

**THEATRE ROYAL (PLYMOUTH) LIMITED**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2021**

# **THEATRE ROYAL (PLYMOUTH) LIMITED**

## **CONTENTS**

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	Page
<b>Reference and Administrative Details of the Company, its Trustees and Advisers</b>	1
<b>Trustees' Report</b>	2
<b>Trustees' Responsibilities Statement</b>	10
<b>Independent Auditors' Report on the Financial Statements</b>	11 - 14
<b>Consolidated Statement of Financial Activities</b>	15
<b>Consolidated Balance Sheet</b>	16
<b>Company Balance Sheet</b>	17 - 18
<b>Consolidated Statement of Cash Flows</b>	19
<b>Notes to the Financial Statements</b>	20 - 45

## THEATRE ROYAL (PLYMOUTH) LIMITED

### REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2021

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**Trustees**

Nicholas Buckland OBE, Chair  
Francis Drake  
Sarah Fysh  
Shona Godefroy  
Bronwen Lacey  
James Pidgeon  
Paul Woods  
Emma-Marie Huxham  
Imogen Kinchin

**Company Registered Number**

01560651

**Charity Registered Number**

284545

**Registered Office**

Theatre Royal  
Royal Parade  
Plymouth  
Devon  
PL1 2TR

**Chief Executive**

Adrian Vinken OBE

**Independent Auditors**

Bishop Fleming LLP  
Chartered Accountants  
Salt Quay House  
4 North East Quay  
Sutton Harbour  
Plymouth  
PL4 0BN

**Bankers**

NatWest  
St Andrew's Cross  
Plymouth  
PL4 0HY

Lloyds Bank  
8 Royal Parade  
Plymouth  
PL1 1LX

**Solicitors**

Womble Bond Dickinson  
Ballard House  
West Hoe Road  
Plymouth  
PL1 3AE

## **THEATRE ROYAL (PLYMOUTH) LIMITED**

### **TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2021**

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The Trustees, who are also directors of the company for the purposes of the Companies Act, present their report and the audited financial statements for the year ended 31 March 2021. The financial statements comply with applicable Accounting Standards in the United Kingdom, the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019), the Charities Act 2011 and the Companies Act 2006.

#### **How we manage our affairs**

The company number is 01560651 and registered charity number is 284545. The registered address is Theatre Royal Plymouth, Royal Parade, Plymouth, Devon, PL1 2TR.

The Trustees who served in the year were:

Nicholas Buckland OBE, Chair  
Francis Drake, re-elected for one year, 27 Sept 2020  
Sarah Fysh  
Shona Godefroy  
Emma-Marie Huxham  
Imogen Kinchin  
Bronwen Lacey  
James Pidgeon  
Paul Woods, re-elected for one year, 27 Sept 2020

Day-to-day management of the Charity is delegated to the Senior Management Team (SMT), who are:

Adrian Vinken OBE, Chief Executive  
Helen Costello, Operations Director  
Marianne Locatori, Strategic Projects Director  
Mandy Precious, Engagement & Learning Director  
Dylan Tozer, Audience & Communications Director

The Board of Trustees and SMT are supported by the following professional advisers:

Solicitors: Womble Bond Dickinson, Ballard House, West Hoe Road, Plymouth, PL1 3AE  
Bankers: (Current accounts) NatWest, St Andrew's Cross, Plymouth, PL4 0HY  
(Deposit accounts) Lloyds, 8 Royal Parade, Plymouth, PL1 1LX  
Auditor: Bishop Fleming LLP, Salt Quay House, Plymouth PL4 0BN

#### **How we govern ourselves**

The Charity is a company limited by guarantee and is governed by its Memorandum and Articles of Association. On 12 May 2020, the Memorandum and Articles of Association were amended to ensure that meetings of the Board could take place virtually as well as 'in person'. Trustees are appointed by resolution of the Board of Trustees.

The Board of Trustees, acting in a voluntary capacity, has legal responsibility for the effective use of resources in meeting the Theatre's mission, deciding policy and for providing leadership and direction. It meets at least four times a year. There are three Committees which report directly to the Board: Audit & Risk, Inclusion & Diversity and Nominations. The Audit & Risk Committee meets up to four times a year. The Nominations Committee meets once a year plus further meetings depending on the recruitment needs of the Board. The Inclusion & Diversity Committee report to the Board according to the development and progress of the Inclusion & Diversity action plan.

Trustees serve for a three-year term, after which they are eligible for re-election. Trustees are able to complete three terms before standing down completely. There is also provision for Trustees to extend their term by one year under special circumstances. Due to the exceptional impact of the Coronavirus pandemic,

**TRUSTEES REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021**

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this provision has been used to extend the term of two Trustees who were due for retirement in September 2020. New Trustees are selected through open recruitment, which includes advertisement in the regional press and social media. The Nominations Committee has a specific brief to consider the diversity of the Board in any Trustee recruitment, in line with the organisation's core values. In addition, particular emphasis is placed, at the time of recruitment, on appointing individuals who can fulfil any identified skill gaps within the Trustee body. New appointees and existing Trustees are provided with an induction programme and, where appropriate, a range of other training opportunities to help them meet their responsibilities.

The Charity has a Senior Management Team (SMT) which reports directly to the Board of Trustees. The SMT is responsible for operational decision-making with guidance and approval for strategic decisions provided by the Trustees. The Chief Executive has been delegated with responsibility for the day-to-day management of the Theatre.

The remuneration level for key management personnel is set at the point of recruitment with reference to national market rates within the cultural economy. Thereafter, rates are subject to annual review in the same way as the rest of the organisation. The Charity pays employees in line with the Real Living Wage and is structuring a new house agreement with the Broadcasting, Entertainment, Communications and Theatre Union (BECTU) on this basis.

The Theatre has one subsidiary undertaking, Talklight Limited. This company provides catering and retail facilities, and management services to the Theatre Royal (Plymouth) Limited. Talklight Limited generated no operating profit in the year (2019: £307k). Usually all profits are passed to the Charity under the gift aid regulations. For last year only, a proportion (rather than 100%) of profits was gift aided to allow a reserve to build within Talklight Limited to cover the financial effects of the Coronavirus pandemic on the company. This year there will be no gift aid as Talklight Limited has not operated at profit during the period.

The Charity maintains a corporate risk register which is embedded throughout the organisation. The risks and mitigation plans are subject to regular review by departmental heads, SMT and onward review by the Trustees via the Audit & Risk Committee. The review of the risk register, together with the monitoring of risk, both operational and strategic, by the Board of Trustees ensures that adequate and suitable controls are in place to mitigate known risks. The activities of the Audit & Risk Committee ensure that risk is managed in a positive and responsible manner. The Charity undertakes a programme of targeted internal audits using specialist support where necessary, to support risk mitigation.

As permitted by the Articles of Association, the Trustees (as directors) have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

Whilst the Trustees and SMT have many connections within the local community and the wider theatre industry, they are not in a position to influence any commercial transactions between the Charity and these other parties.

## **Our charitable aims**

The primary objectives of the Charity are to provide art, education and community engagement throughout Plymouth and the wider region.

The Charity's vision is to engage and inspire the many communities of the South West, touching the lives and interests of people from every background. It also aims to provide dynamic cultural leadership for Plymouth, stimulating and serving the city's ambition, interests, and identity.

Due to the pandemic, the Charity has found new and innovative ways to fulfil its charitable aims and serve the communities of the South West during a period of great need. Whilst the stages have been closed for much of 2020-21, community engagement has been moved on-line. Many Trusts & Foundations have been

**TRUSTEES REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021**

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understanding and flexible in their support of alternative delivery methods and timescales. Whilst producing work on our stages has been severely hit by the constraints of the last year, the wider activity of community engagement and talent development for emerging and developing artists has continued.

In setting objectives and making plans for the Charity, the Trustees have had due regard for the Charity Commission's guidance on public benefit, including the guidance 'Public benefit: running a charity' (PB2).

