

Leeds Heritage Theatres

England & Wales · Charity number 500408

Details

Other names	LEEDS GRAND THEATRE AND OPERA HOUSE LIMITED, LEEDS GRAND THEATRE
Status	Registered
Legal form	Charitable company
Company number	00978161
Registered	1970-07-01
Register	View on the Charity Commission register

Contact

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Phone	01132977013
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Website	www.leedsgrandtheatre.com

Activities

Objects: The Objects are specifically restricted to the following:3.1 to advance the arts in the Leeds City Region and elsewhere, including by providing access to, and facilities for, high quality and engaging live performance and film, including (but not limited to) music, drama, musical theatre, variety, dance, opera, ballet, comedy and film; and3.2 to advance education, particularly through the arts, including by (but not limited to) providing inclusive and skills-based training to develop creative and transferable skills and knowledge through theatre and film courses, work with young people, educational placements and accredited training in partnership with educational establishments, school curriculum-based workshops, providing access to the Company's archives, and providing access to, and facilities for, educational film and theatre.

Activities: Maintain and develop the Leeds Grand Theatre, City Varieties Music Hall and Hyde Park Picture House. Offer drama, opera, ballet, musicals, comedy, variety, pantomime and arthouse / mainstream films. Increase engagement with performing arts and with heritage of these listed buildings through innovative learning and interpretation programmes.

Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services
- **What:** General Charitable Purposes, Education/training, Arts/culture/heritage/science, Environment/conservation/heritage
- **Who:** Other Charities Or Voluntary Bodies, The General Public/mankind

Geography

- Leeds City

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£14,926,531	£14,845,836	£5,028,584	201
2024-03-31	£15,069,924	£14,688,472	£4,947,888	232
2023-03-31	£17,228,040	£16,519,276	£4,701,436	211
2022-03-31	£11,132,370	£10,267,688	£-1,410,328	179
2021-03-31	£828,421	£4,612,915	£-4,639,010	220

Trustees

Name	Role	Appointed
Linda Pollard	Chair	2026-05-18
Anna Franks		2023-01-26
Annabel Tonge		2025-02-11
Cllr Jane Alice Dowson		2018-06-29
Cllr Ryan Stephenson		2023-08-10
Hamish Anderson		2025-05-03
Kris Brewster		2018-05-17
Madeleine Clare Robinson		2023-01-26
Martin Bernard Farrington		2024-11-06
Michael James Tucker		2025-12-04
Tania Harrison		2025-02-11

Accounts



Leeds Heritage Theatres
(formerly Leeds Grand Theatre & Opera House Limited)

Financial Statements and Annual Report 2024/25



Company Registration Number – 00978161
Charity Registration Number – 500408

Leeds Heritage Theatres

**Trustees’ Annual Report and Financial Statements
for the year ended 31 March 2025**

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Reference and Administrative Information

Company Name Leeds Heritage Theatres (with effect from 8 July 2024
formerly Leeds Grand Theatre & Opera House Limited)

Company Registration Number 00978161

Charity Registration Number 500408

VAT Number 333 4718 09

Registered Office Leeds Heritage Theatres,
46 New Briggate, Leeds LS1 6NU

Trustees

Mr. Alan Gay O.B.E.

Mr. Robert Gettings M.B.E. Resigned 25 April 2025

Mr. Peter Wilkinson Resigned 31 August 2024

Mr. Neil Clephan

Mr. Kris Brewster

Councillor Ryan Stephenson

Councillor Jane Dowson

Ms. Anna Franks

Ms. Rebecca Morgan

Ms. Madeleine Robinson

Mr. Martin Farrington Appointed 6 November 2024

Ms. Tania Harrison Appointed 11 February 2025

Ms. Annabel Tonge Appointed 11 February 2025

Mr. Hamish Anderson Appointed 3 May 2025

Senior Management Team

Vicky Cheetham Chief Executive Appointed 3 June 2024

Anne Harrison Head of Support Services

Ian Sime Grand Theatre and City Varieties Music Hall General Manager

Anne Shaw Head of House Management

Wendy Cook Head of Cinema

Julie Wainwright Head of Finance

Amy Sanderson Head of Communications

Alan Dawson Head of Property & Technical

Rachel Lythe Head of Learning

Treasurer Kris Brewster, c/o Leeds Heritage Theatres, 46 New Briggate,
Leeds LS1 6NU

Auditors Azets Audit Services Ltd, 12 King Street, Leeds, LS1 2HL

Bankers NatWest Bank, 8 Park Row, Leeds, LS1 6QB

Solicitors Wrigleys Solicitors, 3 Wellington Place, Leeds, LS1 4AP
Lupton Fawcett Solicitors, 2 The Embankment, Sovereign Street,
Leeds, LS1 4BA

Trustees' Report for the year ended 31 March 2025

The Trustees are pleased to present their annual report together with the financial statements of the Leeds Heritage Theatres (the Company) for the year ending 31 March 2025, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and 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).

1.0 Reference and Administrative Details

The Reference and Administration Information page forms part of this report.

2.0 Our Objectives and Activities

Our purpose as set out in the Company's Memorandum of Association is to promote knowledge, education and appreciation of the arts. We achieve our charitable aims by providing a theatre, a music hall and a picture house to stage productions and host film screenings and provide educational programmes and heritage activity to encourage participation in the arts by the general public.

Leeds Grand Theatre (LGT) is a Grade II* listed Victorian theatre (1878), City Varieties Music Hall (CVMH) is one of the few surviving Victorian music halls (1865), also with a Grade II* listed status, and Hyde Park Picture House (HPPH), a shining example of early cinema architecture (1914) with a Grade II listing. Our venues are recognised nationally as significant heritage venues and are a renowned part of the cultural infrastructure of the city of Leeds.

The Learning Programme engages participants with activities across our three venues, working with both young people and communities in the city and region. Inclusive skills-based training, workshops and educational tours are delivered, alongside introductory activities to connect people who may not ordinarily engage with the arts, with our live performances and films. This helps to make our programme and theatre buildings more accessible to wider audiences.

The over-arching aims of the Company are:

- **Feeling Proud to Belong**

Everyone feels they matter and are inspired to reach their potential through a fantastic experience with Leeds Heritage Theatres which makes them want to keep engaging with us.

- **Telling Extraordinary Stories**

Leeds Heritage Theatres tells relevant and meaningful stories that are enjoyed by audiences, inspire participants and are admired by the industry.

- **To Be Rooted in Leeds**

Staff, artists, audiences, participants and visitors are representative of Leeds. All of Leeds knows about us and most of them have engaged with us.

- **To Have a Thriving Future**

Leeds Heritage Theatres has a financially sustainable future with growth in sales and income, having a positive economic and skills impact on Leeds and the cultural sector.

- **To Deliver Responsible Growth**

Leeds Heritage Theatres engages with the climate emergency and makes changes to ensure a sustainable future, internally and externally.

In order to achieve these aims, the Company has the following objectives:

1. Maximise attendances at our theatre productions and cinema screenings, and to encourage community involvement in our Learning Programme by promoting awareness and improving accessibility,
2. Offer variety by providing a broad range of cultural experiences to be enjoyed by all tastes, ages and backgrounds,
3. Offer a Learning programme,
4. To be financially efficient and business-like in our activities,
5. Maintain and where possible improve the condition of our buildings and infrastructure.

The strategies employed to achieve the Company's aims and objectives are:

- To ensure broad audience appeal by offering a diverse programme of theatre productions and cinema screenings - including activities and screenings for young children, family shows such as pantomimes, performances for older audiences, opera and ballet, as well as drama, musicals, and comedy with wide-ranging appeal,
- To offer inclusivity by hosting accessible performances and screenings for people who are visually or hearing impaired, or otherwise vulnerable,
- To offer opportunities for young people to get involved in arts activities exploring their own creative powers through workshops, training, a Youth Theatre, summer school and feeding into planning and decision making,
- To celebrate the heritage element of our historic buildings through tours and open days,
- To be financially successful by maximising income and controlling expenditure in order to be an efficient and effective organisation which achieves good value for money and obtains maximum value from its assets,
- To continue strengthening our reputation and nurturing relationships with visiting companies; this will ensure the organisation remains an attractive venue for a wide range of productions and can secure engaging, artistically ambitious, and critically acclaimed shows for the medium term,
- To continue the planned approach to identifying and scheduling works to our venues.

