>		<b>(13,441)</b>	<b>(514)</b>	<b>(13,956)</b>	<b>(12,449)</b>
<b>Net income/(expenditure)</b>	10	<b>595</b>	<b>(51)</b>	<b>543</b>	<b>1,830</b>
Funds transfer	22	0	0	0	0
<b>Net movement in funds for the year</b>		<b>595</b>	<b>(51)</b>	<b>544</b>	<b>1,830</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		7,102	1,468	8,570	6,740
<b>Total funds carried forward</b>		<b>7,697</b>	<b>1,417</b>	<b>9,114</b>	<b>8,570</b>

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
<b>Fixed Assets</b>					
Intangible assets	15	9	2	9	2
Tangible assets	16	4,486	4,300	4,470	4,283
Investments	17	0	0	10	10
<b>Total Fixed Assets</b>		<b>4,495</b>	<b>4,302</b>	<b>4,489</b>	<b>4,295</b>
<b>Current Assets</b>					
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
<b>Total Current Assets</b>		<b>10,670</b>	<b>9,838</b>	<b>8,702</b>	<b>7,490</b>
<b>Liabilities</b>					
Creditors falling due within one year	19	(5,551)	(4,870)	(3,918)	(3,019)
<b>Net Current assets</b>		<b>5,119</b>	<b>4,968</b>	<b>4,784</b>	<b>4,471</b>
Creditors falling due after more than one year	21	(500)	(700)	(500)	(700)
<b>Net Assets</b>		<b>9,114</b>	<b>8,570</b>	<b>8,773</b>	<b>8,066</b>
<b>The funds of the charity:</b>					
Unrestricted Income funds		7,697	7,102	7,356	6,598
Restricted Income funds		1,417	1,468	1,417	1,468
<b>Total Charity funds</b>	23	<b>9,114</b>	<b>8,570</b>	<b>8,773</b>	<b>8,066</b>

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

## 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
<b>Cash and cash equivalents</b>				
Cash at bank and in hand	7,875	52	0	7,927
<b>Borrowings</b>				
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)
	(900)	200	0	(700)
<b>Net Funds</b>	6,975	252	0	7,227

## 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)	<b>707</b>	<b>1,342</b>
Total funds brought forward	8,066	6,724
Total funds carried forward	<b><u>8,773</u></b>	<b><u>8,066</u></b>
Represented by:		
Unrestricted income funds	7,356	6,598
Restricted income funds	1,417	1,468
	<b><u>8,773</u></b>	<b><u>8,066</u></b>

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
	<b>13,532</b>	<b>336</b>	<b>13,868</b>	<b>13,793</b>

#### 5 Income from donations and legacies

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

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
	<b>244</b>	<b>262</b>

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 Productions £'000s	TRB Trading £'000s	TRB Enterprises £'000s	Roman Holiday Bath £'000s	Total £'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)
2022	£'000s	£'000s	£'000s	£'000s	£'000s
Turnover	8,057	416	7,612	0	16,085
Other Expenditure	(7,389)	(156)	(8,202)	0	(15,747)
Net profit/(loss)	668	260	(590)	0	338
Theatre tax relief	0	0	590	0	590
Management charges	(181)	(232)	0	0	(413)
Amount donated to the charity	(27)	0	0	0	(27)
Retained in subsidiary	460	28	0	0	488

The management charges were paid to the Charity.

The assets and liabilities of the subsidiaries were:

2023	TRB Productions £'000s	TRB Trading £'000s	TRB Enterprises £'000s	Roman Holiday Bath £'000s	Total £'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
2022	£'000s	£'000s	£'000s	£'000s	£'000s
Fixed assets	4	13	0	0	17
Current assets	1,463	56	815	0	2,334
Current liabilities	(992)	(40)	(805)	0	(1,837)
Total net assets	475	29	10	0	514

## 8 Analysis of expenditure on charitable activities

	Main House & Ustinov	The Egg (performances, engagement and outreach)	Touring & West End Productions	Creative Fund	Total
	£'000s	£'000s	£'000s	£'000s	£'000s
2023					
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
<b>Total</b>	<b>7,919</b>	<b>1,144</b>	<b>4,824</b>	<b>0</b>	<b>13,887</b>