Fundraising is managed by our in-house team and is either general support via Friends, Ambassadors and Corporate Sponsors or is public fundraising for specific purposes. We keep supporters' data secure and do not sell it or share it for marketing purposes. We have voluntarily registered with the Fundraising Regulator.

Although our doors were not open, we maintained contact with a loyal and enthusiastic group of volunteers with a weekly email (called TR3) which kept everyone (staff and volunteers) informed of what was happening and gave a platform for shared communications.

## **Achievements in the year**

In the last part of March 2020, the UK was engulfed by the Coronavirus pandemic and TRP closed its doors temporarily on 21 March 2020, under the Health Protection (Coronavirus, Business Cover) Regulations 2020. A positive decision was taken to continue programming the stages to ensure that, when the moment was right, we could re-open with vibrant, quality performances. This involved a considerable amount of communication, collaboration, and rescheduling.

The highlights of the year included....

### **On stage**

Working closely with Qdos and supported by the National Lottery, the annual panto went ahead despite all the challenges of the pandemic. *Robinson Crusoe* performed to socially distanced audiences, whilst in the Drum families enjoyed *The Gingerbread Man* (Stuff & Nonsense) and *The Thing That Came From Over There* (Gonzo Moose). Nearly 16,000 people enjoyed the shows before TRP was forced to close its doors once again, just a couple of days before the runs were due to end. The response from our audiences was superb with everyone feeling safe and enjoying some festive cheer after a difficult period.

The downtime provided an opportunity to continue relationships with companies such as Paines Plough, Frantic Assembly and Francesca Moody Productions, building exciting co-production opportunities for 2021-22.

### **Talent Development**

Our Talent Development Producer continued to support the work of early career artists and many individuals who have historically not been able to access more formal development programmes. The Lab Company (a year-long training programme for theatre-makers at the start of their career) met regularly, digitally, and began to create exciting new work, which will be presented in the Lab in July this year.

Further work continued with the Eggbox (our writers' development programme), with six diverse writers: (Alix Harris/Daisy Higman/Al Roberts/Sam Parker/Hattie Collins/Mich Sanderson) receiving ongoing support to develop their work.

We continued our support of the Lab Associates (a year-long, funded attachment for theatre-makers) who will now bring pieces to the drum in 2021-22.

We supported digital performances of Kill the Cat's *The House Never Wins*, an interactive show about climate change. We delivered online mentoring with diverse artists including Ferri Feredouni, Michael Brooks and Toluwalope Fagbayi and collaborated on small scale, community led commissions with our partners, Plymouth Community Homes.

We provided support and space for the Art Weekender, which offered intriguing visual art in our windows, even whilst closed.

**TRUSTEES REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021**

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***Engagement and Learning***

The Big Lottery, BBC Children In Need, the Esmée Fairbairn Foundation, the Co-Creating Change Commission, the National Theatre, the Ragdoll Foundation and the Norman Family Charitable Trust all gave generously to support continuous work in the strange circumstances of this year. This meant that amongst other projects the workshops for Voices (choir), the Young Company and the Young Company Hubs (bringing youth theatre to local secondary schools) were all able to continue to meet throughout the year, either live (when permissible) or on screen. This was a massive achievement in the context of a pandemic.

We ran a summer school in Devonport Park, taking advantage of the lull in restrictions and reconnecting with young people at the first opportunity.

Our Space (for people living with multiple and complex needs) met even more regularly than normal to reflect the needs of this particular group. Attendance was always good and by co-creating change, enabled some adults to become Engagement & Learning practitioners. Their work culminated with an e-book reflecting their lockdown experience through poetry, prose, and pictures.

Funky Llama (a platform for disabled artists) met regularly, mostly on-line due to the vulnerability of the group. In February we hosted our most successful *Funky Llama Club Night* with 663 participants enjoying the virtual experience, including people joining in from the USA.

The *With Flying Colours* programme, funded by Arts Council England, continued, enabling us to work with local schools where possible under lockdown conditions.

**Financial review**

The financial review should be read in the context of the current Coronavirus pandemic, during which theatres across the UK have closed their doors. Throughout the last year we worked on a rolling programme basis, attempting to reschedule rather than cancel performances and activities in the hope that we could be ready at short notice to recommence.

We were successful in our bids for the ACE Emergency Fund, Culture Recovery Fund Round 1 and (post year-end) Culture Recovery Fund Round 2. The enormous support of Arts Council England (ACE) and the Department for Culture, Media & Sport has enabled us to weather the storm. This means that, as audiences slowly return in 2021-22, we still have sufficient reserves potentially to manage a year of below average audience attendance.

Plymouth City Council and ACE both continued their annual commitment to the theatre providing much appreciated, essential funds during this difficult year.

In addition, we have used the Coronavirus Job Retention Scheme to retain staff (and the associated skills) to ensure we were able to reopen when it was safe and permissible to do so.

At the end of the year we received a generous grant from The Garfield Weston Foundation to develop, produce and stage a musical based on the NHS – *NHS – The Musical*. This is programmed for later in 2021.

During the year we continued to work closely with The Results Group (TRG) to sustain our customer loyalty. Much of this work centred on ticket purchasing which continued despite the absence of work on the stages. The work also considered how the Development department engages with our corporate sponsors and members. This resulted in an Emergency Appeal which realised over £140k. Further work will now need to be done to understand the impact of the pandemic on our corporate sponsors' ability to support the Charity in the longer term and the more general impact of economic uncertainty on our audiences and other supporters. Much as the Lyric depends on producer confidence, so Commercial Build is subject to the strength and confidence of the West End and the cultural confidence of the country. After introducing a Covid-secure working environment, Commercial Build has continued to function for most of the year. Work has been slow

**TRUSTEES REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021**

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and laborious with social distancing and continuous cleaning but during the year sets were built for *Matthew Bourne's Nutcracker*, *Hairspray* (at the London Coliseum) and *Oliver* (for Cameron Mackintosh Ltd). Several scenic workshops have closed their doors for good and now, as we emerge from the pandemic, the lack of capacity in the industry is starting to be felt. A large amount of personal protective equipment stocked by Commercial Build was donated to the NHS during the first phase of the pandemic.

In considering both cost reduction and the re-opening needs of theatre, TRP went into redundancy consultation in August 2020. 110 staff were made redundant from across virtually all departments. This was a shattering experience for the whole organisation, a theatre that works so collaboratively and values every team.

Catering & Retail has been unable to trade during the year. The whole team was part of the redundancy consultation process. The stock held at 1 April 2020 was given to several local charities dealing with homelessness and food poverty. Usually Talklight Ltd (the Catering & Retail trading subsidiary) would gift aid profits to the Charity. In 2019-20 some profits were retained to create a reserve to cover any potential trading losses in 2020-21. Catering & Retail is an essential part of the business model for TRP. It will be re-established as soon as economically and physically viable.

Our Engagement & Learning work is a principal charitable purpose and creates a gateway into our talent development work. We invested £349k in this work (including talent development) and many other significant, individual projects were supported by generous Trusts & Foundations as detailed in note 22 to these accounts. These grants are essential to the continuation of this wide-reaching work, allowing both range and reach to be expanded. We are grateful that Trusts & Foundations have continued to support us during the pandemic both with the granting of funds and with the flexibility of conditions, allowing us to deliver in new or digital formats. Where grants are given for specific projects they are held within restricted funds (see below).

We used the period of closure to carry out a number of long-awaited and overdue infrastructure projects. These projects are not possible when the theatre is in 'show mode':

- A new entry system at both sites
- Construction of an access ramp in the basement
- Refurbishments of many of the dressing rooms

In January 2020 we made a substantial investment in the IT infrastructure of the Charity. Upgrading telephony, hardware and software means we were able to maintain our key functions with teams working from home for the whole of 2020-21. The timing of the upgrade, in retrospect, could not have been more fortuitous.