3.0 Delivering Public Benefit

In shaping our objectives for the year and planning our activities, the Trustees have considered the Charity Commission's guidance on public benefit. Our principal activities for the public benefit are providing access to a diverse programme of live theatre, film screenings and educational activities, including skills training, delivered by our in-house Learning & Engagement Team and a range of specialist freelance artists. Our vision is to

bring people together, create the extraordinary and provide a positive environment in which to entertain and educate. We provide spaces and experiences for 390,000 people a year to connect, work, learn, play and enjoy together, forming lasting connections and partnerships across the region. Activities improve well-being, confidence, resilience and develop new skills and a range of bursary schemes are in place to widen access across our education programme. In 2023 we launched our 'Secret Seats', which enables members of the public to access theatre tickets at a subsidised rate and with the purchase of new access equipment, interpreted performances are provided across our venues enabling more people to access the arts.

3.1 Advancing the Arts

The programme at our venues remains a core part of Leeds' cultural offer, providing a wide range of programme for audiences across the city. During the year ending March 2025, we delivered a breadth of genres including film screenings, drama, music, ballet, opera, comedy, musical theatre, and variety.

Of our 390,000 patrons, 42% were booked by people new to us, demonstrating the ongoing magnitude of our reach and the huge scale of people with whom we have engaged over the years.

For young people, over 38,720 patrons attended family productions aimed at youngsters aged 4 to 14 and there were nine (2024: four) school performances attended by 931 (2004: 210) school age children. Around 4,500 children attended twelve school performances of our pantomime as part of school groups.

The economic downturn has made affordability a growing barrier for many. In response, we introduced our Secret Seats initiative in February 2023 to expand the availability of lower-cost tickets, helping to broaden our reach and improve accessibility. Since its launch, nearly 10,000 patrons have made use of the scheme (2024: 4,800).

Our Access Membership Scheme supports people with disabilities to enjoy live performance at our theatres, not only through discounted tickets but also through ensuring that their visit is safe and comfortable. We provide captioned, BSL and audio-described performances for every week-long production at LGT and for our annual pantomime at CVMH. At HPPH we also had 273 screenings with captions for deaf and hard of hearing audiences and 91 titles had audio description available for audiences. We also host weekly Autism Friendly performances for families and monthly Dementia friendly performances.



*Jack & the Beanstalk Rock n' Roll Pantomime 2024/25
Credit: Ant Robling Photography*

At HPPH we collaborated with a range of both local and national cultural organisations (including Leeds Queer Film Festival, Leeds Film, the Henry Moore Institute, Leeds International African Arts Festival, Queer East, Pyramid of Arts), community groups (including the Senegalese Community Leeds, Heart, Leeds Film Network, Scalarama Leeds) and Educational (including Swarthmore, University of Leeds, Leeds Beckett University, Leeds Arts University, Brudenell Primary, Into Film). These wide-ranging connections helped us to broaden the range of people engaged in the development of our programme to create a stronger and more varied artistic offer. These relationships also helped us to reach a wider range of audiences who engaged both with specific strands of our programme, as well as with the venue as a whole.

Following the launch of our Under 30s membership scheme (across LGT and CVMH) and the continuation of our 15-25 membership scheme (at HPPH), 24/25 saw an increase in the number of younger audiences engaging with our programme across the board. We hosted the first Under 30s membership event at Leeds Grand Theatre which was well attended and continue to host events as well as now having an U30s facebook group where members can talk about the things they have seen and make more connections. Over 8,000 people have taken up offers aimed specifically at those who hold 15-25 or U30s memberships.

3.2 Advancing Education

In 2024/25, we delivered a rich and varied programme of creative skills development, industry insight, and networking opportunities focused on the cultural sector, alongside opportunities to explore the heritage of performance and film at our venues.

Our Learning & Engagement Programme continued to grow, underpinned by strong partnerships with schools, colleges, universities, community groups, and creative organisations. Through this work, we've supported improved skills, confidence, wellbeing, and enjoyment across a broad range of participants.

Highlights include:

- Year-round performance training through Leeds Grand Youth Theatre (ages 8-17) and Leeds Actors in Training (ages 18-25). The year culminated in a production of 'Little Shop of Horrors', offering hands-on experience both on and off stage. Outcomes from this advanced training include:
 - 3 members accepted into the National Youth Theatre (one on a scholarship)
 - 1 member completing their first year at Rose Bruford College
 - 3 members employed by LHT to deliver a theatre-in-education tour to Leeds primary schools
- Curriculum-linked engagement through a wide range of school, college and university workshops, talks, and venue tours supporting accredited learning.
- Leadership of the Grand Futures Leeds Arts Network - a coalition of arts, cultural, heritage and educational organisations. This has led to:
 - Successful lobbying for new training course funding in Technical Theatre
 - Collaborative work experience delivery across partners

- LHT leading the delivery of key city events, including the Leeds Creative Skills Festival, which welcomed 5,000 young people
- After School Drama Clubs continued in schools across areas of high deprivation, helping young people build confidence, learn teamwork, and discover the world of theatre through fun and creative activities.
- 'LHT Unwrapped' holiday provision offered a broad mix of creative taster sessions for children and young people aged 6–16.
- Recognition and innovation in inclusivity:
 - Following our Scope Inclusivity Award for our youth theatre provision, we have continued to pilot new accessible initiatives, including the Cultural Exchange programme for pupils with Special Educational Needs and Disabilities (SEND).
- The launch of Hyde Park Film School has expanded our informal learning offer at Hyde Park Picture House, providing deeper exploration into specialist film subjects and techniques.

3.3 Preservation and Enhancement of our Venues and Infrastructure

Delivery of our ten-year planned programme of capital works at Leeds Grand Theatre (LGT) remains ongoing. The most urgent priorities are identified and reviewed regularly to ensure timely progress. In 2024/25, works totalling £2.8 million were completed across the LGT estate. These were funded through a combination of in-year budget allocations, capitalisation, and a dedicated Fund supported by a levy on ticket sales.

Key works completed at LGT include:

- Full refurbishment of all boxes in the Dress Circle
- Ongoing restoration of the Grade II* listed ornate plasterwork in the auditorium
- Structural strengthening of back-of-house loading areas and auditorium rigging points
- Continued major upgrade of the building's cabling infrastructure to support LED lighting, alongside the phased replacement of existing lighting and dimmers with energy-efficient LED systems
- Replacement of several plant items, including CCTV systems, air curtains at the main entrance, and motors for rigging equipment
- Continued fire safety improvements through upgraded fire doors and enhanced fire-stopping measures

Due to the nature of some of these works, a planned extended maintenance period was scheduled from late June to early September, during which the venue remained dark.

At City Varieties Music Hall (CVMH), works were similarly funded through capitalisation and the dedicated Fund derived from the ticket sales levy. Recent improvements include:

- Procurement of a contractor to carry out refurbishment of external brickwork and render, and the replacement of the main roof
- Installation of a new CCTV system

At Hyde Park Picture House (HPPH), the venue successfully reopened in June 2023 following a major programme of preservation and redevelopment. This included extensive repair to the building's historic fabric and comprehensive renewal of all building services (electrical and plumbing). While no further major works are currently required, we continue to invest in projection equipment and proactive year-round maintenance to uphold the building's condition and long-term sustainability.

Further significant planned works for 2025/26 and beyond are detailed in Section 3 of the Strategic Report.

