

Registered number: 01560651
Charity number: 284545

THEATRE ROYAL (PLYMOUTH) LIMITED
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

THEATRE ROYAL (PLYMOUTH) LIMITED
(A COMPANY LIMITED BY GUARANTEE)

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THEATRE ROYAL (PLYMOUTH) LIMITED
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2023

Trustees

Nicholas Buckland OBE, Chair (resigned 31 March 2023)
Dame Darcey Bussell DBE, Chair (appointed 1 April 2023)
Bronwen Lacey, Vice Chair
Anjinder Kaur Bual (appointed 29 November 2022)
Alastair Coomer CDG (appointed 29 November 2022)
Sarah Fysh
Shona Godefroy
Lynda Grzelinski (appointed 29 November 2022)
Emma-Marie Huxham
Andrew John Hendy Ibbs (appointed 29 November 2022)
Imogen Kinchin
Sarah McAdam (appointed 29 November 2022)
Julie Nash (appointed 29 November 2022)
James Pidgeon
Samra Said (appointed 29 November 2022)
Hannah Sloggett (appointed 29 November 2022)
Dawn Marie Williams (appointed 29 November 2022)

Company registered number 01560651

Charity registered number 284545

Registered office Royal Parade
Plymouth
Devon
PL1 2TR

Chief Executive James Mackenzie-Blackman

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
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2023

The Trustees, who are also directors of the company for the purposes of the Companies Act, present their annual report incorporating the strategic report and the audited consolidated financial statements for the year ended 31 March 2023.

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, retired 31 March 2023*
Bronwen Lacey, *Vice Chair, term extended to March 24*
Anjinder Bual, *appointed 29 November 2022*
Alistair Coomer, *appointed 29 November 2022*
Sarah Fysh
Shona Godefroy
Lynda Grzelinski, *appointed 29 November 2022*
Emma-Marie Huxham
Andrew Ibbs, *appointed 29 November 2022*
Imogen Kinchin
Sarah McAdam, *appointed 29 November 2022*
Julie Nash, *appointed 29 November 2022*
James Pidgeon
Samra Said, *appointed 29 November 2022*
Hannah Sloggett, *appointed 29 November 2022*
Dawn Williams, *appointed 29 November 2022*

Following the year end and the retirement of the Chair of the Board, Dame Darcey Bussell DBE was appointed Chair on 1 April 2023.

Day-to-day management of the Charity is delegated to the Executive, who were:

James Mackenzie-Blackman, *Chief Executive & Executive Producer*
Helen Costello, *Chief Operating Officer*
Liz King, *Director of Producing & Programming, started 29 March 2023*
Suzi McGoldrick, *Director of External Affairs, started 1 April 2022, resigned 30 June 2023*
Mandy Precious, *Strategic Projects Director, resigned 31 May 2023*

The Board of Trustees and Executive 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

THEATRE ROYAL (PLYMOUTH) LIMITED
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

HOW WE GOVERN OURSELVES

The Charity is a company limited by guarantee and is governed by its Memorandum and Articles of Association. On 7 March 2023, the Memorandum and Articles of Association were amended to allow the Board to appoint co-opted members to committees to input specialist knowledge, or to provide an external or alternative viewpoint. Co-opted members will not be members of the Board. 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, Equality, Diversity & Inclusion (previously called 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 Equality, Diversity & Inclusion Committee reports to the Board according to the development and progress of the Inclusion & Diversity action plan.

During the year the committee structure was reviewed and has been restructured to maximise the benefit from the renewed range of expertise and experience within the expanded Board. From 1 April 2023 there will be the following committee structure:

Committee	Frequency of meetings
Producing and Programming	2 x per year
External affairs	2 x per year
Audit, finance & operations	4 x per year
Inclusion	2 x per year
Nominations & remuneration	1 x per year plus other times dictated by the needs of the business

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. In order to give continuity in the context of a significant number of new Trustees and the change of Chair, Bronwen Lacey has renewed her term under this provision.

New Trustees are selected through open recruitment, which includes use of specialist agencies as well as 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 an Executive Team which reports directly to the Board of Trustees. The Executive Team 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 all employees in line with the Real Living Wage.

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 an operating profit of £379k in the year (2021: £165k, five months trading only). Following the pandemic, the restaurant has not re-opened although the theatre Green Room did re-open in November 2022. All profits are passed to the Charity under the gift aid regulations.

THEATRE ROYAL (PLYMOUTH) LIMITED
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

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, the Executive 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 the Executive Team have many connections within the local community and the wider theatre industry, they are generally not in a position to influence any commercial transactions between the Charity and these other parties. However, in the year there were some situations that should be noted:

- TRP co-produced *Delicate* with Extraordinary Bodies, which is a legal partner of DiverseCity, a company of which the Chief Operating Officer was a Trustee (resigned 20 March 2023). This co-production included investment by TRP.
- During the year TRP started to co-produce *Waldo's Circus of Magic & Terror* with Extraordinary Bodies, which is a legal partner of DiverseCity, a company of which the Chief Operating Officer was a Trustee (resigned 20 March 2023). This co-production includes investment by TRP.
- During the year TRP contracted a presentation of *The Sacrifice* by Dada Masilo with the Dance Consortium, a company of which the Chief Operating Officer is a Trustee (appointed 14 December 2022)
- During the year TRP contracted with New Adventures Limited, a company in which a trustee holds a senior role. The trustee was not involved in any part of the contractual process.

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. During the year a process of review continued, to consider the Charity's vision, mission and creative leadership in the context of the post-pandemic cultural environment and the needs of the communities of the South West. This review process will be complete by autumn 2023.

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 leadership team when required and is either general support via Members, Ambassadors and Corporate Sponsors, or is fundraising directed to the public, or trusts, foundations or public sector sources 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.

The Charity is supported by a small but loyal group of 15 volunteers. The group supports access needs such as audio describing and touch tours. They also support tours of the theatre and some specific welcoming duties. The volunteers are included in all staff communications, meetings and events.