During the year we considered the potential impact of Brexit. Whilst the long-term implications (for example, for VAT, theatre tax relief and ACE funding) are as yet unquantifiable, we are satisfied that the immediate impact on the Charity is minimal and does not pose a substantial risk to the on-going operation of the theatre. The Charity has a general fund reserve (unrestricted) of £1.2m (2020: £1.7m). The level of the reserves is reviewed annually and is considered to be the appropriate level of funds, as determined by the Board of Trustees, required to meet the Charity's artistic, creative and social objectives for a period of eighteen months and recognises any additional known financial risks for the organisation. The Trustees have agreed that at no point should the total designated and unrestricted reserves fall below the funds required to wind up the Charity. At 31 March 2021 this minimum amount was £1.3m.

Designated funds are unrestricted funds that have been earmarked by the Board of Trustees for particular purposes. Designated reserves have been created to fund significant projects that all support the Charity's objectives and that will ensure the organisation and its assets are in good shape for the future.

With the arrival of the Coronavirus pandemic and a period of uncertainty, the designated reserves have been reviewed by the Board of Trustees and certain reserves have been highlighted as available for general use if the need arises. The use of these designated reserves would result in the delay or cancellation of planned projects.



**TRUSTEES REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021**

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Restricted funds are to be used for specific purposes. These funds have been generated by capital projects such as the building of the Charity's Production & Learning Centre at TR2, a Capital Appeal, the Regeneration Project and the TRAC Legacy and as such they will cover the future depreciation of the resulting assets. Restricted funds also include specific grants provided for Engagement & Learning work. The use of these funds is restricted by the original intent of the donation or grant funding.

Further details about the reserves held can be found in note 22 to these accounts. The Board of Trustees agreed (as part of the business plan for 2018-22) that any surpluses in the year, over and above the required general funds, will be set aside to fund our own producing. This is shown as 'Deferred Artistic Funds' and will support a planned programme of work, subject to the development of the impact of the pandemic.

By monitoring cash flow, an assessment of short to medium cash needs allows the surplus to be invested. The Charity seeks to produce the best financial return within a low risk environment. As a proportion of the assets are held pending payment on to third parties, capital preservation is of paramount importance. Deposits are placed with Lloyds on varying timescales (32 days to one year).

In delivering the charitable objectives, the Trustees are mindful of the risks involved and have reviewed these risks and the plans to mitigate them, as part of the overall planning process. The Risk Register is reviewed regularly by both the Senior Management and the Trustees. The pandemic touches all parts of the Charity's ambitions and operations and is implicit within all areas of risk that have been identified.

Key identified risks are:

Failure to maintain the quality and diversity of the artistic programme, mitigated by:

- Moving to online delivery either via partners or to appropriately Covid-secure environments
- Regular discussion and feedback with funding partners and industry-wide collaboration
- Recognising the interplay of talent development with the progression of the artistic programme. Plans are being formulated for future years which will require creative and innovative ways of producing to ensure that resources are used to maximum affect.
- Continuing to actively programme the Lyric and Drum so that performance can begin again as soon as it is safe and legal to do so.
- Regular discussion and review by the Producers Group

Outbreak of infectious disease, mitigated by:

- Sanitation and temperature checking on entry to TRP
- All staff being in bubbles to minimise chances of cross contamination and reduce impact of any self-isolation
- Continued working from home and hybrid working
- Education of staff (via the C-19 policy) to recognise symptoms and respond correctly

Sudden loss of show income, mitigated by:

- Strong relationships with producers, allowing agreement of force majeure where appropriate and necessary
- Strong relationship with funding bodies to support exceptional losses
- Business Interruption insurance
- Government schemes for business support during the pandemic

Significant use of reserves, mitigated by:

- Regular review of reserves by the Board
- Increased frequency of reforecasting the budget
- Applications to all potential emergency funding sources

TRUSTEES REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021

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## Looking forward

The Coronavirus pandemic has impacted the delivery of the 2018-22 business plan in 2020-21 and is likely to continue to do so (to a greater or lesser extent) for the next year or two. Whilst the core ambitions and objectives are unchanged, the scale, method and timing of delivery will have to respond to the exceptional environment in which we find ourselves.

TRP is now working on a business plan for 2022-23 which will form a transition to the longer-term business plan for 2023-27. This allows for adjustment to a post-pandemic world and recognition of all the learnings of the last year. It also provides an opportunity to ensure complete alignment with the Let's Create ten-year strategy of ACE.

Engagement work has always been central to TRP's activity whether it is engagement with audiences, creatives, companies, community, or industry. Now there is potential to join up all these strands so that engagement runs horizontally and vertically through all elements of our work whether it is a co-production or a community group. There are exciting plans afoot.

The following plans are crucial to the success of the Charity in fulfilling its charitable objectives:

**We will help provide 'Great Art for Everyone' in the region.** We usually do this by maintaining an exceptionally broad and diverse spectrum of work on our stages and in our community. With the constraints of the pandemic we have continued to offer this through digital platforms and (when permitted) outdoor events. The timing of this work in the coming year is uncertain but the active programming that we continue to carry out will ensure that when it is safe and legal to do so we will be able to deliver a valuable programme of quality musicals, dance and plays.

**We will support a comprehensive talent development pathway,** consolidating existing initiatives and developing new programmes, where possible. This will see more investment in the Lab and a clear ambition to support the development of work for the Drum.

**We will increase audience engagement,** consistently seeking out new audiences for a wide spectrum of work and drive deeper engagement with existing audiences. The use of digital technology will support this work, increasing the Charity's relevance and reach and encouraging diversity.

**We will aim to exemplify Plymouth's growing cultural confidence.** Whilst travel restrictions have thwarted our ambitions to be part of the international Mayflower celebrations, we remain committed to a new, large-scale Mayflower community production, in respect of these celebrations, involving Plymouth and US participants. We will continue to seek opportunities to exploit the focus that *Messenger* (our Joseph Hillier sculpture) has brought to Plymouth.

**The Board of Trustees will review the Charity's current leadership arrangements** and oversee the succession of its current leadership for a smooth transition. Following the year end a far-reaching recruitment process was carried out for new leadership.

**We will implement best practice in diversifying the workforce and Board of Trustees** in the context of the regional demography. The Charity has set up an Inclusivity and Diversity Sub-Committee to drive this ambition and will set realistic targets for achieving this diversification, ensuring that both the workforce and the Board are reflective of the community.

**We will demonstrate operational resilience** by balancing the revenue account in the face of potential reduced public funding, the devastating impact of the pandemic and potential loss of audience confidence.

2020-21 is the third year of our four-year funding agreement with Arts Council England (ACE). This provides £1.1m each year, being a standstill position compared to the previous funding agreement. In addition, to

**TRUSTEES REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021**

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counter the impacts of the pandemic, ACE provided a further £728k of CRF2 funding after the year end to support TRP until such time live theatre performances can take place without social distancing.

2020-21 is also the final year of a four-year agreement with Plymouth City Council (PCC) which provides £415k each year. PCC has indicated a willingness to continue funding TRP in future years, although at a reduced level of £315k. We will continue to demonstrate to the leadership of PCC the value that TRP brings to Plymouth and seek an on-going commitment from PCC.

**Disclosure of information to auditors**

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware; and
- that Trustee has taken all the steps that ought to have taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

**Auditors**

The auditors, Bishop Fleming LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the Board of Trustees and signed on its behalf by



Nicholas Buckland OBE  
Chairman

Theatre Royal (Plymouth) Limited  
Theatre Royal  
Royal Parade  
Plymouth  
PL1 2TR

DATE 20.7.2021.....