4.0 Achievements and Performance

4.1 Performance Information

During the year 2024/25 the Company achieved the following:

- LGT: 219 performances with attendance levels of 213,400 over a shortened performance period of nine months to allow for the extended maintenance period (298 performances with attendance levels of 247,000 during 2023/24).
- CVMH: 256 performances and 8 screenings with attendance levels of 93,400 (216 performances and 10 screenings with 83,500 attendances in 2023/24).
- Learning and Engagement Programme across our three venues: 346 sessions and 4,610 attendances – virtual and in person (331 sessions and 5,482 people in 2023/24).
- HPPH: 2,342 ticketed screenings and events, with attendance levels of 78,600 (1,756 screenings and 77,736 attendances in 2023/24).
- A total of **3,163** screenings, sessions and events have been staged and hosted during the year, with attendances of **390,000** (virtual and in person).

4.2 Employees

Our Company is a major provider of employment within the arts, entertainment and cultural sectors in Leeds. In 2024/25, the Company employed 121 permanent staff and an average of 80 non-permanent staff (casual staff) across our three venues, a total of 201 individuals.

4.3 Contribution Made by the Company's Volunteers

Volunteers are an integral element of the Front of House function at our venues, and this has been a long running and successful arrangement for the Company. We remain very grateful for the commitment and expertise of our 83 regular volunteers who contributed an estimated 8,200 hours (this is not recognised in the Statement of Financial Activities).

4.4 Contribution Made by the Company's Friends

The Friends of The City Varieties is a registered charity (no. 1038435) and long-standing fundraising body. Its charitable purpose is:

- To promote the public appreciation and understanding of the arts by supporting, maintaining, and advancing the charitable work of the music hall.

The Friends of Hyde Park Picture House is an independent registered charity (no. 1168835). Prior to the venue's closure for redevelopment, they had over 800 members. During the closure period, we collaborated with the Friends to reframe their role and adapt the membership structure, enabling HPPH to introduce its own scheme with a greater focus on driving income and attendance. The new membership model launched in January 2023, and the Friends currently have between 50-100 members, with work ongoing to re-establish their activities post-renovation.

The role of the Friends is primarily ambassadorial - acting as advocates for HPPH and as a valued 'critical friend,' reflecting the voice of our loyal, long-term audience. Their charitable objectives are:

- To promote, support, and participate in the cultural life of Hyde Park, Leeds, and Yorkshire, with a focus on deepening appreciation and understanding of cinema as an art form
- To celebrate the heritage of the Hyde Park Picture House and support its preservation and continued use for cinema and related arts, accessible to all sections of the community

Since reopening, the Friends of HPPH have been particularly supportive of our volunteer initiatives, especially those involving refugees and asylum seekers in Leeds. Their efforts have helped facilitate skills development and foster community connections. They have also launched regular monthly film meet-ups for members, hosted in the HPPH café, strengthening engagement with the venue's audience base.

Strategic Report

1.0 Financial Summary

1.1 Position as at 31 March 2025

For the year ended 31 March 2025 the Company registered a surplus of £81k compared to last year's surplus of £381k. This result reflects a challenging year in which inflation was high e.g. the increase to the National Minimum Wage and demand for tickets was less than anticipated for some performances, largely we think, due to the wider economic environment. In addition, the Leeds Grand Theatre had an extended planned closure period of around three months to undertake works inside the auditorium.

The Company's overall pension reserve has increased by £2m and is now an asset of £3,167k compared to the asset of £1,007k in 2023/24. The asset is based on actuarial valuations and represents the difference between the value of the Company's pension fund assets at 31 March 2025 and the estimated present value of the future pension payments to which the Company was committed at that date.

During 2024/25, the fair value of assets has increased by £762k: investments in the property and equity markets were reliable and returns were reasonable. The present value of the future obligation has decreased by £1,398k, mainly due to changes in actuarial assumptions.

Financial Reporting Standard 102 'Pension Obligations' (FRS102) states that whilst liabilities must be recognised in the balance sheet, assets may only be recognised where certain criteria are met with regards to realisability. The asset is not realisable and therefore it has not been recognised in the Accounts.

1.2 Funds Position

The Company has overall Unrestricted Funds of £-4,425k. This includes the net transfer to Restricted Funds to support capital expenditure. Within this, free reserves (unrestricted funds which are not committed elsewhere and not invested in tangible fixed assets) are £-5,244k (2024: £-2,753k). This negative position is a result of the high level of deferred income we carry arising from advance ticket sales.

The Company has overall Restricted Funds of £9,453k. Restricted Funds comprise investments in fixed assets, grants and contributions, and levy income.

Unrestricted Funds of £-4,425k (2024: £-2,296k) together with Restricted Funds of £9,453k (2024: £7,244k) gives a net total of £5,029k (2024: £4,948k), as at 31 March 2025, as shown in the Statement of Financial Activities and the Balance Sheet.

1.3 Principal Funding Sources and Expenditure

The Company generated £13.6m of income from ticket and ancillary sales. Other operating income of £1.3m was received for work done, reimbursements, and miscellaneous recoveries. Grants of £0.5m were received, of this £0.3m related to the development works at HPPH, £0.1m was from the Keith Howard Foundation, to help fund the activities of our Learning Programme, and we also received grant from Leeds City Council to help fund the provision of the artistic programme at our three venues, and delivery of the Learning Programme.

Donations of £331k were received from patrons and supporters and Trustees would like to express their thanks to everyone who gave so generously, in particular the Ken Dodd Foundation and Lady Anne Dodd who contributed substantially towards the roof replacement and wall repair scheme at CVMH.

Our total operating expenditure for the year was £14.8m, of which £4.2m was employee-related costs, £6.8m was paid to our visiting companies and film distributors for our performances and screenings. General operating costs were £3.8m, this comprises premises costs including repairs, energy and insurance, overheads such as IT/software, licences, marketing, stock and the cost of staging our in-house annual pantomime.

1.4 Reserves Policy

The Company's Policy is to have the minimum level of Unrestricted Funds which will mitigate against the realisation of certain major risks summarised below:

- Emergency or planned closure for an extended period of LGT;
- Withdrawal of significant grant funding,
- Significant and sustained under-performance on major income-generating shows creating an in-year deficit,
- Pensions Liability (see below),
- Unidentified major repairs.

The Trustees have assessed the probability and financial impact of the above risks and determined a target level of Unrestricted Funds to cover such operational eventualities. The target is currently met.

There is no target for Free Reserves which is defined as Unrestricted Funds less commitments and investments in Fixed Assets. Free Reserves are currently negative due to investing in Fixed Assets, in particular those assets categorised as Restricted Fixed Assets. In the Statement of Financial Activities, the value of this is shown as a transfer of funds from Unrestricted to Restricted.

Restricted Funds are held for specific purposes as defined by Trustees. Levy income on theatre tickets at LGT and CVMH is used to fund maintenance, enhancements and restoration works to those venues. Further plans to utilise some of these funds are set out in section 3.1 below. The HPPH Fund is being used to help fund the capital project.

1.5 Pension Payments

The accounting liability is covered in section 1.1 above. In cash terms, pensions are paid out by the Pension Fund over a period of many years during which time the assets will continue to generate returns towards funding them, and the Company will continue to make employer contributions. The last actuarial review was as at 31 March 2025, the report is awaited. The prior report of 31 March 2022 indicated that the fund was 106% funded and therefore a reducing employer contribution rate was proposed for three years of 15.7% dropping to 15.3%. The methodology for determining this includes the value of current assets and the value of known liabilities (based on actual member demographics). The liability includes a prediction of for example, future RPI rates, CPI rates, salary increases, demographics etc. and is discounted back to present day. Given the impact of the pandemic, it is anticipated this position will worsen after the next review.

Leeds City Council acts as a guarantor for the Company under the West Yorkshire Pension Fund admission agreement and has agreed to indemnify the administering authority of the fund from and against all losses and payments that may be incurred by the authority by reason of any default by the Company.

1.6 Investment Powers and Policy

The policy of the Company is to ensure that all investment and borrowing activity is valid, accurate, efficient, properly accounted for and in accordance with statutory and corporate requirements. Trustees have sole responsibility for this type of activity. There was no borrowing undertaken during 2024/25. Interest was earned on balances comprising fixed term deposits and current accounts.