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

ACHIEVEMENTS IN THE YEAR

This was the first full year of operation since March 2020 which was a relief and a joy in equal parts. There have been moments when Covid has reared its head but, with teams maintaining bubbles and careful hygiene practices. We lost only one performance of *Dreamgirls* to Covid related illness within the visiting company.

The highlights of the year included....

On stage

We took five co-produced shows to the Edinburgh Fringe Festival and celebrated the accomplishments of the South West with colleagues from the Hall For Cornwall at our 'Pasties At The Pleasance' event. All the shows were well received with *Breathless* and *Happy Meal* each winning a Fringe First. There were 3,171 shows at the festival and 24 Firsts were awarded so this was an exceptional achievement. Following the festival, *Breathless* was invited to 'Brits Off Broadway' and completed a three-week run in New York, as well as a season at London's Soho Theatre. Also having been seen at the festival, *Happy Meal* was invited to Sydney's International Festival and Perth International Festival. We were truly international!

TRP celebrated its 40th birthday. We marked the moment with a special production, based on a commissioned poem, that saw the audience on stage along with dancers, actors, choirs, and Christopher Biggins as the definitive panto dame. Across the week we marked the moment with supporters, friends, community, and staff past and present.

As part of the 40th birthday celebrations we invited all our community and youth groups onto the Lyric stage. Instead of show-backs in various locations, they were all invited to share their performances on stage in an amazing celebration of theatre made with and by our communities.

A lot relies on the success of pantomime and this year's panto was the most successful ever. With Shane Richie leading the cast of *Sleeping Beauty* we welcomed 55,000 people through the doors and generated £1.56m in ticket sales. This was our best-ever result narrowly beating Brian Conley in *Cinderella* (2019).

During the year we were thrilled to co-produce with Complicité. *Drive Your Plow Over The Bones Of The Dead* had its world premiere at TRP in December and has since gone on to rave reviews: 'Beautiful moments of physical theatre', *****The Guardian.

Off stage

We marked our 40th birthday by installing four flagpoles on the theatre, one to mark each decade. At the flag raising ceremony, attended by the Lord Mayor, a local 10-year-old saw his flag design, celebrating some of the highlights of Plymouth, made into reality and raised above the building, alongside flags for our city and county, demonstrating our civic pride and the rainbow flag, recognising our inclusion.

We carried out a widespread consultation, Creative Conversations, talking to staff, stakeholders, artists and communities to understand the shape of creative leadership that is needed at TRP. As a result of this feedback, that engaged over 100 individuals, a plan was put in place to develop a new creative leadership team that will take us into the next ACE funding period. The initial rounds of recruitment have taken place.

The scenic build workshop had an enormous year both in quantity and quality of work. Included in this work was the set build for *My Neighbour Totoro* (Royal Shakespeare Company) which won an Olivier Award for the designer Tom Pye.

We hosted an exhibition of 60 sculptures inspired by *Messenger* and created by Coombe Dean School. The pupils were invited in for a launch event in April 2022.

In May 2022 our People's Company, Funky Llama (a platform for disabled artists) and Our Space (for people living with multiple and complex needs) worked together to produce Green Space, Dark Skies. This is a moving and thought-provoking film made at Meldon Dam on Dartmoor and featuring Ally Bryan's first professional commission as a composer. Ally is a Funky Llama mentored artist.

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

We re-opened the Green Room at the theatre. Across the winter we provided 1,600 free soups (A Hug In A Mug) to our staff and visiting artists.

Our people

After many years of unstinting support, Nick Buckland OBE stepped down as Chair of the Board of Trustees. Nick was a steady support for TRP through all the uncertainties of the pandemic and provided wise counsel to the theatre and our staff.

Following Nick's retirement, we were delighted to announce Dame Darcey Bussell DBE as our new Chair and look forward to the contribution Darcey will bring as she establishes a new base in our city.

We also recruited nine new Trustees who will bring a new range of skills to the Board and who will support the creative renewal that is underway through the Boards increased diversity.

FINANCIAL REVIEW

TRP is reporting an overall deficit of £772k (2022: £273k). This comprises two distinctive parts:

- A surplus of £124k in general funds, and a net spend of £273k in designated funds; and
- A deficit of £624k in the restricted funds. This deficit includes depreciation of £421k charged against capital projects and the use of £203k of net restricted funds brought forward from 2021/22. The restricted funds include Engagement & Learning projects and gifts and also recognises income for the Harman Technical Residency (kindly supported by the Backstage Trust).

As the Charity returns to some sort of post-Covid normality audiences have gradually rebuilt. However, there are still many challenges around the UK touring programme and the need for TRP to support this through deal-making has resulted in a lower-than-normal return from the Lyric. The Net Stage Contribution for the Lyric is £1.26m for 2022-23 compared to an average of £1.58m in the two years to 2019-20 (pre-pandemic). In addition, TRP is re-establishing its creative credentials, and this has involved considerable investment in talent development and the support of new work both at Edinburgh and at overseas festivals.

The results for 2021-22 included hire arrangements with producers as an initiative to support touring. In 2022-23 all the contracts reverted to the usual split box office arrangements, seeing both income and production costs rise as reported.

During the year TRP submitted a request to Arts Council England (ACE) to maintain its position as a National Portfolio Organisation (NPO). The NPO funding for 2022-23 was rolled over from the 2018-2022 funding agreement. In October 2022, ACE confirmed that TRP would remain an NPO for the period 2023-2026 on standstill funding of £1.2m per year. Plymouth City Council maintained their annual commitment to the theatre to £315k (2022: £315k) but have indicated that in the current economic climate this will be reduced to £265k for 2023/24. Both these income streams provide much appreciated, essential funds for the continuity of TRP's work in Plymouth and the South West.