**STATEMENT OF TRUSTEES' RESPONSIBILITIES  
FOR THE YEAR ENDED 31 MARCH 2021**

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The Trustees (who are also the directors of the Company for the purposes of company law) are responsible for preparing the Trustees' Report including the Strategic Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102)
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the Board of Trustees and signed on its behalf by:



**Nicholas Buckland OBE**  
(Chair of Trustees)  
Date: 20 July 2021

## **Opinion**

We have audited the financial statements of Theatre Royal (Plymouth) Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities (Incorporating Income and Expenditure Account), the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Cash Flows and the related notes, 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 March 2021 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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's or the 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 Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THEATRE ROYAL (PLYMOUTH) LIMITED  
(CONTINUED)**

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**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' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

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

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, 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 Trustees' Responsibilities Statement, 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THEATRE ROYAL (PLYMOUTH) LIMITED  
(CONTINUED)**

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**Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' 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:

The procedures undertaken in order to identify and assess risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, are as follows:

- We have considered the nature of the industry and sector, control environment and business performance;
- We have considered the results of our enquiries of management and the the Board about their own identification and assessment of the risk of irregularities;
- For any matters identified we have obtained and reviewed the parent charitable company's documentation of their policies and procedures relating to;
  - Identifying, evaluating and complying with laws and regulations whether they were aware of any instances of non-compliance;
  - Detecting and responding to the risk of fraud and whether they have knowledge of actual, suspected or alleged fraud; and
  - The internal controls established to mitigate the risks of fraud or non-compliance with laws and regulations.
- We have considered the matters discussed among the audit engagement team, including internal tax specialists regarding how and where fraud might occur in the financial statements and potential indicators of fraud.

As a result of these procedures, we have considered the opportunities and incentives that may exist within the organisation for fraud and identified the highest area of risk to be in relation to income recognition, with a particular risk in relation to year-end cut off. In common with all audits under ISAs (UK) we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Charitable Group and Company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Charities SORP (FRS 102) - Accounting and Reporting by Charities and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). In addition, we have considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Charitable Group and Company's ability to operate or to avoid a material penalty. These include data protection regulations, health and safety regulations, licensing acts and employment legislation.

**Audit response to risks identified**

As a result of performing the above procedures, we have completeness and cut-off of revenue recognition as a key audit matter related to the potential risk of fraud. Our procedures to respond to risks identified included the following:

- Documenting and validating the control environment for income and debtors and carrying out walkthrough testing;
- Undertaking substantive sample-based testing or proof in total calculations on all material revenue streams to ensure revenue has been recognised appropriately and accurately;

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THEATRE ROYAL (PLYMOUTH) LIMITED  
(CONTINUED)**

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- Considering manual income journals as part of our work on fraud risks documented above;
- Reviewing the financial statement disclosures and testing to supporting documentation;
- Enquiring of management concerning actual and potential litigation claims;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement;
- Reading minutes of meetings of those charged with governance; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from an error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

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 Auditors' 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 Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Pamela Tuckett FCA DChA (Senior Statutory Auditor)**

for and on behalf of

**Bishop Fleming LLP**

Chartered Accountants

Statutory Auditors

Salt Quay House

4 North East Quay

Sutton Harbour

Plymouth

PL4 0BN

23 July 2021



**THEATRE ROYAL (PLYMOUTH) LIMITED**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
<b>Income from:</b>					
Donations and legacies	4	4,363	2,601	6,964	2,626
Charitable activities		883	-	883	12,325
Other trading activities	6	-	-	-	1,632
Investments	7	4	-	4	75
<b>Total income</b>		<b>5,250</b>	<b>2,601</b>	<b>7,851</b>	<b>16,658</b>
<b>Expenditure on:</b>					
Raising funds		447	-	447	1,463
Charitable activities	8	4,509	2,663	7,172	15,741
<b>Total expenditure</b>		<b>4,956</b>	<b>2,663</b>	<b>7,619</b>	<b>17,204</b>
<b>Net movement in funds</b>		<b>294</b>	<b>(62)</b>	<b>232</b>	<b>(546)</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		3,495	11,725	15,220	15,766
Net movement in funds		294	(62)	232	(546)
<b>Total funds carried forward</b>		<b>3,789</b>	<b>11,663</b>	<b>15,452</b>	<b>15,220</b>

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 20 to 45 form part of these financial statements.

**THEATRE ROYAL (PLYMOUTH) LIMITED**  
**REGISTERED NUMBER:01560651**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2021**

	<b>Note</b>	<b>2021 £000</b>	<b>2020 £000</b>
<b>Fixed assets</b>			
Tangible assets	13	<b>11,229</b>	11,747
Heritage assets	14	<b>563</b>	583
		<b>11,792</b>	12,330
<b>Current assets</b>			
Stocks	16	<b>42</b>	68
Debtors	17	<b>360</b>	263
Cash at bank and in hand		<b>7,853</b>	6,991
		<b>8,255</b>	7,322
Creditors: amounts falling due within one year	18	<b>(3,727)</b>	(2,795)
<b>Net current assets</b>		<b>4,528</b>	4,527
<b>Total assets less current liabilities</b>		<b>16,320</b>	16,857
Creditors: amounts falling due after more than one year	19	<b>(560)</b>	(1,370)
Provisions for liabilities		<b>(308)</b>	(267)
<b>Total net assets</b>		<b>15,452</b>	15,220
<b>Charity funds</b>			
Restricted funds	21	<b>11,663</b>	11,725
Unrestricted funds			
Designated funds	21	<b>2,637</b>	1,716
General funds	21	<b>1,152</b>	1,779
Total unrestricted funds	21	<b>3,789</b>	3,495
<b>Total funds</b>		<b>15,452</b>	15,220

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



**Nicholas Buckland OBE**  
 (Chair of Trustees)  
 Date: 20 July 2021

The notes on pages 20 to 45 form part of these financial statements.

**THEATRE ROYAL (PLYMOUTH) LIMITED**  
**REGISTERED NUMBER:01560651**

**COMPANY STATEMENT OF FINANCIAL POSITION**  
**FOR THE YEAR ENDED 31 MARCH 2021**

	<b>Note</b>	<b>2021 £000</b>	<b>2020 £000</b>
<b>Fixed assets</b>			
Tangible assets	13	<b>11,229</b>	11,746
Heritage assets	14	<b>563</b>	583
Investments	15	-	-
		<b>11,792</b>	12,329
<b>Current assets</b>			
Stocks	16	<b>37</b>	40
Debtors	17	<b>372</b>	258
Cash at bank and in hand		<b>7,836</b>	6,966
		<b>8,245</b>	7,264
Creditors: amounts falling due within one year	18	<b>(3,724)</b>	(3,043)
<b>Net current assets</b>		<b>4,521</b>	4,221
<b>Total assets less current liabilities</b>		<b>16,313</b>	16,550
Creditors: amounts falling due after more than one year	19	<b>(560)</b>	(1,370)
Provisions for liabilities		<b>(308)</b>	(267)
<b>Total net assets</b>		<b>15,445</b>	14,913

**THEATRE ROYAL (PLYMOUTH) LIMITED**  
**REGISTERED NUMBER:01560651**

**COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 31 MARCH 2021**

	<b>Note</b>	<b>2021 £000</b>	<b>2020 £000</b>
<b>Charity funds</b>			
Restricted funds	21	<b>11,663</b>	11,725
Unrestricted funds			
Designated funds	21	<b>2,637</b>	1,553
General funds	21	<b>1,145</b>	1,635
Total unrestricted funds	21	<b>3,782</b>	3,188
<b>Total funds</b>		<b>15,445</b>	14,913

The Company's net movement in funds for the year was £532 (2020 - £(477)).

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



**Nicholas Buckland OBE**  
 (Chair of Trustees)  
 Date: 20 July 2021

The notes on pages 20 to 45 form part of these financial statements.

**THEATRE ROYAL (PLYMOUTH) LIMITED****CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2021**

	<b>2021</b> <b>£000</b>	2020 £000
<b>Cash flows from operating activities</b>		
Net cash used in operating activities	<b>1,064</b>	(2,018)
<b>Cash flows from investing activities</b>		
Dividends, interests and rents from investments	<b>4</b>	75
Purchase of tangible fixed assets	<b>(206)</b>	(484)
<b>Net cash used in investing activities</b>	<b>(202)</b>	<b>(409)</b>
<b>Change in cash and cash equivalents in the year</b>	<b>862</b>	<b>(2,427)</b>
Cash and cash equivalents at the beginning of the year	<b>6,991</b>	9,418
<b>Cash and cash equivalents at the end of the year</b>	<b>7,853</b>	6,991

The notes on pages 20 to 45 form part of these financial statements

## **THEATRE ROYAL (PLYMOUTH) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

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#### **1. GENERAL INFORMATION**

The company is limited by guarantee and has no issued share capital. The liability of its members shall not exceed £1 each. The registered office address is Theatre Royal, Royal Parade, Plymouth, Devon, PL1 2TR.