2.0 Principal Risks and Uncertainties Facing the Business

2.1 Governance Arrangements

Governance arrangements are overseen by Trustees at regular Board and Sub-committee meetings. Any risks, weaknesses or issues of compliance are addressed in a timely manner by senior officers with the oversight of Trustees. No major weaknesses or policy breaches were identified in the year ending March 2025.

2.2 Risk Management

The Risk Management Policy was refreshed on 3 June. The Policy sets out our approach to risk management, which is to anticipate and where possible, appropriately and proportionately manage risks. The responsibilities of trustees and key roles has been articulated; arrangements for monitoring, reporting, and reviewing the framework have also been stated. Risk management will form part of our strategic and business planning.

All major risks are identified and monitored via the Company's risk register. The key risk categories are:

- Financial Sustainability
- Failures in Governance Arrangements
- Failure of Infrastructure
- External factors

Each category of risk within the Register is supported by detailed information on specific risk areas, their internal and external causes, and the strategies in place to manage them. A range of internal systems have been implemented to mitigate these risks as far as reasonably practicable. These include the development of Major Incident Plans, a robust framework of financial controls and reporting, and established procedures covering Health & Safety, Safeguarding, and other key operational areas.

3.0 Plans for the Future

We have ambitious plans for Leeds Heritage Theatres as articulated in our Business Plan 2024-2027. The first year of the Plan is complete and the majority of KPI targets were met or bettered. The Plan has been refreshed for the period 2025-2028 and is now known as our Strategic Plan. The Plan includes an update on our purpose, mission, vision and values.

3.1 Strategic Planning

The Company's strategic aims (outlined on pages 2–3) are underpinned by ten specific actions, each assigned a clear timeline and responsible lead. Progress against these actions will be regularly reported to the Board of Trustees. Their successful delivery will support our ambition to be sustainable, collaborative, enterprising, and creative, while strengthening our relationships with participants, audiences, partners, and industry peers.

3.2 Our Venues

The Company continues to implement a rolling programme of restoration and improvement works across the Leeds Grand Theatre (LGT) estate to support the long-term sustainability of the building and its facilities.

At LGT, substantial external works are planned at Upper Balcony level, including repairs to the roof, brickwork, gutters, downpipes, and windows. Internally, refurbishment of the gents' toilets and the ladies' toilets at Balcony level will be undertaken. In addition, a currently disused office area on the sixth floor will be redeveloped to create new meeting spaces, alongside investment in income-generating areas within the building.

In terms of building systems, the fire alarm will undergo a full upgrade to comply with more stringent regulatory requirements. The lorry lift will continue to be maintained in preparation for a planned refurbishment in summer 2026.

Routine maintenance and repair work will also continue, including fire safety enhancements, annual inspections and repairs to the ornate plasterwork, and the final phase of LED lighting upgrades to front-of-house areas - ensuring all public-facing areas are now LED lit.

At City Varieties Music Hall (CVMH), a similar approach is being taken. Although the venue benefited from a major internal refurbishment in 2010–2011, we continue to conduct regular inspections of roofs, structural elements, and load-bearing capacities. In March 2026 (rescheduled from Autumn 2024), we will begin work to replace the main roof and carry out external wall improvements. Internally, we will also complete the transition to LED lighting in front-of-house spaces.

Hyde Park Picture House (HPPH) underwent a comprehensive redevelopment, completed in June 2023, which included major sustainability improvements. As such, no major works are anticipated in the short to medium term. A detailed management and maintenance plan is in place to ensure the building continues to be cared for to the highest standard.

The cost of these works will be met through a combination of Designated and Restricted Funds, capitalisation, and Unrestricted Funds.

3.3 Fundraising

The Charity follows the Charity Commission's guidance on fundraising, which outlines the legal responsibilities and best practice principles trustees must uphold. As part of our commitment to these standards, the Company is registered with the Fundraising Regulator and adheres to its Code of Fundraising Practice.

In 2024/25, we submitted funding bids to a range of trusts and foundations, primarily in support of our Learning & Engagement programmes, as well as urgent capital works

required at City Varieties Music Hall (CVMH). We are extremely grateful for the generous support received, and Trustees extend their sincere thanks to the following funders:

- £250,000 from The Ken Dodd Foundation and Lady Anne Dodd towards the roof and external works at CVMH
- £85,000 from The Keith Howard Foundation and £20,000 from The Garfield Weston Foundation in support of our Learning & Engagement activity
- £12,000 from Film Hub North in support of work at Hyde Park Picture House (HPPH)

We also continue to grow our Individual Giving schemes, which raised £60,000 in 2024/25 to support our venues, and our ongoing Theatre for All campaign, which helps increase the number of interpreted and accessible performances.

In February 2025, we appointed our first permanent Head of Development - marking a significant milestone in the Charity's commitment to growing its fundraising and development capacity. Since joining, the postholder has focused on consolidating existing relationships and opportunities, including stewardship of key funders such as The Keith Howard Foundation, Theatres Trust, Garfield Weston Foundation, and Leeds City Council.

LHT's Development function will play a crucial role in supporting the organisation's overarching vision by contributing to a stable financial foundation for future growth. A new Fundraising and Development Strategy will be launched in Autumn 2025, built around five core pillars:

1. Mission clarity
2. Advocacy and audience development
3. Financial sustainability
4. Cultivation, stewardship, and delivery
5. Process and evaluation

This strategy will guide the Charity in identifying and developing fundable opportunities, helping move towards a more proactive and strategic approach to fundraising and relationship cultivation over the long term.

4.0 Structure, Governance and Management

4.1 Structure

Leeds Heritage Theatres is a Company with no subsidiaries.

4.2 Governing Document

Leeds Heritage Theatres is a company limited by guarantee governed by its Memorandum and Articles of Association, dated 26 June 2024 (superseding those of 27 April 1970), and incorporated in the United Kingdom. There is no share capital but each member of the company undertakes to guarantee £1 in the event of the winding up of the company.

4.3 Recruitment and Appointment of Trustees

The Company has a maximum of twelve people on its Board of Trustees, two of whom are nominated by Leeds City Council with the remaining ten being independent. The trustees make up the Board of Management. They are directors of the Company for the purposes of company law and are also charity trustees for the purposes of charity law. All trustees give their time voluntarily and received no benefit from the Company. Any expenses claimed are set out in Note 8 to the accounts.

Council trustees are appointed through the Member Management Committee of Leeds City Council. Independent trustees are appointed through an interview process following advertising on the Company's website. All trustees undertake an induction process led by the Company's Chief Executive; all council trustees receive appropriate training as part of their responsibilities and all independent trustees were selected based on their relevant experience and training.

4.4 Organisation

The Board of Trustees manages the Company. The Board normally meets quarterly and there are three sub-committees: Finance, Governance & Resources, Artistic, and Property. To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by Trustees, for operational matters.

4.5 Related Parties

Leeds City Council provides funding in support of the artistic and educational programme. In addition, the City Council owns the LGT estate, which it leases to the Company with a full repairing obligation for a peppercorn rent.

We are grateful to Mr. Robert Gettings for his allocation of £100 from LCC's Members' Improvements in the Community and the Environment Scheme, towards our Youth Theatre.

We are extremely grateful to the Keith Howard Foundation for continuing their grant funding to support the work of the Learning & Heritage Team; during the year 2024/25 grant was received of £85,000.

4.6 Pay Policy for Senior Staff

The Directors agree that the key management personnel of the Company comprise themselves and the Senior Leadership Team.

Annual salary increases for all staff are paid with reference to BECTU guidelines and statutory rates of pay, other than for the Company's Chief Executive post, which is determined by the Board of Trustees.