Our work with The Results Group (TRG) continued in the year. The detailed demand management work led to the best ever panto sales for *Sleeping Beauty* of £1.56m and their experience and support informed the approach to audience building and revenue management in the context of nervous, returning audiences. This has given TRP a good foundation for patron loyalty work which will progress in 2023-24. Alongside this we have introduced e-ticketing and re-formed our front of house service to support a better 'welcome'.

Whilst the confidence of the touring sector is still challenging, Commercial Build has had an extremely busy year, providing a contribution of £144k (2021-22: £153k). Nationally there is a shortage of workshop space and together with late producer decisions, there has been significant pressure on the workshop. This year the team has exceeded £2m turnover for the first time. There has been a balance, between four large scale builds and a large number of medium scale builds, which has maximised the space and skills available. Although turnover has grown, there has been considerable pressure on the cost of materials and of labour which has constrained margins.

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

Talklight Ltd (the catering & retail subsidiary) has also had a strong year. With turnover reaching £1.1m it is still considerably below the pre-pandemic turnover (2019-20: £1.6m). However, the offering is more limited with no restaurant currently open and a relatively simplified bar offering. Without the overheads of a restaurant the contribution being generated has exceeded pre-pandemic levels at £379k for 2022-23 (2019-20: £304k). Talklight Ltd will gift aid profits to the Charity.

Our Engagement & Learning work is a principal charitable purpose and creates a gateway into our talent development work. We invested £366k 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. Where grants are given for specific projects, they are held within restricted funds (see below). TRP recognises that in the years ahead our own contribution to this work needs to decrease and we need to generate more resources from external sources.

During the year, the average number of employees in the theatre was 245 (2021-22: 239) and 25 in catering & retail (2021-22: 7). 60% of these staff (2021-22: 65%) are casual or part-time staff.

Reserves Policy: The Charity has a general fund reserve (unrestricted) of £1.2m (2022: £1m). 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. On 31 March 2023 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 that the organisation and its assets are in good shape for the future.

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 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 21 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 the Artistic Reserve and will support a planned programme of work, subject to the development of the impact of the pandemic. As a new business plan is developed for 2023-26 the reserves policy will be revisited.

The original funding agreement with ACE covered the period 2018-22. Due to the pandemic ACE offered extension funding for 2022-23, so this year is the final year of the ACE funding agreement. In May 2022 we submitted a bid for further funding. This was granted in October 2022 and will secure £1.2m per year for 2023-26.

Investment policy: 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 Bank and/or NatWest on varying timescales (32 days to one year). The Trustees consider Lloyds Bank and NatWest to be an appropriate partners aligned with the values of the Charity.

Going Concern: The Trustees have considered the validity of the going concern assumption held within the presentation of these accounts. By considering cash flow, significant risks, ACE funding and the context of

THEATRE ROYAL (PLYMOUTH) LIMITED
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

the national cultural environment, the Trustees are confident that the Charity does not have concerns for the next 12 months.

Principal risks & uncertainties: 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 Executive and the Trustees.

Key identified risks are:

Failure to meet artistic ambitions and failure to maintain quality & diversity of programming (S1 on Risk Register), mitigated by:

- The development of a new Creative Leadership structure. Following consultation with stakeholders, colleagues and peers, recommendations for the structure and skill base of an enhanced creative leadership team were proposed. Recruitment is underway and should be complete soon (June 2023)
- 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 reflects a diversity of genre.
- Regular discussion and review by the Producers Group

Significant use of reserves (F9 on Risk Register), mitigated by:

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

Sudden loss of show income (F11 on Risk Register), mitigated by:

- Strong relationships with producers, allowing agreement of force majeure where appropriate and necessary.
- Cancellation clauses in contracts
- An in-year revision of our contracts with visiting productions to ensure TRP is well protected.
- Strong relationships with funding bodies to support exceptional losses.
- Business Interruption insurance

Reduction of PCC funding (F15 on Risk Register), mitigated by:

- Strong relationships with key PCC personnel
- Structuring of a Service Level Agreement for 2023-25
- TRP business planning considering/recognising fulfilment of PCC objectives.

LOOKING FORWARD

During 2022-23 we planned the structure of a new creative leadership. This will have a fundamental impact on the way we create and with whom. The full team will be in place by summer 2023 and will start to revisit the artistic strategy of TRP.

Building on this restructured and enhanced team and the ambitions of our NPO application, we will be setting a business plan which incorporates a revisited vision and mission which will shape future delivery.

We already recognise that co-production will be a foundation of this business plan both within our communities and as a long-term strategy towards financial stability. We are in discussions with potential co-producers to bring two world premieres to Plymouth, maximising the benefits of the purpose-built facilities at TR2. We will also produce our own Christmas children's shows so that we cater for the whole age range during the festive period. For our communities we plan to visit nine rural locations during summer 2023 providing an uplifting event for community engagement.

Producing and Programming

TRP has launched eight strands of creativity that will be the pillars of all our work in the years ahead. These are: Theatre; Dance; Children, Young People and Families, Talent Development; Scenic Design and Construction; Co-Curated & Outdoor Work; the Climate Emergency and Inclusion.

In a newly structured Producing and Programming team, led by a newly appointed Executive Director, Producing and Programming, TRP will develop a new strategy, and revised ambition for all our creative work on our stages and in other spaces.

By November 2023 TRP will have undertaken a thorough strategic review of all its work with children, young people, families, adults and the community. We will consult with those who access our work, and those who do not, to inform how TRP meets the needs of our city and region in the years ahead. The outcomes of this review will form a fundamental part of a new business plan that the board of trustees will ratify in November 2023.

TRP is supported by a highly skilled and dedicated team of department heads who support TRP to fulfil its creative ambition and to deliver its charitable objectives. This leadership team will be critical to the development of TRP's new business plan throughout 2023 – 2024 and beyond.

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

We will matter more to more people.

We will freely share, and encourage others to share, culture and creativity through co-creation and partnership.

We will reflect our distinctive region and our city in everything we do, sharing our love of the place we live and its people.