#### **2. ACCOUNTING POLICIES**

##### **2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

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

Theatre Royal (Plymouth) 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.

The Consolidated Statement of Financial Activities (Incorporating Income and Expenditure Account) (SOFA) and Consolidated Statement of Financial Position consolidate the financial statements of the Company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

The financial statements use British Pounds Sterling as the presentational currency, and are rounded to the nearest £1,000 throughout.

**2. ACCOUNTING POLICIES (continued)**

**2.2 GOING CONCERN**

The Trustees and Executive have completed detailed cash flow forecasts and budgets that support the going concern basis for these accounts. Covid-19 has had a significant impact on the theatre sector. The stages of TRP were closed for most of the year to 31 March 2021 with productions over a reduced Christmas period being the only staged events. Engagement and Learning work and some set build work has continued but the stages have remained dark for most of the time.

Generous contributions and support in the form of the Arts Council England's Emergency Fund, the Culture Recovery Fund, job support through the Coronavirus Job Retention Scheme and generous donations from supporters have enabled the Theatre to retain a level of reserves which will be invaluable as it begins to rebuild activity on its stages. Although the Theatre had to go through the unprecedented and painful experience of making posts redundant in order to reduce its cost base, through the CJRS the Theatre has been able to retain many of its core team many of whom have skills and experience particular to the sector and difficult to re-recruit.

The forecasts include key assumptions based on the current programme which includes a significant number of deferred productions for which ticket sales have already been made. Although the Theatre has, since April 2021, still had periods when it has not been able to open and then reopen but with socially distanced audiences, the gradual lifting of restrictions leads to the expectation of a return to fuller houses and economically viable productions which will enable it to continue as a going concern.

The following assumptions must be understood in forming this opinion;

- As Covid-19 restrictions are lifted the Theatre will be able to reopen to potentially full capacity. To ensure that the going concern accounting basis is reasonable the cashflow forecasts recognise that some productions will experience limited capacity until confidence levels begin to rise across all of our audiences.
- All advanced ticket sales are ringfenced to ensure that any refunds, if they are needed, do not impact on the working capital of the Theatre.
- The past year has underlined the strong relationship with Arts Council England (ACE) and Plymouth City Council. Generous and continued funding has enabled the Charity to continue to meet its objectives, albeit at a different level of activity, even in difficult conditions. ACE recognises the cultural importance of TRP in the geographical region and by this support has taken a positive view of the long-term viability of the Theatre.
- Through the exercise of redundancy, the Theatre has been able to reduce its cost base and can now look to recruit into roles which are aligned to its needs and developing Business Plan. This will be a steady and methodical process which will develop a structure and skills base suited to the challenges and opportunities that lie ahead.
- The group has sufficient cash reserves which are being monitored and managed actively. The ringfenced funds will enable the group to repay tickets, keep restricted funds ringfenced and meet additional redundancy obligations, including full scale redundancy should it be required.
- The group is covered by a business interruption insurance policy extension which provides for cover over a three-year period from March 2020. Its insurers have confirmed that this policy does provide cover for Covid-19 business interruption, but the timing and value of the claim is not yet known.

**2. ACCOUNTING POLICIES (continued)**

**2.2 GOING CONCERN (CONTINUED)**

**2.3 INCOME**

All income is recognised once the Group has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Consolidated Statement of Financial Activities (Incorporating Income and Expenditure Account) on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.



**2. ACCOUNTING POLICIES (continued)**

**2.4 EXPENDITURE**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

**2.5 INTEREST RECEIVABLE**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

**2.6 TANGIBLE FIXED ASSETS AND DEPRECIATION**

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Long-term leasehold property	- Between 10 and 50 years
Equipment & Motor Vehicles	- Between 3 and 15 years

**2.7 HERITAGE ASSETS**

Where heritage assets have been purchased, they are initially recognised at cost. After recognition, under the cost model, heritage assets are measured at cost less any accumulated depreciation and any accumulated impairment losses.

The estimated useful life is:

Heritage Assets	- 30 years
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**2. ACCOUNTING POLICIES (continued)**

**2.8 INVESTMENTS**

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated Statement of Financial Activities (Incorporating Income and Expenditure Account).

Investments in subsidiaries are valued at cost less provision for impairment.

**2.9 STOCKS**

Stocks are valued on a first in first out basis at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

**2.10 DEBTORS**

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

**2.11 CASH AT BANK AND IN HAND**

Cash at bank and 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.

**2.12 LIABILITIES**

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Group anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated Statement of Financial Activities (Incorporating Income and Expenditure Account) as a finance cost.

**2.13 FINANCIAL INSTRUMENTS**

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**2.14 OPERATING LEASES**

Rentals paid under operating leases are charged to the Consolidated Statement of Financial Activities (Incorporating Income and Expenditure Account) on a straight line basis over the lease term.

**2. ACCOUNTING POLICIES (continued)**

**2.15 PENSIONS**

The Group operates two defined contribution pension schemes and the pension charge represents the amounts payable by the Group to the funds in respect of the year.

**2.16 FUND ACCOUNTING**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

**3. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Group makes estimates and assumptions concerning the future, including provisions recognised and the useful life of assets. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgement:

Provisions in their nature have a degree of estimation uncertainty due to their size and nature. Management use their knowledge and previous experience to best estimate the amount of provisions on future loss making shows and for delapidations and repairs required under the terms of property leases.

The estimated useful life of heritage assets has been based on management's best estimate. However, it is subject to uncertainty given the types of assets held.

**THEATRE ROYAL (PLYMOUTH) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**4. INCOME FROM DONATIONS AND LEGACIES**

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Total funds 2021 £000
<b>GRANTS</b>			
Arts Council England - Core	1,207	-	<b>1,207</b>
Arts Council England - Emergency Funding	806	-	<b>806</b>
Arts Council England - Culture Recovery Fund	1,683	-	<b>1,683</b>
Arts Council England - Other	5	-	<b>5</b>
Plymouth City Council	415	-	<b>415</b>
Engagement & Learning grants	-	480	<b>480</b>
CJRS Grants	-	1,810	<b>1,810</b>
Garfield Weston Foundation	-	301	<b>301</b>
Donations	161	-	<b>161</b>
Other grants	1	-	<b>1</b>
Development income	85	10	<b>95</b>
	<b>4,363</b>	<b>2,601</b>	<b>6,964</b>
	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Total funds 2020 £000
<b>GRANTS</b>			
Arts Council England	1,185	-	<b>1,185</b>
Plymouth City Council	415	-	<b>415</b>
Engagement & Learning grants	-	640	<b>640</b>
Donations	33	28	<b>61</b>
Other grants	21	-	<b>21</b>
Development income	294	10	<b>304</b>
	<b>1,948</b>	<b>678</b>	<b>2,626</b>

**THEATRE ROYAL (PLYMOUTH) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**5. INCOME FROM CHARITABLE ACTIVITIES**

	<b>Unrestricted funds 2021 £000</b>	<b>Total funds 2021 £000</b>	<b>Total funds 2020 £000</b>
Box office	365	<b>365</b>	12,215
Theatre rentals	113	<b>113</b>	86
Co-producers' contributions	2	<b>2</b>	37
Commercial build activity	364	<b>364</b>	1,238
Education	-	<b>-</b>	3
Other	39	<b>39</b>	78
<b>TOTAL 2021</b>	<b>883</b>	<b>883</b>	<b>13,657</b>

All of the prior year amounts were unrestricted.