4.7 Risk Management

The Trustees have a governance framework as per section 2.1 which assesses key internal controls. The framework includes key internal controls to manage risk including:

- A system of authority and delegation for key decisions,
- Robust financial controls and financial planning,
- Annual high quality independent audit assessment of internal controls and processes,
- The setting of and monitoring of compliance with a comprehensive suite of policies and procedures covering risk areas,
- All major risks are identified and monitored via the Company's Risk Register. These include
 - Financial sustainability
 - Failure of governance arrangements
 - Failure of infrastructure
 - External factors

5.0 Preparation of the Financial Statements

5.1 Trustees' Responsibilities

In relation to the Financial Statements the Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. The Trustees are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Company and charity law requires directors to prepare financial accounts that give a true and fair view of the state of affairs of the company at the end of the financial year and of its surplus or deficit for the financial year. In doing so the Directors have:

- Selected suitable accounting policies and then applied them consistently,
- Observed the methods and principles in the Charities SORP,
- Made judgements and estimates that were reasonable and prudent,
- Stated whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- Prepared the financial accounts on a Going Concern basis.

5.2 Statement as to Disclosure to our Auditors

In so far as the Trustees are aware:

- There is no relevant audit information of which the Company's auditor is unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

5.3 Auditors

Azets Audit Services Limited are auditors for the Company and in accordance with Section 485 of the Companies Act 2006, a resolution that they be re-appointed will be tabled at a future general meeting.

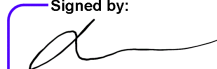
Approved by Trustees and signed on their behalf by

Signed by:

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Mr. Alan T. Gay O.B.E.
Chair of the Board of Trustees,
Leeds Heritage Theatre

Date 03 December 2025

Signed by:

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Mr. Kris Brewster,
Chair of Finance, Governance &
Resources Sub-Committee and
Treasurer
Leeds Heritage Theatres

Date 05 December 2025

Independent Auditor's Report to the Members of Leeds Heritage Theatres

Opinion

We have audited the financial statements of Leeds Heritage Theatres (the 'Company') for the year ended 31 March 2025 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (UK Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2025 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's 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.

Independent Auditor's Report to the Members of Leeds Heritage Theatres continued

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report and strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report and 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 the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report or the strategic report.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us;
- the financial statements are not in agreement with the accounting records and returns;
- 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 the Trustees for the Financial Statements

As explained more fully in the Trustees' responsibilities statement, the Trustees 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 they 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 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 Company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report to the Members of Leeds Heritage Theatres continued

Our responsibilities for the audit of the financial statements

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

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

Extent to which the audit was considered capable of identifying irregularities, including fraud

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.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.
- Performing audit work over the timing and recognition of revenue and in particular whether it has been recorded in the correct accounting period.

**Independent Auditor's Report to the Members of Leeds Heritage Theatres
continued**

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our report

This report is made solely to the 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 Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Signed by:

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Jessica Lawrence
Senior Statutory Auditor

09 December 2025
.....

For and on behalf of Azets Audit Services Limited
Statutory Auditor

12 King Street
Leeds
LS1 2HL

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 March 2025

	Unrestricted Funds 2025 £	Restricted Funds 2025 £	Total Funds 2025 £	Total Funds 2024 £	Notes
INCOME					
Donations and grants	381,575	906,477	1,288,052	941,209	5
Investment income	17,550	0	17,550	77,997	6
Income from charitable activities	13,510,444	110,485	13,620,929	14,050,719	7
<i>Total Income</i>	<u>13,909,569</u>	<u>1,016,962</u>	<u>14,926,531</u>	<u>15,069,925</u>	
EXPENDITURE					
Charitable activities	(13,839,037)	(872,807)	(14,711,844)	(14,549,456)	9
Governance costs	(133,992)	0	(133,992)	(139,016)	8
<i>Total Expenditure</i>	<u>(13,973,029)</u>	<u>(872,807)</u>	<u>(14,845,836)</u>	<u>(14,688,472)</u>	
Net Income for the Year	(63,460)	144,155	80,695	381,453	
TRANSFERS					
Gross transfers between funds	(2,065,288)	2,065,288	0	0	
Net outgoing resources	(2,128,748)	2,209,443	80,695	381,453	
OTHER RECOGNISED GAINS/LOSSES					
Benefit Pension Scheme	0	0	0	(135,000)	12
<i>Net movement in funds</i>	<u>(2,128,748)</u>	<u>2,209,443</u>	<u>80,695</u>	<u>246,453</u>	
RECONCILIATION OF FUNDS					
Total funds brought forward	(2,296,014)	7,243,903	4,947,889	4,701,436	
Total funds carried forward	<u>(4,424,762)</u>	<u>9,453,346</u>	<u>5,028,584</u>	<u>4,947,889</u>	

All of the above amounts relate to continuing activities. The Statement of Financial Activities also complies with the requirements for an Income and Expenditure account under the Companies Act 2006 and includes all gains and losses recognised in the year. A fully detailed comparative Statement of Financial Activities for the year ending 31 March 2024 is shown at Note 4.

Leeds Heritage Theatres

Financial statements and Annual report for the year ended 31 March 2025

BALANCE SHEET AS AT 31 MARCH 2025

	Charity 2025 £	Charity 2024 £	Notes
Fixed assets			
Tangible assets	10,272,727	7,701,348	13
	<u>10,272,727</u>	<u>7,701,348</u>	
Current assets			
Stock	58,630	45,464	
Debtors	1,400,996	1,731,192	14
Cash	766,535	527,451	
	<u>2,226,161</u>	<u>2,304,107</u>	
Creditors			
Amounts falling due within one year			
- trade creditors	(521,140)	(524,591)	15
- other creditors	(6,949,164)	(4,532,975)	15
	<u>(7,470,304)</u>	<u>(5,057,566)</u>	
Net current assets	<u>(5,244,143)</u>	<u>(2,753,459)</u>	
Total assets less current liabilities	<u>5,028,584</u>	<u>4,947,889</u>	
Net assets	<u>5,028,584</u>	<u>4,947,889</u>	18, 20
Represented by:			
Unrestricted funds	(4,424,762)	(2,296,014)	18, 20
Restricted funds	9,453,346	7,243,903	18, 20
Total Funds	<u>5,028,584</u>	<u>4,947,889</u>	

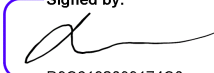
The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and preparation of the financial statements. The financial statements were approved and are signed on their behalf by

Signed by:

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Mr. Alan T. Gay O.B.E.
 Chair of the Board of Trustees,
 Leeds Heritage Theatres

Date 03 December 2025

Signed by:

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Mr. Kris Brewster,
 Chair of Finance, Governance &
 Resources Sub-committee and
 Treasurer,
 Leeds Heritage Theatres

Date 05 December 2025

Company Registration Number – 00978161
 The notes on pages 24 to 42 form part of these financial statements.

Leeds Heritage Theatres

Financial Statements and Annual Report for the year ended 31 March 2025

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2025

	2025 £	2024 £	Notes
Cash flows from operating activities	3,409,760	(1,248,871)	22
Cash flows from investing activities			
Interest received:	17,550	77,997	6, 22
Purchase of property, plant and equipment	(3,188,226)	(2,576,205)	13
Change in cash in the year	239,084	(3,747,079)	

RECONCILIATION OF NET CASH FLOW TO MOVEMENTS IN NET FUNDS

	2025 £	2024 £
(Decrease) / Increase in cash in the year	239,084	(3,747,079)
Net funds at beginning of year	527,451	4,274,530
Net funds at end of year	766,535	527,451

Notes

Forming part of the Financial Statements for the year ended 31 March 2025

1. Charity Information

Leeds Heritage Theatres is a Company Limited by Guarantee and is a Charity Registered in England and Wales. The Registered Office is 46 New Briggate, Leeds, LS1 6NU. The liability of each Trustee in the event of winding-up is limited to £1.

2. Accounting Policies

a) Basis of Accounting

The financial accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (Effective 1 January 2015) – (Charities SORP (FRS102)), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

The Financial Statements are prepared in Sterling which is the functional currency of the Company. Monetary amounts are rounded to the nearest £1.

The Leeds Heritage Theatres meets the definition of a public benefit entity under FRS102.