We will present amazing regional, national and international performances on our stages.

We will value and respect our environment and work towards net zero carbon emission.

And we will do this in the context of our values: Creativity, Collaboration, Diversity and Quality; values that are understood and reflected by all at TRP.

We continue to receive funds from Plymouth City Council (PCC). A one-year Service Level Agreement was in place for this year. The funding is at £315k per year (2021-22 £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 that matches the ACE funding period.

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

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.

The Trustees' Report, incorporating a Strategic Report, was approved by order of the Board of Trustees, and signed on its behalf by:



Bronwen Lacey
(Vice Chair of Trustees)

Date: 27 July 2023

**THEATRE ROYAL (PLYMOUTH) LIMITED
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**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2023**

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:



Bronwen Lacey
(Vice Chair of Trustees)

Date: 27 July 2023

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

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 2023 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 2023 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.

**THEATRE ROYAL (PLYMOUTH) LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

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

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.

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)

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:

- 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 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;
- Considering manual income journals as part of our work on fraud risks documented above;
- Reviewing the financial statement disclosures and testing to supporting documentation;

**THEATRE ROYAL (PLYMOUTH) LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

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

- 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. 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

Date: 31 August 2023

THEATRE ROYAL (PLYMOUTH) LIMITED
(A COMPANY LIMITED BY GUARANTEE)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT)**
FOR THE YEAR ENDED 31 MARCH 2023

	Note	Unrestricted funds 2023 £000	Restricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
INCOME FROM:					
Donations and legacies	4	2,078	375	2,453	3,777
Charitable activities	5	13,114	-	13,114	6,154
Other trading activities	6	1,137	-	1,137	438
Investments	7	37	-	37	2
TOTAL INCOME		16,366	375	16,741	10,371
EXPENDITURE ON:					
Raising funds		873	-	873	300
Charitable activities	8	15,634	1,006	16,640	10,344
TOTAL EXPENDITURE		16,507	1,006	17,513	10,644
Net expenditure		(141)	(631)	(772)	(273)
Transfers between funds	21	(7)	7	-	-
NET MOVEMENT IN FUNDS		(148)	(624)	(772)	(273)
RECONCILIATION OF FUNDS:					
Total funds brought forward		4,264	10,916	15,180	15,453
Net movement in funds		(148)	(624)	(772)	(273)
TOTAL FUNDS CARRIED FORWARD		4,116	10,292	14,408	15,180

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

The notes on pages 21 to 48 form part of these financial statements.

THEATRE ROYAL (PLYMOUTH) LIMITED
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:01560651

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

	Note	2023 £000	2022 £000
FIXED ASSETS			
Tangible assets	13	10,683	11,113
Heritage assets	14	523	543
		11,206	11,656
CURRENT ASSETS			
Stocks	16	97	96
Debtors	17	331	433
Cash at bank and in hand	25	8,809	10,018
		9,237	10,547
Creditors: amounts falling due within one year	18	(5,777)	(6,734)
NET CURRENT ASSETS		3,460	3,813
TOTAL ASSETS LESS CURRENT LIABILITIES		14,666	15,469
Creditors: amounts falling due after more than one year	19	(10)	(49)
Provisions for liabilities	20	(249)	(240)
TOTAL NET ASSETS		14,407	15,180
CHARITY FUNDS			
Restricted funds	21	10,292	10,916
Unrestricted funds:			
Designated funds	21	2,941	3,214
General funds	21	1,174	1,050
Total unrestricted funds	21	4,115	4,264
TOTAL FUNDS		14,407	15,180

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:


Bronwen Lacey
 (Vice Chair of Trustees)
 Date: 27 July 2023

The notes on pages 21 to 48 form part of these financial statements.

THEATRE ROYAL (PLYMOUTH) LIMITED
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:01560651

COMPANY STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £000	2022 £000
FIXED ASSETS			
Tangible assets	13	10,683	11,113
Heritage assets	14	523	543
Investments	15	-	-
		<u>11,206</u>	<u>11,656</u>
CURRENT ASSETS			
Stocks	16	72	75
Debtors	17	321	428
Cash at bank and in hand		8,754	9,973
		<u>9,147</u>	<u>10,476</u>
Creditors: amounts falling due within one year	18	(6,086)	(6,836)
NET CURRENT ASSETS		<u>3,061</u>	<u>3,640</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>14,267</u>	<u>15,296</u>
Creditors: amounts falling due after more than one year	19	(10)	(49)
Provisions for liabilities	20	(250)	(240)
TOTAL NET ASSETS		<u><u>14,007</u></u>	<u><u>15,007</u></u>

THEATRE ROYAL (PLYMOUTH) LIMITED
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:01560651

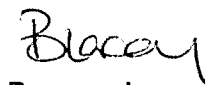
COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MARCH 2023

	Note	2023 £000	2022 £000
CHARITY FUNDS			
Restricted funds		10,292	10,916
Unrestricted funds:			
Designated funds	2,941	3,214	
General funds	774	877	
Total unrestricted funds		3,715	4,091
TOTAL FUNDS		14,007	15,007

The Company's net movement in funds for the year was £(1,000k) (2022 - £(438k)).

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:


Bronwen Lacey
(Vice Chair of Trustees)
Date: 27 July 2023

The notes on pages 21 to 48 form part of these financial statements.

THEATRE ROYAL (PLYMOUTH) LIMITED
(A COMPANY LIMITED BY GUARANTEE)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £000	2022 £000
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash (used in)/ provided by operating activities	24	(1,062)	2,620
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends, interests and rents from investments		37	2
Purchase of tangible fixed assets		(184)	(457)
NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES		(147)	(455)
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		(1,209)	2,165
Cash and cash equivalents at the beginning of the year		10,018	7,853
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	25	8,809	10,018

The notes on pages 21 to 48 form part of these financial statements

THEATRE ROYAL (PLYMOUTH) LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

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.