**6. INCOME FROM OTHER TRADING ACTIVITIES**

**Income from non charitable trading activities**

	<b>Total funds 2021 £000</b>	<b>Total funds 2020 £000</b>
Catering & retailing	-	1,629
Other income	-	3
	<b>-</b>	<b>1,632</b>

**7. INVESTMENT INCOME**

	<b>Unrestricted funds 2021 £000</b>	<b>Total funds 2021 £000</b>	<b>Total funds 2020 £000</b>
Investment income	4	<b>4</b>	75

**THEATRE ROYAL (PLYMOUTH) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**8. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES**

**Summary by fund type**

	<b>Unrestricted funds 2021 £000</b>	<b>Restricted funds 2021 £000</b>	<b>Total funds 2021 £000</b>
Theatre productions and education	4,509	2,663	<b>7,172</b>

	<b>Unrestricted funds 2020 £000</b>	<b>Restricted funds 2020 £000</b>	<b>Total funds 2020 £000</b>
Theatre productions and education	14,645	1,096	<b>15,741</b>

**9. ANALYSIS OF EXPENDITURE BY ACTIVITIES**

	<b>Activities undertaken directly 2021 £000</b>	<b>Support costs 2021 £000</b>	<b>Total funds 2021 £000</b>
Theatre productions and education	4,924	2,248	<b>7,172</b>

	<b>Activities undertaken directly 2020 £000</b>	<b>Support costs 2020 £000</b>	<b>Total funds 2020 £000</b>
Theatre productions and education	13,345	2,396	<b>15,741</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**
**9. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)****ANALYSIS OF SUPPORT COSTS**

	<b>Total funds 2021 £000</b>	<b>Total funds 2020 £000</b>
Staff costs	<b>1,205</b>	1,360
Depreciation	<b>706</b>	715
Marketing, development and hospitality	<b>17</b>	80
Finance	<b>124</b>	116
Cleaning	<b>25</b>	67
IT and administration	<b>104</b>	223
Release of MMI provision (see note 20)	-	(205)
Loss of disposal of fixed assets	<b>38</b>	-
Governance costs	<b>29</b>	40
	<b>2,248</b>	2,396

**10. AUDITORS' REMUNERATION**

The auditors' remuneration amounts to an auditor fee of £21,000 (2020 - £24,000), and non-audit services comprising corporation tax computations and financial statement preparation of £8,000 (2020 - £12,000).

**11. STAFF COSTS**

	<b>Group 2021 £000</b>	<b>Group 2020 £000</b>	<b>Company 2021 £000</b>	<b>Company 2020 £000</b>
Wages and salaries	<b>3,964</b>	4,876	<b>3,652</b>	4,256
Social security costs	<b>284</b>	382	<b>271</b>	348
Contribution to defined contribution pension schemes	<b>136</b>	168	<b>129</b>	153
	<b>4,384</b>	5,426	<b>4,052</b>	4,757

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**11. STAFF COSTS (CONTINUED)**

The average number of persons employed by the Company during the year was as follows:

	<b>Group 2021 No.</b>	Group 2020 No.	<b>Company 2021 No.</b>	Company 2020 No.
Management and administration	<b>24</b>	25	<b>24</b>	25
Venue staff	<b>20</b>	18	<b>20</b>	18
Production staff	<b>53</b>	51	<b>53</b>	51
Catering staff	<b>62</b>	65	-	-
Cast	-	2	-	2
Part-time and casual staff	<b>151</b>	144	<b>151</b>	144
	<b>310</b>	305	<b>248</b>	240

The average headcount expressed as full-time equivalents was:

	<b>Group 2021 No.</b>	Group 2020 No.	<b>Company 2021 No.</b>	Company 2020 No.
Management and administration	<b>19</b>	23	<b>19</b>	23
Venue staff	<b>15</b>	20	<b>15</b>	20
Production staff	<b>50</b>	53	<b>50</b>	53
Catering staff	<b>6</b>	18	-	-
Part-time and casual staff	<b>63</b>	69	<b>63</b>	69
	<b>153</b>	183	<b>147</b>	165

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	<b>Group 2021 No.</b>	Group 2020 No.
In the band £70,001 - £80,000	<b>1</b>	1
In the band £140,001 - £150,000	-	1
In the band £210,001 - £220,000	<b>1</b>	1

Total remuneration paid to key management personnel (defined as executive director and senior managers who held office for all or part of the year) amounted to £402,932 (2020: £460,000).



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**12. TRUSTEES' REMUNERATION AND EXPENSES**

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 March 2021, no Trustee expenses have been incurred (2020 - £NIL).

**13. TANGIBLE FIXED ASSETS****GROUP**

	Long-term leasehold property £000	Equipment & Motor Vehicles £000	Total £000
<b>COST</b>			
At 1 April 2020	18,097	2,087	20,184
Additions	22	184	206
Disposals	(50)	-	(50)
At 31 March 2021	<u>18,069</u>	<u>2,271</u>	<u>20,340</u>
<b>DEPRECIATION</b>			
At 1 April 2020	6,990	1,447	8,437
Charge for the year	523	163	686
On disposals	(12)	-	(12)
At 31 March 2021	<u>7,501</u>	<u>1,610</u>	<u>9,111</u>
<b>NET BOOK VALUE</b>			
At 31 March 2021	<u>10,568</u>	<u>661</u>	<u>11,229</u>
At 31 March 2020	<u>11,107</u>	<u>640</u>	<u>11,747</u>

**THEATRE ROYAL (PLYMOUTH) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**13. TANGIBLE FIXED ASSETS (CONTINUED)**

**COMPANY**

	Long-term leasehold property £000	Equipment & Motor Vehicles £000	Total £000
<b>COST</b>			
At 1 April 2020	18,097	2,079	20,176
Additions	22	184	206
Disposals	(50)	-	(50)
At 31 March 2021	18,069	2,263	20,332
<b>DEPRECIATION</b>			
At 1 April 2020	6,990	1,439	8,429
Charge for the year	523	163	686
On disposals	(12)	-	(12)
At 31 March 2021	7,501	1,602	9,103
<b>NET BOOK VALUE</b>			
At 31 March 2021	10,568	661	11,229
At 31 March 2020	11,107	640	11,747

**14. HERITAGE ASSETS**

**GROUP AND COMPANY**

**Assets recognised at cost**

	Heritage asset 2021 £000
Carrying value at 1 April 2020	583
Depreciation	(20)
<b>Net book value at 31 March 2020</b>	563

**Analysis of heritage asset transactions**

**THEATRE ROYAL (PLYMOUTH) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**14. HERITAGE ASSETS (CONTINUED)**

**GROUP AND COMPANY**

	<b>2021 £000</b>	<b>2020 £000</b>	<b>2019 £000</b>	<b>2018 £000</b>	<b>2017 £000</b>
<b>PURCHASES</b>					
Heritage asset	-	25	-	-	-
<b>TOTAL ADDITIONS</b>	<hr/> -	<hr/> 25	<hr/> -	<hr/> -	<hr/> -
<b>CHARGE FOR DEPRECIATION</b>					
Heritage asset	(20)	(20)	-	-	-
<b>TOTAL CHARGE FOR IMPAIRMENT</b>	<hr/> (20)	<hr/> (20)	<hr/> -	<hr/> -	<hr/> -

## THEATRE ROYAL (PLYMOUTH) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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#### 15. FIXED ASSET INVESTMENTS

##### PRINCIPAL SUBSIDIARY

The following was a subsidiary of the Charity:

<b>Names</b>	<b>Company number</b>	<b>Holding</b>	<b>Registered office or principal place of business</b>
Talklight Limited	01572960	100%	Theatre Royal, Royal Parade, Plymouth, PL1 2TR

<b>Principal activity</b>	<b>Class of shares</b>	<b>Included in consolidation</b>
The company provides retailing, bar, and catering facilities.	Ordinary	Yes

The financial results of the subsidiary for the year were:

<b>Names</b>	<b>Income £000</b>	<b>Expenditure £000</b>	<b>Loss for the period £000</b>	<b>Net assets £000</b>
Talklight Limited	230	(366)	(136)	9

# THEATRE ROYAL (PLYMOUTH) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### 16. STOCKS

	<b>Group 2021 £000</b>	<b>Group 2020 £000</b>	<b>Company 2021 £000</b>	<b>Company 2020 £000</b>
Finished goods and goods for resale	<b>42</b>	68	<b>37</b>	40