Assets and liabilities are initially recognised at cost or transaction value unless otherwise stated in the relevant accounting policy notes.

b) Going Concern

The Trustees consider that given the current level of Unrestricted Reserves, it is appropriate to prepare the financial accounts on the going concern basis. Further detail is given at Note 23 to the accounts.

c) Taxation

No provision for corporation taxation has been made, as Leeds Heritage Theatres claim for exemption from taxes under Section 505 (1) Income and Corporation Taxes Act 1988 has been confirmed by the Inland Revenue.

The Company became partially exempt from Value Added Taxation (VAT) on 25th January 2016. The cultural exemption has been applied to the sale of tickets for live performances, but other sales such as bar sales and ices remain subject to VAT.

d) Income

All income is included in the Statement of Financial Activities when the Company is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income.

Grants (including Government grants) and donations are included in full in the Statement of Financial Activities when receivable.

Leeds City Council provided core funding of £91k (2024: £85k) to support the operation of the Company. In addition, certain donated services are provided which are explained in more detail in note 3 below.

Donated services are included in income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable. No income is recognised when there is no financial cost borne by a third party. The contribution of volunteers is therefore not included in the Statement of Financial Activities.

Investment income is included when receivable by the Company. This comprises interest earned on deposits.

Income from charitable trading activity is accounted for in the year of show, income from tickets sold in advance is shown as 'Receipts in Advance'.

e) Financial Instruments

The Company only has financial assets and financial liabilities that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

f) Expenditure

Expenditure is included in the Statement of Financial Activities on an accruals basis. Certain expenditure is directly attributable to specific activities and has been included in those cost categories.

g) Pension Costs

Employees of the Company are entitled to join the West Yorkshire Pension Fund, which is a funded defined benefit statutory scheme administered by the City of Bradford Metropolitan Council in accordance with the Local Government Superannuation Regulations 1988. The benefits provided to the employees concerned are based on a combination of final and career average pensionable pay. Contributions are charged to the Statement of Financial Activities each year so as to spread the cost of pensions over employees' working lives with the Company. Leeds City Council acts as a guarantor for the Company under the admission agreement and has agreed to indemnify the administering authority of the fund from and against all losses and payments that may be incurred by the authority by reason of any default by the Company.

h) Additional Pension Disclosures

In accordance with FRS102, the pension fund asset has not been recognised in the Financial Statements as it is not realisable.

At 31 March 2025, despite ongoing volatility in the market, the property and equity markets remained reliable and achieved reasonable returns on investments, the overall pension asset has increased by £762k.

Liabilities have decreased substantially by £1,398k due to actuarial assumptions; these include an increase in the discount rate combined with modest reductions in rates for CPI, pension increases, salary increases, and pension account revaluation rates.

i) Depreciation

Individual fixed assets and expenditure (including interest costs directly associated with expenditure on property improvements) that enhances rather than maintains the performance of tangible fixed assets is capitalised at cost; in general this is items above £1,000. Each capitalised asset will be considered individually to determine the length of its useful economic life, and will be depreciated accordingly on a straight line basis.

Depreciation rates are:

- Leasehold property improvements: 10 – 40 years
- Freehold buildings: 10 - 40 years
- Other Plant, Fittings and Equipment: 3 to 25 years.

In the Balance Sheet, assets are held at cost less accumulated depreciation.

j) Stock

Stock comprises supplies for bars and kiosks, and merchandise. Stock is included in the accounts at the lower of cost or net realisable value.

k) Cash/Cash Equivalents

Cash and cash equivalents includes cash in hand and deposits held with banks.

l) Debtors

Trade and other debtors are held at the settlement amount. Prepayments are valued at the amount prepaid. Provisions for Doubtful Debts are held at the settlement amount outstanding, taking into account the risk of default.

m) Creditors

Creditors are recognised where the Company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or reliably estimated. Creditors are normally recognised at their settlement amount. Financial liabilities are only de-recognised when the Company's obligations are discharged, cancelled or they expire.

n) Governance Costs

Resources expended are included in the Statement of Financial Activities on an accruals basis. Directors who are not councillors may be reimbursed for expenses incurred in attending board meetings. Not all Trustees seek reimbursement. As per the Company's memorandum and articles of association, members of the board are not entitled to any remuneration for their role.

o) Fund Accounting

Unrestricted Funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the Company.

Restricted Funds can only be used for particular restricted purposes within the objects of the Company. Restrictions arise when specified by the donor or when funds are received for a particular purpose. The use of the Restricted Funds is limited to the restoration and preservation of our venues, grant income from the Keith Howard Foundation is limited to

Learning activities, the Leeds Cultural Investment Programme grant is limited to supporting our cultural and heritage offer, Sustainability Grant from the CRF also has eligibility conditions attached to it.

p) Operating Lease

Leeds City Council has let the LGT to the Company at a peppercorn rent under a 99 year full repairing lease. The Company also has four leases for operational assets, further detail is shown in Note 17.

q) Capital Commitments

On 31 March 2025, the Company had the following capital commitments:

	2025	2024
	£000s	£000s
Contracted but not provided for in the Financial Statements	139	52

r) Judgements and Estimations Policy

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the date of the statement of financial position and the amounts reported for revenues and expenses during the year. However, the nature of these estimations means that actual outcomes could differ from those estimates. Details of these judgements are set out in the accounting policies.

Depreciation of tangible assets: the annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are assessed annually.

3. Related Party Transactions

Leeds City Council recognises ownership of the Company as per the guidelines under International Financial Reporting Standards, the theatre at 46 New Briggate, and nominates all members of the Board of Management. The City Council provides funding, enabling the Company to carry out its charitable objectives. Leeds City Council has let the LGT to the company at a peppercorn rent under a 99 year full repairing lease.

	2025	2024
	£	£
<u>Leeds City Council</u>		
Income:		
Revenue & capital funding	90,600	86,175

The total £91k comprises core funding of £91k (2024: £85k) to support the operation of the Company. In addition, a donation of £100 was received from Robert Gettings to support our Youth Theatre.

The Company receives a donation in kind from Leeds City Council, for the provision of certain administrative and financial services such as payroll and financial management systems, the value of these services has not been quantified and therefore has not been included in the financial statements.

Leeds Heritage Theatres

Financial Statements and Annual Report for the year ended 31 March 2025

Leeds City Council processes the majority of the company's payroll, creditor payments and income through its own systems. The Company reimburses the council on a weekly basis; the outstanding indebtedness balance with Leeds City Council as at 31 March 2025 was £762,211 owing from LCC (2024: £360,812 owing from LCC).

4. Statement of Financial Activities for the Prior Year

	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Total Funds 2024 £
INCOME			
Donations and grants	111,083	830,126	941,209
Investment income	77,997	0	77,997
Income from charitable activities	13,950,867	99,852	14,050,719
Other income	0	0	0
Total Income	14,139,947	929,978	15,069,925
EXPENDITURE			
Charitable activities	(13,796,956)	(752,500)	(14,549,456)
Governance costs	(139,016)	0	(139,016)
Other expenditure	0	0	0
Total Expenditure	(13,935,972)	(752,500)	(14,688,472)
Net Income for the Year	203,975	177,478	381,453
TRANSFERS			
Gross transfers between funds	(1,666,752)	1,666,752	0
OTHER RECOGNISED GAINS/LOSSES			
Actuarial gains/(losses) on Defined Benefit Pension Scheme	(135,000)	0	(135,000)
Net movement in funds	(1,597,777)	1,844,230	246,453
RECONCILIATION OF FUNDS			
Total funds brought forward	(698,237)	5,399,673	4,701,436
Total funds carried forward	(2,296,014)	7,243,903	4,947,889

5. Donations and Grants

	Unrestricted Funds 2025 £	Restricted Funds 2025 £	Total Funds 2025 £	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Total Funds 2024 £
Donations and Levy	331,175	434,240	765,415	49,161	406,513	455,674
Other Income	0	2,321	2,321	0	1,760	1,760
Leeds City Council Grant	47,600	43,000	90,600	42,000	44,175	86,175
Other Grants	2,800	426,916	429,716	19,922	377,678	397,600
Total	381,575	906,477	1,288,052	111,083	830,126	941,209

6. Investment Income

	Unrestricted Funds 2025 £	Restricted Funds 2025 £	Total Funds 2025 £	Total Funds 2024 £
Income from bank deposits	17,550	0	17,550	77,997

The investment income arises from an interest-bearing deposit account and fixed term deposits.