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 in terms of both the programme and audience numbers. From the autumn of 2022 a fuller programme developed and this continued throughout the financial year 2022/23.

The forecasts include key assumptions based on the current programme the rebuilding of audience confidence, which is still not at pre-COVID levels, and the ability of the theatre industry to attract investment to produce new and exciting touring productions are important elements required for success. The impact of significant increases in the cost of living and the consequences of the continuing conflict in Ukraine may also affect both the Theatre's income streams and its cost base.

As confidence within the industry has risen, TRP has benefitted from producer confidence with economically viable tours now booking into 2026.

The following assumptions must be understood in forming this opinion;

- The Theatre has been 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 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 three years have underlined the strong relationship with Arts Council England (ACE) and Plymouth City Council. Generous and continued funding has enabled the Charity to continue

2. ACCOUNTING POLICIES (continued)

2.2 GOING CONCERN (CONTINUED)

to meet its objectives. 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, renewing our National Portfolio Organisation funding for the next three years.

- The Charity is entering a phase of creative renewal which will ensure the right skills and experience are present. This will be a steady and methodical process which will develop a structure and skills base able to respond 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.

2.3 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.

2.4 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.

**THEATRE ROYAL (PLYMOUTH) LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. ACCOUNTING POLICIES (continued)

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
-----------------	------------

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. ACCOUNTING POLICIES (continued)

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.

2.15 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 dilapidations 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
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

4. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2023 £000	Restricted funds 2023 £000	Total funds 2023 £000
GRANTS			
Arts Council England - Core	1,208	-	1,208
Arts Council England - Culture Recovery Fund	77	-	77
Plymouth City Council	315	-	315
Engagement & Learning grants	-	225	225
The Backstage Trust	-	67	67
Jerwood Arts	-	36	36
Donations	213	-	213
Development income	265	47	312
	<u>2,078</u>	<u>375</u>	<u>2,453</u>

Engagement & Learning grant income includes grants awarded by Arts Council England for the Theatre's Flying With Colours project of £125,000 (2022: £250,000).

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Total funds 2022 £000
GRANTS			
Arts Council England - Core	1,207	-	1,207
Arts Council England - Culture Recovery Fund	1,300	-	1,300
Plymouth City Council	315	-	315
Engagement & Learning grants	-	364	364
Donations	19	75	94
CJRS grants	-	229	229
Development income	268	-	268
	<u>3,109</u>	<u>668</u>	<u>3,777</u>

THEATRE ROYAL (PLYMOUTH) LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

5. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Box Office	10,826	10,826	2,985
Theatre Rentals	143	143	1,372
Co-producers' Contributions	38	38	260
Commercial Build Activity	2,003	2,003	1,474
Other	104	104	63
TOTAL 2023	13,114	13,114	6,154

All of the prior year amounts were unrestricted.

6. INCOME FROM OTHER TRADING ACTIVITIES

Income from non charitable trading activities

	Unrestricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Catering & retailing	1,137	1,137	438

All of the prior year amounts were unrestricted.

7. INVESTMENT INCOME

	Unrestricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Investment income	37	37	2

All of the prior year amounts were unrestricted.

THEATRE ROYAL (PLYMOUTH) LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

8. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Summary by fund type

	Unrestricted funds 2023 £000	Restricted funds 2023 £000	Total 2023 £000
Theatre productions and education	15,634	1,006	16,640

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Total 2022 £000
Theatre productions and education	8,925	1,419	10,344

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2023 £000	Support costs 2023 £000	Total funds 2023 £000
Theatre productions and education	14,077	2,563	16,640

	Activities undertaken directly 2022 £000	Support costs 2022 £000	Total funds 2022 £000
Theatre productions and education	7,838	2,506	10,344

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NOTES TO THE FINANCIAL STATEMENTS
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9. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF SUPPORT COSTS

	Total funds 2023 £000	Total funds 2022 £000
Staff costs	1,384	1,467
Depreciation	634	593
Marketing, development and hospitality	53	31
Finance	177	143
Cleaning	88	76
IT and administration	194	165
Governance costs	33	31
	2,563	2,506

10. AUDITORS' REMUNERATION

The auditors' remuneration amounts to an auditor fee of £23,000 (2022 - £22,000), and non-audit services comprising corporation tax computations and financial statement preparation of £8,000 (2022 - £8,000).

11. STAFF COSTS

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Wages and salaries	4,604	4,043	4,352	3,951
Social security costs	380	320	371	317
Contribution to defined contribution pension schemes	163	141	160	141
	5,147	4,504	4,883	4,409

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11. STAFF COSTS (CONTINUED)

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

	Group 2023 No.	Group 2022 No.	Company 2023 No.	Company 2022 No.
Management and administration	23	19	23	19
Venue staff	26	22	26	22
Production staff	55	44	55	44
Catering staff	4	-	1	-
Cast	1	2	1	2
Part-time and casual staff	161	159	139	152
	270	246	245	239

The average headcount expressed as full-time equivalents was:

	Group 2023 No.	Group 2022 No.	Company 2023 No.	Company 2022 No.
Management and administration	21	21	21	21
Venue staff	27	22	27	22
Production staff	53	46	53	46
Catering staff	3	-	-	-
Cast	1	2	1	2
Part-time and casual staff	57	63	48	59
	162	154	150	150

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

	Group 2023 No.	Group 2022 No.
In the band £70,001 - £80,000	-	1
In the band £80,001 - £90,000	1	-
In the band £120,001 - £130,000	1	-
In the band £160,001 - £170,000	-	1

Total remuneration paid to key management personnel (defined as the executive team who held office for all or part of the year) amounted to £377,000 (2021: £394,000).

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12. TRUSTEES' REMUNERATION AND EXPENSES

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL).

During the year ended 31 March 2023, expenses totalling £58 were reimbursed or paid directly to 1 Trustee (2022 - £NIL to no Trustees).