### 17. DEBTORS

	<b>Group 2021 £000</b>	<b>Group 2020 £000</b>	<b>Company 2021 £000</b>	<b>Company 2020 £000</b>
<b>DUE WITHIN ONE YEAR</b>				
Trade debtors	<b>147</b>	178	<b>147</b>	176
Amounts owed by group undertakings	-	-	<b>17</b>	-
Other debtors	<b>165</b>	16	<b>160</b>	13
Prepayments and accrued income	<b>48</b>	69	<b>48</b>	69
	<b>360</b>	263	<b>372</b>	258

### 18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<b>Group 2021 £000</b>	<b>Group 2020 £000</b>	<b>Company 2021 £000</b>	<b>Company 2020 £000</b>
Trade creditors	<b>42</b>	406	<b>42</b>	384
Amounts owed to group undertakings	-	-	-	296
Other taxation and social security	<b>531</b>	444	<b>531</b>	437
Other creditors	<b>591</b>	989	<b>590</b>	988
Accruals and deferred income	<b>2,563</b>	956	<b>2,561</b>	938
	<b>3,727</b>	2,795	<b>3,724</b>	3,043

Deferred income represents money received in advance for tickets to shows taking place in a future period. Deferred ticket sales have been split out between over and under 1 year where appropriate with reference to the Theatre programme.

### 19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	<b>Group 2021 £000</b>	<b>Group 2020 £000</b>	<b>Company 2021 £000</b>	<b>Company 2020 £000</b>
Accruals and deferred income	<b>560</b>	1,370	<b>560</b>	1,370

**THEATRE ROYAL (PLYMOUTH) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**20. PROVISIONS**

**GROUP AND COMPANY**

	<b>Dilapidation Provisions £000</b>	<b>Show Provisions £000</b>	<b>Total £000</b>
At 1 April 2020	<b>141</b>	<b>126</b>	<b>267</b>
Additions	-	<b>167</b>	<b>167</b>
Amounts used	-	<b>(126)</b>	<b>(126)</b>
	<b>141</b>	<b>167</b>	<b>308</b>

Dilapidation provisions are made to account for expenditure necessary to ensure leased buildings are returned in accordance with the terms of the lease contract.

Show provisions are made in respect of contracted shows where the Trustees' best estimate indicates a forecast deficit.

The provisions are by nature estimates and as such the actual amount of expenditure may vary from that provided for above.

**THEATRE ROYAL (PLYMOUTH) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**21. STATEMENT OF FUNDS**

**STATEMENT OF FUNDS - CURRENT YEAR**

	Balance at 1 April 2020 £000	Income £000	Expenditure £000	Transfers in/out £000	Balance at 31 March 2021 £000
<b>UNRESTRICTED FUNDS</b>					
<b>DESIGNATED FUNDS</b>					
Capacity Building	187	-	(45)	-	142
Deferred Artistic Funds	524	-	-	-	524
Cultural Exemption Reserve	300	-	(300)	-	-
Mayflower Reserve	200	-	-	-	200
Website Development Reserve	47	-	4	(41)	10
Cafe Refurbishment Reserve	93	-	-	(93)	-
IT & Telephony Upgrade Reserve	70	-	-	(70)	-
Drum Refurbishment Reserve	50	-	-	100	150
Digital Strategy Reserve	40	-	-	19	59
MMI fund	205	-	-	-	205
Flood repairs	-	106	(106)	-	-
Staff obligations	-	-	-	1,327	1,327
Post Covid support	-	-	-	20	20
	<b>1,716</b>	<b>106</b>	<b>(447)</b>	<b>1,262</b>	<b>2,637</b>
<b>GENERAL FUNDS</b>					
General Funds	<b>1,779</b>	<b>5,144</b>	<b>(4,509)</b>	<b>(1,262)</b>	<b>1,152</b>
<b>TOTAL UNRESTRICTED FUNDS</b>	<b>3,495</b>	<b>5,250</b>	<b>(4,956)</b>	<b>-</b>	<b>3,789</b>
<b>RESTRICTED FUNDS</b>					
Production & Education Centre	4,634	-	(166)	-	4,468
Capital Appeal Fund	296	-	(124)	-	172
Engagement & Learning	321	480	(247)	-	554
Regeneration Project	6,417	-	(293)	-	6,124
TRAC Legacy Fund	13	-	(11)	-	2
TRP Christmas Appeal	29	-	-	-	29
Joan Lucas Fund	5	2	-	-	7
Development	10	8	(12)	-	6
CJRS Grants	-	1,810	(1,810)	-	-
Garfield Weston Foundation Grant	-	301	-	-	301

**THEATRE ROYAL (PLYMOUTH) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**21. STATEMENT OF FUNDS (CONTINUED)**

**STATEMENT OF FUNDS - CURRENT YEAR (continued)**

	<b>Balance at 1 April 2020 £000</b>	<b>Income £000</b>	<b>Expenditure £000</b>	<b>Transfers in/out £000</b>	<b>Balance at 31 March 2021 £000</b>
	<u>11,725</u>	<u>2,601</u>	<u>(2,663)</u>	<u>-</u>	<u>11,663</u>
<b>TOTAL OF FUNDS</b>	<u><u>15,220</u></u>	<u><u>7,851</u></u>	<u><u>(7,619)</u></u>	<u><u>-</u></u>	<u><u>15,452</u></u>



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**
**21. STATEMENT OF FUNDS (CONTINUED)****STATEMENT OF FUNDS - PRIOR YEAR**

	Balance at 1 April 2019 £000	Income £000	Expenditure £000	Transfers in/out £000	Balance at 31 March 2019 £000
<b>UNRESTRICTED FUNDS</b>					
<b>DESIGNATED FUNDS</b>					
Organisational Review Fund	20	-	(20)	-	-
Capacity Building	298	-	(111)	-	187
Deferred Artistic Funds	700	-	(176)	-	524
Cultural Exemption Reserve	300	-	-	-	300
Mayflower Reserve	200	-	-	-	200
Website Development Reserve	100	-	(53)	-	47
Cafe Refurbishment Reserve	125	-	(32)	-	93
IT & Telephony Upgrade Reserve	70	-	-	-	70
Drum Refurbishment Reserve	50	-	-	-	50
Digital Strategy Reserve	50	-	(10)	-	40
MMI fund	-	-	-	205	205
	<u>1,913</u>	<u>-</u>	<u>(402)</u>	<u>205</u>	<u>1,716</u>
<b>GENERAL FUNDS</b>					
General Funds - all funds	-	-	-	-	-
General Funds	1,710	15,980	(15,706)	(205)	1,779
	<u>1,710</u>	<u>15,980</u>	<u>(15,706)</u>	<u>(205)</u>	<u>1,779</u>
<b>TOTAL UNRESTRICTED FUNDS</b>	<u>3,623</u>	<u>-</u>	<u>(16,108)</u>	<u>-</u>	<u>3,495</u>
<b>RESTRICTED FUNDS</b>					
Production & Education Centre	4,800	-	(166)	-	4,634
Capital Appeal Fund	463	-	(167)	-	296
Engagement & Learning	177	640	(496)	-	321
Regeneration Project	6,669	-	(252)	-	6,417
TRAC Legacy Fund	24	-	(11)	-	13
TRP Christmas Appeal	8	23	(2)	-	29
Joan Lucas Fund	2	4	(1)	-	5
Development	-	11	(1)	-	10

**THEATRE ROYAL (PLYMOUTH) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**21. STATEMENT OF FUNDS (CONTINUED)**

**STATEMENT OF FUNDS - PRIOR YEAR (CONTINUED)**

	Balance at 1 April 2019 £000	Income £000	Expenditure £000	Transfers in/out £000	Balance at 31 March 2020 £000
	12,143	678	(1,096)	-	11,725
<b>TOTAL OF FUNDS</b>	15,766	678	(17,204)	-	15,220

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**21. STATEMENT OF FUNDS (CONTINUED)**

The Designated Funds are aligned to projects which support the charitable aims of the Group.