Leeds Heritage Theatres

Financial Statements and Annual Report for the year ended 31 March 2025

7. Income from Charitable Activities

	Unrestricted Funds 2025 £	Restricted Funds 2025 £	Total Funds 2025 £	Total Funds 2024 £
Films & shows	10,702,598	0	10,702,598	11,133,897
Bars & Front of House	1,270,226	0	1,270,226	1,310,533
Marketing & Box Office	1,440,464	0	1,440,464	1,280,210
Estate Management	90,144	0	90,144	59,949
Learning	0	110,485	110,485	99,852
Other	7,012	0	7,012	166,278
	<u>13,510,444</u>	<u>110,485</u>	<u>13,620,929</u>	<u>14,050,719</u>

8. Allocation of Support Costs

	Charitable Activities 2025 £	Governance 2025 £	Total 2025 £	Total 2024 £
Trustee Expenses	0	(149)	(149)	(461)
Management & Support	0	(110,860)	(110,860)	(110,527)
Internal & External Audit Fees	0	(20,600)	(20,600)	(25,850)
LCC Interest & bank charges	(13,792)	0	(13,792)	0
H&S Consultants	(20,545)	0	(20,545)	(10,149)
Insurance	(138,349)	(2,333)	(140,682)	(121,966)
Subscriptions	(19,574)	(50)	(19,624)	(7,039)
Non-Domestic Rates	(11,666)	0	(11,666)	(10,991)
	<u>(203,926)</u>	<u>(133,992)</u>	<u>(337,918)</u>	<u>(286,983)</u>

Where appropriate, expenditure has been allocated directly to an activity. Management costs represent the cost of the Company's Chief Executive.

9. Analysis of Charitable Expenditure

	Unrestricted Funds 2025 £	Restricted Funds 2025 £	Total Funds 2025 £	Total Funds 2024 £
Films & Shows	(8,277,232)	(106,265)	(8,383,497)	(8,530,638)
Bars & Front of House	(1,498,229)	0	(1,498,229)	(1,513,174)
Marketing & Box Office	(1,177,918)	0	(1,177,918)	(1,087,052)
Facilities, Technical & Housekeeping	(2,023,578)	0	(2,023,578)	(1,864,189)
Learning	(112,893)	(219,277)	(332,170)	(321,997)
Refurbishment of venues	(13,678)	(547,265)	(560,943)	(487,936)
Management & support costs	(735,509)	0	(735,509)	(744,470)
	<u>(13,839,037)</u>	<u>(872,807)</u>	<u>(14,711,844)</u>	<u>(14,549,456)</u>

Leeds Heritage Theatres

Financial Statements and Annual Report for the year ended 31 March 2025

10. Net Income for the Year

This is stated after charging:

	2025	2024
	£	£
Employer pension contributions	(472,779)	(438,151)
Depreciation	(616,157)	(490,923)
Disposals	(690)	(9,367)
Audit Fees: audit services	(18,750)	(24,000)
Audit Fees: non-audit services	(1,850)	(1,850)

11. Staff Costs

	Unrestricted Funds 2025 £	Restricted Funds 2025 £	Total Funds 2025 £	Total Funds Restated* 2024 £
Wages and salaries	3,329,897	85,000	3,414,897	3,293,409
National Insurance	273,407	0	273,407	249,938
Pension costs: employer contributions	472,779	0	472,779	438,151
Accruals	2,852	0	2,852	5,377
Total	4,078,935	85,000	4,163,935	3,986,875

**Accruals figure restated following further analysis.*

Trustees who are not City Councillors may be reimbursed expenses incurred in attending board meetings. Not all Trustees seek reimbursement. As per the Company's memorandum and articles of association, members of the board are not entitled to any remuneration for their role. One Trustee received reimbursed expenses of £148.60 for attending board meetings in the year ending 31 March 2025 (2024: £461). No remuneration was paid to Directors during the year ended 31 March 2025 (2024: nil).

The number of employees who received emoluments in excess of £60,000 was:

	2025	2024
£60,000 to £69,999	1	0
£80,000 to £89,999	1	1
£110,000 to £119,999	0	0
	2	1

The other key management personnel of the Company comprises the Senior Management Team. Remuneration totalling £479,377 (2024: £465,159) was paid to the Senior Management Team, plus benefits were accrued under the Company's pension scheme. It is the policy of the Company not to quantify the contribution made by volunteers, as it cannot be readily measured.

Average Number of Employees During the Year

	2025	2024
Key Management	9	9
Other Management & Administration	18	21
Marketing, Publicity & Box Office	30	33
Stage Crew & Electricians	39	49
Stage Door & House Keepers	12	15
Front of House & Bar Staff	93	106
Total	201	233

12. Actuarial Gains/ (Losses) On Defined Benefit Pension Scheme

The West Yorkshire Pension Fund is a defined benefit pension fund. The last full actuarial valuation of the Fund was carried out as at 31 March 2022 and the results have been received.

Since the Company is only one small unit within the West Yorkshire Superannuation Fund it is not appropriate to disclose either the current level of funding in the fund as a whole or the market value of its assets. However, copies of the accounts of the fund can be obtained from City of Bradford Metropolitan Council.

Introduction

The disclosures below relate to the funded liabilities within the West Yorkshire Pension Fund (the "Fund") which is part of the Local Government Pension Scheme (the "LGPS"). The funded nature of the LGPS requires Leeds Heritage Theatres and its employees to pay contributions into the Fund, calculated at a level intended to balance the pension's liabilities with investment assets.

In accordance with Financial Reporting Standards disclosure of certain information concerning assets, liabilities, income and expenditure relating to pension schemes is required.

Contributions for the accounting period ending 31 March 2025

The Employer's regular contributions to the Fund for the accounting period ending 31 March 2025 were £473k. Additional contributions may also become due in respect of employer discretions to enhance members' benefits in the Fund over the next accounting period.

Assumptions

The latest actuarial valuation of Leeds Heritage Theatres' liabilities took place as at 31 March 2025. Liabilities have been estimated by the independent qualified actuary on an actuarial basis using the projected credit method. The principal assumptions used by the independent qualified actuaries in updating the latest valuation of the Fund for FRS102 purposes were:

Principal financial assumptions (% per annum)

	31-Mar-25	31-Mar-24
Discount rate	5.8%	4.8%
CPI Inflation	2.5%	2.6%
Rate of increase to pensions in payment	2.5%	2.6%
Rate of general increase in salaries	3.75%	3.85%

12. Actuarial gains/ (losses) on Defined Benefit Pension Scheme (continued)

Mortality assumptions

The mortality assumptions are based on the recent actual mortality experience of members within the Fund and allow for expected future mortality improvements.

Post retirement mortality (retirement in normal health)

	31-Mar-25	31-Mar-24
Males		
Year of Birth base table	Standard SAPS S3N tables (Heavy)	Standard SAPS S3N tables (Heavy)
Rating to above base table * (years)	0.00	0.00
Scaling to above base table rates: Pensioners	90%	90%
Improvements to base table rates	CMI 2023 Projections (SK 7.0, A 0.5) with long term rate of improvement of 1.25% p.a.	CMI Projections (SK 7.0, A 0.5) with long term rate of improvement of 1.5% p.a.
Future lifetime from age 65 (aged 65 at accounting date)	20.9	21.0
Future lifetime from age 65 (aged 45 at accounting date)	21.8	22.3
Females		
Year of Birth base table	Standard SAPS S3N tables (Heavy)	Standard SAPS S3N tables (Heavy)
Rating to above base table * (years)	0	0
Scaling to above base table rates: Pensioners	90%	90%
Improvements to base table rates	CMI 2023 Projections (SK 7.0, A 0.5) with long term rate of improvement of 1.25% p.a.	CMI Projections (SK 7.0, A 0.5) with long term rate of improvement of 1.5% p.a.
Future lifetime from age 65 (aged 65 at accounting date)	24.1	24.2
Future lifetime from age 65 (aged 45 at accounting date)	24.8	25.2

* A rating of +1 years means that members of the Fund are assumed to follow the mortality pattern of the base table for an individual +1 years older than them. The ratings shown apply to normal health retirements.