13. TANGIBLE FIXED ASSETS

GROUP

	Long-term leasehold property £000	Equipment & motor vehicles £000	Total £000
COST			
At 1 April 2022	18,458	2,209	20,667
Additions	68	116	184
Disposals	-	(31)	(31)
At 31 March 2023	18,526	2,294	20,820
DEPRECIATION			
At 1 April 2022	7,904	1,649	9,553
Charge for the year	431	184	615
On disposals	-	(31)	(31)
At 31 March 2023	8,335	1,802	10,137
NET BOOK VALUE			
At 31 March 2023	10,191	492	10,683
At 31 March 2022	10,554	559	11,113

THEATRE ROYAL (PLYMOUTH) LIMITED
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13. TANGIBLE FIXED ASSETS (CONTINUED)

COMPANY

	Long-term leasehold property £000	Office equipment £000	Total £000
COST			
At 1 April 2022	18,458	2,201	20,659
Additions	68	116	184
Disposals	-	(31)	(31)
At 31 March 2023	18,526	2,286	20,812
DEPRECIATION			
At 1 April 2022	7,904	1,641	9,545
Charge for the year	431	184	615
On disposals	-	(31)	(31)
At 31 March 2023	8,335	1,794	10,129
NET BOOK VALUE			
At 31 March 2023	10,191	492	10,683
At 31 March 2022	10,554	559	11,113

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NOTES TO THE FINANCIAL STATEMENTS
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14. HERITAGE ASSETS

GROUP AND COMPANY

Assets recognised at cost

	Heritage asset 2023 £000
Carrying value at 1 April 2022	543
Depreciation	(20)
Net book value at 31 March 2022	523

Analysis of heritage asset transactions

GROUP AND COMPANY

	2023 £000	2022 £000	2021 £000	2020 £000	2019 £000
PURCHASES					
Heritage asset	-	-	-	25	-
TOTAL ADDITIONS	-	-	-	25	-
CHARGE FOR DEPRECIATION					
Heritage asset	(20)	(20)	(20)	(20)	-
TOTAL CHARGE FOR IMPAIRMENT	(20)	(20)	(20)	(20)	-

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

15. FIXED ASSET INVESTMENTS

PRINCIPAL SUBSIDIARY

The following were subsidiary undertakings of the Company:

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

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

The financial results of the subsidiaries for the year were:

Names	Income £000	Expenditure £000	Profit for the period £000	Net assets £000
Talklight Limited	1,144	(765)	379	401

THEATRE ROYAL (PLYMOUTH) LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
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16. STOCKS

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Finished goods and goods for resale	97	96	72	75

17. DEBTORS

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
DUE WITHIN ONE YEAR				
Trade debtors	136	220	133	220
Other debtors	111	160	107	159
Prepayments and accrued income	81	49	81	49
Deferred taxation	3	4	-	-
	331	433	321	428

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Trade creditors	290	503	246	464
Amounts owed to group undertakings	-	-	378	148
Other taxation and social security	173	340	169	337
Other creditors	844	820	843	817
Accruals and deferred income	4,470	5,071	4,450	5,070
	5,777	6,734	6,086	6,836

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

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Accruals and deferred income	10	49	10	49

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

20. PROVISIONS

GROUP AND COMPANY

	Dilapidation Provisions £000	Show Provisions £000	Total £000
At 1 April 2022	68	172	240
Additions	-	202	202
Amounts used	(21)	(172)	(193)
	<u>47</u>	<u>202</u>	<u>249</u>

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
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

21. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 April 2022 £000	Income £000	Expenditure £000	Transfers in/out £000	Balance at 31 March 2023 £000
UNRESTRICTED FUNDS					
DESIGNATED FUNDS					
Engagement & Learning	-	32	-	-	32
Capacity Building	93	-	(106)	13	-
Deferred Artistic Funds	524	-	(202)	-	322
Mayflower Reserve	200	-	(38)	-	162
Website Development Reserve	10	-	(10)	-	-
Drum Refurbishment Reserve	348	-	(17)	32	363
Digital Strategy Reserve	20	-	-	-	20
MMI fund	205	-	-	-	205
Flood repairs	-	-	(3)	3	-
Staff obligations	1,327	-	-	-	1,327
Post Covid support	-	-	-	-	-
Anniversary Celebrations	60	-	(68)	8	-
Conversations	50	-	(12)	(38)	-
Dressing Room Project	30	-	-	-	30
Governance Improvements	30	-	(8)	-	22
Dilapidations	317	-	(9)	-	308
Auditorium and Stage Lighting	-	-	-	150	150
	3,214	32	(473)	168	2,941
GENERAL FUNDS					
General Funds	1,050	16,334	(16,035)	(175)	1,174
TOTAL UNRESTRICTED FUNDS	4,264	16,366	(16,508)	(7)	4,115

THEATRE ROYAL (PLYMOUTH) LIMITED
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21. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 April 2022 £000	Income £000	Expenditure £000	Transfers in/out £000	Balance at 31 March 2023 £000
RESTRICTED FUNDS					
Production & Education Centre	4,302	-	(166)	-	4,136
Capital Appeal Fund	167	-	(5)	-	162
Regeneration Project	5,872	-	(250)	-	5,622
Engagement & Learning	468	271	(575)	106	270
TRAC Legacy Fund	-	-	-	-	-
TRP Christmas Appeal	54	-	-	(54)	-
Joan Lucas Fund	8	1	(2)	-	7
Adopt a Seat	1	-	-	(1)	-
Pennon for YC Hubs	38	-	-	(38)	-
CJRS Grants	-	-	-	-	-
Garfield Weston Foundation Grant	-	-	-	-	-
Development	6	-	-	(6)	-
The Backstage Trust	-	67	(8)	-	59
Jerwood Arts	-	36	-	-	36
	10,916	375	(1,006)	7	10,292
TOTAL OF FUNDS	15,180	16,741	(17,514)	-	14,407