The Capacity Building Fund will be used over the next two years for the partnership working with TRG.

The Cultural Exemption Reserve was set up to recognise the unusually high benefit of the cultural exemption for VAT due to advanced ticket sales in the Lyric. We have used this fund in 2020/21 to establish a provision for the gross benefit of cultural exemption on all advanced ticket sales.

The Mayflower Reserve was established to earmark funds for a large scale community production originally planned for 2020 (and deferred now until 2022) to mark 400 years since the Mayflower set sail from Plymouth. The production is intended to involve participants from the USA which may include the Wampanoag Community. Following a number of applications for grant funding to support this project, it was considered prudent to put aside further funds to de-risk this internationally important work.

The Website Development Reserve was established to support a major upgrade of our website and bring it under more direct control. A small reserve has been retained for pending future developments, but we have been able to release the balance of the reserve as the work has been completed. A portion of this has been moved to the Digital Strategy Reserve (below).

The Café Refurbishment Reserve and the IT & Telephony Upgrade Reserve were established to support a major investment in our Front of House catering facilities and our internal IT and telephone systems. The IT work was completed early in 2020 and the work to develop the Café has been delayed indefinitely, so the remaining balances on these funds have been released.

The Drum Refurbishment Reserve was established to support works to upgrade our Drum stage and auditorium. Partly as a response to Covid-19 we have extended this project to allow for a much more flexible space and consequently have earmarked an additional £100k to enable us to carry out these major works in 2021/22.

In line with other organisations in the sector TRP is looking at ways in which we can harness the use of digital technology to create and share innovative work. We have allocated a further £19k to a Digital Strategy Reserve to carry forward into 2021/22.

The MMI Fund represents funds designated for the MMI contingent liability. For further details see note 26.

Following a flood in the theatre in 2020 we have received payment in advance from our insurers. The Flood Repairs Fund shows the insurance receipts matched to reclaimable expenditure with the balance of funds received being treated as deferred income.

The Trustees have been mindful of the challenges of the past year. Staff Obligations is a fund designated to reflect the total obligation to staff in the event of TRP having to close. Although we are confident that we remain a going concern this sum has been separately calculated and identified as part of our reserves policy, to ensure that a correct minimum level of reserve is maintained during this turbulent time.

Post Covid support is a small designated fund to deal with minor physical modifications which may be required to deal with the longer term impact of Covid-19.

The Restricted Reserves represent amounts raised by or received from third parties for capital or revenue projects. Restricted Funds in respect of the Regeneration Project and the Production & Education Centre consist primarily of grants and donations. The grants are secured on the assets to which they relate and are repayable in certain circumstances.

# THEATRE ROYAL (PLYMOUTH) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### STATEMENT OF FUNDS (CONTINUED)

The Charity is extremely grateful to the following supporters of our wide ranging programme of Engagement & Learning activities:

	At 31 March 2020 £000	Income £000	Expendi- ture £000	At 31 March 2021 £000
Big Lottery Fund Grant - Our Space	14	31	(20)	25
Big Lottery Fund Grant - Funky Llama	78	61	(39)	100
The National Theatre	1	3	-	4
BBC Children in Need	9	26	(16)	19
Co-Creating Change	-	24	(1)	23
The Esmée Fairbairn Foundation	23	27	(23)	27
The Andrew Lloyd Webber Foundation	10	-	(2)	8
4 or More	4	-	-	4
Ragdoll Foundation and Birmingham rep	-	1	-	1
Arts Council England - With Flying Colours	181	250	(111)	320
<b>Total core E&amp;L activity funds</b>	<b>320</b>	<b>423</b>	<b>(212)</b>	<b>531</b>
Mayflower funding;				
National Heritage	-	16	(1)	15
Arts Council - Art of the Possible	1	40	(33)	8
<b>Total core E&amp;L activity funds</b>	<b>321</b>	<b>479</b>	<b>(246)</b>	<b>554</b>

## 22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

### ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Total funds 2021 £000
Tangible fixed assets	465	10,764	11,229
Heritage assets	-	563	563
Current assets	7,918	336	8,254
Creditors due within one year	(3,727)	-	(3,727)
Creditors due in more than one year	(560)	-	(560)
Provisions for liabilities and charges	(308)	-	(308)
Difference	1	-	(1)
<b>TOTAL</b>	<b>3,789</b>	<b>11,663</b>	<b>15,452</b>

**THEATRE ROYAL (PLYMOUTH) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**22. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)**

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Total funds 2020 £000
Tangible fixed assets	617	11,130	11,747
Heritage assets	-	583	583
Current assets	7,310	12	7,322
Creditors due within one year	(2,795)	-	(2,795)
Creditors due in more than one year	(1,370)	-	(1,370)
Provisions for liabilities and charges	(267)	-	(267)
<b>TOTAL</b>	<b>3,495</b>	<b>11,725</b>	<b>15,220</b>

**23. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	<b>Group 2021 £000</b>	<b>Group 2020 £000</b>
Net income/expenditure for the year (as per Statement of Financial Activities)	<b>232</b>	(546)
<b>ADJUSTMENTS FOR:</b>		
Depreciation charges	<b>706</b>	714
Dividends, interests and rents from investments	<b>(4)</b>	(75)
Loss on the sale of fixed assets	<b>38</b>	-
Decrease/(increase) in stocks	<b>26</b>	(13)
Decrease/(increase) in debtors	<b>(97)</b>	202
Increase/(decrease) in creditors	<b>122</b>	(2,331)
Increase/(decrease) in provisions	<b>41</b>	31
<b>NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES</b>	<b>1,064</b>	(2,018)

# THEATRE ROYAL (PLYMOUTH) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### 24. ANALYSIS OF CASH AND CASH EQUIVALENTS

	<b>Group 2021 £000</b>	<b>Group 2020 £000</b>
Cash in hand	7,853	6,991
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>7,853</b>	<b>6,991</b>

### 25. ANALYSIS OF CHANGES IN NET DEBT

	<b>At 1 April 2020 £000</b>	<b>Cash flows £000</b>	<b>At 31 March 2021 £000</b>
Cash at bank and in hand	6,991	862	7,853
	<b>6,991</b>	<b>862</b>	<b>7,853</b>

### 26. CONTINGENT LIABILITIES

During the 1990s the theatre entered into a mutual insurance agreement with Municipal Mutual Insurance (MMI). MMI has since entered into a Scheme of Arrangement and this Scheme has raised a levy on the total payments made under its policies as at December 2013. There has been no further action on these levies for several years and there have been no further demands for payment. There is a designated fund allocated to cover the possibility of any successful demand for payment.

### 27. PENSION COMMITMENTS

The Group operates two defined contributions pension schemes. The assets of the schemes are held separately from those of the Group in independently administered funds. The pension cost charge represents contributions payable by the Group to the funds and amounted to £153,000 (2020: £164,000). Contributions totaling £17,000 (2020: £24,000) were payable to the fund at the reporting date and are included in creditors.

### 28. OPERATING LEASE COMMITMENTS

At 31 March 2021 the Group and the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	<b>Group 2021 £000</b>	<b>Group 2020 £000</b>	<b>Company 2021 £000</b>	<b>Company 2020 £000</b>
Not later than 1 year	2	7	2	7
Later than 1 year and not later than 5 years	-	2	-	2
	<b>2</b>	<b>9</b>	<b>2</b>	<b>9</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**29. CONTINGENT ASSET**

The Group has business interruption insurance and it has been confirmed that this will pay out as a result of interruption caused by Covid-19. At the year end no claims have been made. The indemnity period for the claim is for up to three years and claims will be made against this in the future.

**30. RELATED PARTY TRANSACTIONS**

Owing to the nature of the Charity and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Charity Commission, and with the Charity's financial regulations and normal procurement procedures relating to related party transactions.

The following related party transactions took place in the period:

The Charity procured services amounting to nil (2020: £25,575) from Mother Goose Films Limited, a company controlled by the daughter of the Chief Executive. There is no balance owing at the year end.

**31. CONTROLLING PARTY**

The Group is controlled by the Board of Trustees.