	Main House & Ustinov	The Egg (performances, engagement and outreach)	Touring & West End Productions	Creative Fund	Total
	£'000s	£'000s	£'000s	£'000s	£'000s
2022					
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
<b>Total</b>	<b>4,381</b>	<b>890</b>	<b>7,139</b>	<b>(5)</b>	<b>12,405</b>

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

## 9 Analysis of governance and support costs

	General Support	Governance function	Total
	£'000s	£'000s	£'000s
2023			
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
<b>Total</b>	<b>1,794</b>	<b>65</b>	<b>1,859</b>

	General Support	Governance function	Total
	£'000s	£'000s	£'000s
2022			
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)
<b>Total</b>	<b>1,337</b>	<b>53</b>	<b>1,390</b>

**10 Net income / (expenditure) for the year**

<b>This is stated after charging:</b>	<b>2023</b>	<b>2022</b>
	<b>£'000s</b>	<b>£'000s</b>
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**

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

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:-

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

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 £'000s	Freehold property & improvements £'000s	Motor vehicles £'000s	Equipment £'000s	Total £'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 £'000s	Freehold property & improvements £'000s	Motor vehicles £'000s	Equipment £'000s	Total £'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					0
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%
<b>Joint Venture:</b> 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
	2,440	1,776	2,069	1,025

## 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
		5,551	4,870	3,918	3,019

## 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
<b>Prior year</b>			
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	122	1,352	1,474
<b>Current year</b>			
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	114	2,156	2,270

## 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
	500	700	500	700

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

	Balance 1 June 2022	Income	Expenditure	Transfers	Funds at 31 May 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
<b>Total</b>	<b>7,102</b>	<b>14,038</b>	<b>(13,443)</b>	<b>0</b>	<b>7,697</b>

	£'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
<b>Total</b>	<b>5,313</b>	<b>13,429</b>	<b>(11,640)</b>	<b>0</b>	<b>7,102</b>

### 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

	Balance 1 June 2022	Income	Expenditure	Transfers	Funds at 31 May 2023
	£'000s	£'000s	£'000s	£'000s	£'000s
<b>2023</b>					
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
<b>Total</b>	<b>1,468</b>	<b>464</b>	<b>(515)</b>	<b>0</b>	<b>1,417</b>
<b>2022</b>					
	£'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
<b>Total</b>	<b>1,427</b>	<b>851</b>	<b>(810)</b>	<b>0</b>	<b>1,468</b>

## 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)
<b>Total</b>	<b>4,476</b>	<b>3,222</b>	<b>1,417</b>	<b>9,114</b>

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)
<b>Total</b>	<b>4,439</b>	<b>2,663</b>	<b>1,468</b>	<b>8,570</b>

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

	2023 £'000s	2022 £'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
<b>Net cash generated/ (used in) operating activities</b>	<b>601</b>	<b>3,274</b>

## 26 Financial instruments

	Group		Charity	
	2023 £'000s	2022 £'000s	2023 £'000s	2022 £'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
<b>Income from:</b>			
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
<b>Total income</b>	<u>13,429</u>	<u>850</u>	<u>14,279</u>
<b>Expenditure on:</b>			
Cost of raising funds	(40)	(4)	(44)
Charitable activities	(11,600)	(805)	(12,405)
<b>Total expenditure</b>	<u>(11,640)</u>	<u>(809)</u>	<u>(12,449)</u>
<b>Net income/(expenditure)</b>	<u>1,789</u>	<u>41</u>	<u>1,830</u>
<b>Funds transfer</b>			<u>0</u>
<b>Net movement in funds for the year</b>	<u>1,789</u>	<u>41</u>	<u>1,830</u>
<b>Reconciliation of funds</b>			
Total funds brought forward	5,313	1,427	6,740
<b>Total funds carried forward</b>	<u>7,102</u>	<u>1,468</u>	<u>8,570</u>