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21. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 April 2021 £000	Income £000	Expenditure £000	Transfers in/out £000	Balance at 31 March 2022 £000
UNRESTRICTED FUNDS					
DESIGNATED FUNDS					
Engagement & Learning	-	-	-	-	-
Capacity Building	142	-	(75)	26	93
Artistic Reserve	524	-	-	-	524
Mayflower Reserve	200	-	(39)	39	200
Website Development Reserve	10	-	-	-	10
Drum Refurbishment Reserve	150	-	(14)	212	348
Digital Strategy Reserve	59	-	-	(39)	20
MMI fund	205	-	-	-	205
Flood repairs	-	-	-	-	-
Staff obligations	1,327	-	-	-	1,327
Post Covid support	20	-	-	(20)	-
Anniversary Celebrations	-	-	-	60	60
Conversations	-	-	-	50	50
Dressing Room Project	-	-	-	30	30
Governance Improvements	-	-	-	30	30
Dilapidations	-	-	-	317	317
Auditorium and Stage Lighting	-	-	-	-	-
	<u>2,637</u>	<u>-</u>	<u>(128)</u>	<u>705</u>	<u>3,214</u>
GENERAL FUNDS					
General Funds	<u>1,153</u>	<u>9,703</u>	<u>(9,097)</u>	<u>(709)</u>	<u>1,050</u>
TOTAL UNRESTRICTED FUNDS	<u>3,790</u>	<u>9,703</u>	<u>(9,225)</u>	<u>(4)</u>	<u>4,264</u>

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21. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 April 2021 £000	Income £000	Expenditure £000	Transfers in/out £000	Balance at 31 March 2022 £000
RESTRICTED FUNDS					
Production & Education Centre	4,468	-	(166)	-	4,302
Capital Appeal Fund	172	-	(5)	-	167
Regeneration Project	6,124	-	(252)	-	5,872
Engagement & Learning	554	364	(454)	4	468
TRAC Legacy Fund	2	-	(2)	-	-
TRP Christmas Appeal	29	26	(1)	-	54
Joan Lucas Fund	7	1	-	-	8
Adopt a Seat	-	1	-	-	1
Pennon for YC Hubs	-	40	(2)	-	38
CJRS Grants	-	229	(229)	-	-
Garfield Weston Foundation Grant	301	-	(301)	-	-
Development	6	7	(7)	-	6
The Backstage Trust	-	-	-	-	-
Jerwood Arts	-	-	-	-	-
	<u>11,663</u>	<u>668</u>	<u>(1,419)</u>	<u>4</u>	<u>10,916</u>
TOTAL OF FUNDS	<u>15,453</u>	<u>10,371</u>	<u>(10,644)</u>	<u>-</u>	<u>15,180</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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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 has been used for the partnership working with TRG. The cost for this continuing relationship has now been budgeted in our core unrestricted annual budget.

The Artistic Reserve (previously called Deferred Artistic Funds) is a fund set aside for investment in new productions and has been used this year to account for the Show Provision – a sum identified as the budgeted net investment in productions as contracted at the year end, 31 March 2023. These funds may also be used to fund any further artistic investment in 2023/24.

The Mayflower Reserve was established to earmark funds for a large-scale community production originally planned for 2020 (and deferred now until 2023) to mark 400 years since the Mayflower set sail from Plymouth. The production will include the Wampanoag Community from the USA. 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 and is now fully utilised.

The Drum Refurbishment Reserve was established to support works to upgrade our Drum stage and auditorium. Partly as a response to COVID-19 we extended this project to allow for a much more flexible space. The balance on this fund represents the net book value of the refurbishment of the auditorium and will be reduced in line with the annual depreciation charge for the work.

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. As the cost of work of this nature is generally charged to individual projects, we have reduced this reserve (Digital Strategy) and retained a small contingency for research & development which will be undertaken in 2023/24.

The MMI Fund represents funds designated for the MMI contingent liability. For further details see note 27.

The Trustees have been mindful of the challenges of the past few years. 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 still uncertain time.

A number of new reserves have been designated at the beginning of the year for specific planned events or changes, namely;

Anniversary Celebrations: TRP turned 40 in 2022 and in recognition of this we provided a range of community events and activities to celebrate and share this milestone. This included a celebratory show in the Lyric in September 2022.

Conversations: As part of our business plan for 2022-23 and reflecting Arts Council England's Let's Create 10 year strategy, we undertook facilitated conversations internally and with a wide range of external stakeholders to define our artistic ambition and structures which have informed the business planning process for 2023 onwards, including the NPO application. Initially we set aside a significant provision for these conversations but in the end, because of the way these were managed, were able to write back the balance at the year end.

Dressing Room Project: We identified the need to improve accessibility to some of our dressing rooms and set aside a fund to achieve this. Because of the need for a gap in the programme to be able to carry out these works, they have been carried out and completed after the 31 March year end.

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21. STATEMENT OF FUNDS (CONTINUED)

Governance Improvements: During the year we were successful in recruiting nine new trustees onto our Board, increasing the size from seven at the end of 2021/22 to sixteen at the end of 2022/23. Whilst this increase has brought in significant additional skills and experience, we also recognise the need to further train and develop the Board and this fund is designated to provide resources to do that.

We have also considered our longer-term dilapidations (aside from our legal obligations covered by the provision in note 20) and cyclical repair liabilities. In the past these have been covered by our operating budgets but, as they can vary significantly from year to year, they can distort our core operating results so we designated a fund to provide for these over the next few years.

At the year end 2022/23 we have also designated £150k in recognition of the need to replace our auditorium and stage lighting with a modern, more efficient system. Whilst elements of this may be capitalised and depreciated over an agreed useful life, this reserve signifies an intent to press ahead with this project when a suitable break in the programme allows.

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.

Engagement & Learning designated funds comprise income from other sources that have been allocated to support grant-funded projects.

Engagement & Learning restricted funds comprise the unspent portion of grants and fundraising for specific projects.

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NOTES TO THE FINANCIAL STATEMENTS
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22. STATEMENT OF FUNDS (CONTINUED)

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

Funding	At 31 March 2022	Transfer in at start of year	Income	Expenditure	Transfer in/ (out)	At 31 March 2023
Our Space						
Funding b/fwd	34					
Other income			7			
Expenditure				(46)		
Transfer in					5	
Funding c/fwd						-
Funky Llama						
Funding b/fwd	55					
Funding b/fwd transfer in		54				
Other income			4			
Expenditure				(42)		
Funding c/fwd						71
NT Connections						
Funding b/fwd	5					
<i>NT Connections Company & Enhancement</i>			3			
Other income			2			
Expenditure				(10)		
Funding c/fwd						-
Dare to Dazzle						
Funding b/fwd	13					
<i>BBC Children In Need</i>			19			
Expenditure				(21)		
Funding c/fwd						11
Young Company Hubs						
Funding b/fwd	3					
<i>Womble Bond Dickinson</i>			2			
Expenditure				(7)		
Transfer in					2	
Funding c/fwd						-
The Lab Company						
Funding b/fwd	1					
Funding c/fwd						1
4 or More						
Funding b/fwd	4					
Transfer out					(4)	
Funding c/fwd						-

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Funding	At 31 March 2022	Transfer in at start of year	Income	Expenditure	Transfer in/ (out)	At 31 March 2023
Young Company Hub – Pennon						
Funding b/fwd	-					
Funding b/fwd transfer in		38				
<i>Pennon Group</i>			40			
<i>Womble Bond Dickinson</i>			2			
Expenditure				(52)		
Funding c/fwd						28
With Flying Colours						
Funding b/fwd	306					
<i>Arts Council England</i>			125			
Expenditure				(302)		
Funding c/fwd						129
Tiny Tales Front of House						
Funding b/fwd	-					
Other income			2			
Expenditure				(6)		
Transfer in					4	
Funding c/fwd						-
Tiny Tales Schools						
Funding b/fwd	(2)					
<i>Paul Hamlyn Foundation</i>			61			
Expenditure				(16)		
Funding c/fwd						43
Nursery Tiny Tales						
Funding b/fwd	-					
<i>Plymouth Drake Foundation</i>			9			
Expenditure				(9)		
Funding c/fwd						-
Mayflower – The National Heritage Lottery						
Funding b/fwd	15					
Expenditure				(15)		
Funding c/fwd						-

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Funding	At 31 March 2022	Transfer in at start of year	Income	Expenditure	Transfer in/ (out)	At 31 March 2023
Playhouse						
Funding b/fwd	4					
Funding b/fwd transfer in		4				
<i>Princess Yachts</i>			4			
Other income			9			
Expenditure				(10)		
Transfer in					4	
Funding c/fwd						15
Get Started						
Funding b/fwd	-					
<i>Prince's Trust Commission</i>			4			
Expenditure				(1)		
Funding c/fwd						3
Holiday Projects						
Funding b/fwd	-					
<i>Plymouth City Council – Fit & Fed</i>			3			
Other income			3			
Expenditure				(6)		
Funding c/fwd						-
NT Connections						
Funding b/fwd	-					
<i>The National Theatre</i>			3			
Expenditure				(3)		
Funding c/fwd						-
Mayflower – Plymouth Culture						
Funding b/fwd	30					
Expenditure				(30)		
Funding c/fwd						-
TOTAL	468	96	302	(576)	11	301

Income consists of both restricted and designated income.

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NOTES TO THE FINANCIAL STATEMENTS
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23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2023 £000	Restricted funds 2023 £000	Total funds 2023 £000
Tangible fixed assets	763	9,920	10,683
Heritage assets	-	523	523
Current assets	9,238	-	9,238
Creditors due within one year	(5,626)	(151)	(5,777)
Creditors due in more than one year	(10)	-	(10)
Provisions for liabilities and charges	(250)	-	(250)
TOTAL	4,115	10,292	14,407

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Total funds 2022 £000
Tangible fixed assets	772	10,341	11,113
Heritage assets	-	543	543
Current assets	10,515	32	10,547
Creditors due within one year	(6,734)	-	(6,734)
Creditors due in more than one year	(49)	-	(49)
Provisions for liabilities and charges	(240)	-	(240)
TOTAL	4,264	10,916	15,180

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NOTES TO THE FINANCIAL STATEMENTS
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24. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Group 2023 £000	Group 2022 £000
Net expenditure for the year (as per Statement of Financial Activities)	(772)	(273)
ADJUSTMENTS FOR:		
Depreciation charges	634	593
Dividends, interests and rents from investments	(37)	(2)
Increase in stocks	(1)	(53)
Decrease/(increase) in debtors	102	(221)
Increase/(decrease) in creditors	(995)	3,158
Increase/(decrease) in provisions	7	(582)
NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES	(1,062)	2,620

25. ANALYSIS OF CASH AND CASH EQUIVALENTS

	Group 2023 £000	Group 2022 £000
Cash at bank and in hand	8,809	10,018

26. ANALYSIS OF CHANGES IN NET DEBT

	At 1 April 2022 £000	Cash flows £000	At 31 March 2023 £000
Cash at bank and in hand	10,018	(1,209)	8,809

27. 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.

**THEATRE ROYAL (PLYMOUTH) LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

28. 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 £163,000 (2022: £141,000). Contributions totaling £25,000 (2022: £24,000) were payable to the fund at the reporting date and are included in creditors.

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. The indemnity period for the claim is for up to three years and claims will be made against this in the future. At the year end, a claim was in progress.

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 (2022: £20,000) from Blind Pig Media Ltd, a company in which a Trustee had an interest. During the year, the Charity wrote off £20,000 for Blind Pig Media, a company in which a Trustee had an interest.

31. CONTROLLING PARTY

The Group is controlled by the Board of Trustees.