12. Actuarial gains/ (losses) on Defined Benefit Pension Scheme (continued)

Commutation

31-Mar-25	31-Mar-24
Members assumed to surrender pension on retirement, such that the total cash received (including any accrued lump sum from pre 2008 service) is 75% of the permitted maximum.	Members assumed to surrender pension on retirement, such that the total cash received (including any accrued lump sum from pre 2008 service) is 75% of the permitted maximum.

Reconciliation of Funded Status to Balance Sheet

	Value as at 31-Mar-25 £000	Value as at 31-Mar-24 £000
Fair value of assets	12,159	11,397
Present value of funded liabilities	(8,992)	(10,390)
Total	3,167	1,007

Analysis of the Profit and Loss charge

	Period ending 31-Mar-25 £000	Period ending 31-Mar-24 £000
Current service cost	476	392
Interest cost	498	475
Expected return on assets	217	(426)
Total	1,191	441

Actuarial Gains / (Losses)

	31-Mar-25 £000	31-Mar-24 £000	31-Mar-23 £000	31-Mar-22 £000	31-Mar-21 £000
Actuarial Gain / (Loss)	2,106	848	5,403	2,364	(1,563)

The cumulative actuarial gain as at 31 March 2025 was £7,044k (2024: gain of £4,938k).

12. Actuarial gains/ (losses) on Defined Benefit Pension Scheme (continued)

Changes to the present value of liabilities during the accounting period

	Period ending 31-Mar-25 £000	Period ending 31-Mar-24 £000
Opening present value of liabilities	(10,390)	(10,264)
Current service cost	(476)	(392)
Interest cost	(498)	(475)
Contributions by participants	(187)	(215)
Actuarial gains/(losses) on liabilities*	2,323	422
Net benefits paid out #	236	534
Closing present value of liabilities	(8,992)	(10,390)

* includes changes to the actuarial assumptions

consists of net-cash-flow out of the Fund in respect of the employer, excluding contributions and any death in service lump sums paid, and including an approximate allowance for the expected cost of death in service lump sums.

Changes to the fair value of assets during the accounting period

	Period ending 31-Mar-25 £000	Period ending 31-Mar-24 £000
Opening fair value of assets	11,397	10,399
Interest income on assets	557	491
Actuarial gains/(losses) on assets	(217)	426
Contributions by employer	471	400
Contributions by participants	187	215
Net benefits paid out #	(236)	(534)
Closing fair value of assets	12,159	11,397

consists of net-cash-flow out of the Fund in respect of the employer, excluding contributions and any death in service lump sums paid, and including an approximate allowance for the expected cost of death in service lump sums.

Actual return on assets

Period ending	31-Mar-25 £000	31-Mar-24 £000	31-Mar-23 £000	31-Mar-22 £000	31-Mar-21 £000
Interest income on assets	557	491	276	193	169
Actuarial gain/(loss) on assets	(217)	426	(210)	611	(1,520)
Actual return on assets	340	917	66	804	(1,351)

12. Actuarial gains/ (losses) on Defined Benefit Pension Scheme (continued)

Analysis of amount recognised in Statement of Financial Activities

	31-Mar-25	31-Mar-24	31-Mar-23	31-Mar-22	31-Mar-21
	£000	£000	£000	£000	£000
Total actuarial gains/(losses)	2,106	848	5,403	2,364	(1,563)
Total	2,106	848	5,403	2,364	(1,563)

History of asset values, present value of liabilities and surplus/deficit

Period ending	31-Mar-25	31-Mar-24	31-Mar-23	31-Mar-22	31-Mar-21
	£000	£000	£000	£000	£000
Fair value of assets	12,159	11,397	10,399	10,076	9,054
Present value of liabilities	(8,992)	(10,390)	(10,264)	(14,565)	(15,139)
Surplus/(deficit)	3,167	1,007	135	(4,489)	(6,085)

The table below allocates pension changes (gains and costs) to the Statement of Financial Activities in accordance with the Charities SORP.

Description	Period ending 31-Mar-25 £000	Period ending 31-Mar-24 £000	Disclosed in:
Pension Service Changes			
<u>Liabilities</u>			
Current service cost	(476)	(392)	Other expenditure
Past service cost	-	-	
Curtailment Cost	-	-	
<u>Assets</u>			
Contributions by employer	471	400	Other income
Subtotal	(5)	8	
Pension Finance Changes			
<u>Liabilities</u>			
Interest cost	(498)	(475)	Other expenditure
<u>Assets</u>			
Interest Income on assets	557	491	Other income
Subtotal	59	16	
Pension Changes total	54	24	
Analysis of amount recognised in Statement of Financial Activities	2,106	848	
Total	2,160	872	

Leeds Heritage Theatres

Financial Statements and Annual Report for the year ended 31 March 2025

13. Tangible Fixed Assets

The value of expenditure capitalised and the amounts depreciated during 2024/25 is summarised below:

	Freehold Buildings £	Leasehold Property Improvements £	Other Fittings & Equipment £	Total £
<u>Cost</u>				
At 1 April 2024	4,819,346	1,336,486	3,399,289	9,555,121
Additions	321,977	2,634,869	231,380	3,188,226
Transfers				0
Disposals	(11,690)	0	(57,081)	(68,771)
At 31 March 2025	5,129,633	3,971,355	3,573,588	12,674,576
<u>Depreciation</u>				
At 1 April 2024	(450,644)	(171,473)	(1,231,656)	(1,853,773)
Charge for the year	(118,842)	(175,669)	(321,646)	(616,157)
On Disposals	11,690	0	56,391	68,081
At 31 March 2025	(557,796)	(347,142)	(1,496,911)	(2,401,849)
 Net book value				
At 1 April 2024	4,368,702	1,165,013	2,167,633	7,701,348
At 31 March 2025	4,571,837	3,624,213	2,076,677	10,272,727

14. Debtors

	Charity 2025 £	Charity 2024 £
Trade debtors	82,639	228,286
Prepayments	14,475	432,868
National Lottery Heritage Fund Grant	312,417	450,689
Leeds City Council	767,689	360,813
HMRC (VAT & Theatre Tax Credits)	225,026	277,147
Total - Debtors	1,402,246	1,749,803
Doubtful Debt Provision	(1,250)	(18,611)
Net Total	1,400,996	1,731,192

15. Creditors: Amounts Falling Due Within One Year

	Unrestricted Funds 2025 £	Restricted Funds 2025 £	Total Funds 2025 £	Total 2024 £
Trade Creditors	(521,140)	0	(521,140)	(524,591)
Advance Receipts	(6,595,481)	0	(6,595,481)	(4,247,163)
Leeds City Council	(1,349)	0	(1,349)	0
HMRC (VAT)	(154,309)	0	(154,309)	(53,954)
Accruals	(198,025)	0	(198,025)	(231,858)
Total	(7,470,304)	0	(7,470,304)	(5,057,566)

Leeds Heritage Theatres

Financial Statements and Annual Report for the year ended 31 March 2025

16. Deferred Income

	Charity 2025 £	Charity 2024 £
Balance as at 1 April	(4,247,163)	(4,498,997)
Amount released to incoming resources from charitable activities	4,247,163	4,498,997
Amount deferred in year	(6,595,481)	(4,247,163)
Balance as at 31 March	(6,595,481)	(4,247,163)

'Amount deferred in year' as shown above, comprises Box Office income from tickets and vouchers being sold in advance for around 170 performances and screenings.

17. Commitments under Operating Leases

At 31 March 2025 the Company's future minimum operating lease payments are as follows:

	Land and Buildings	
	2025	2024
Operating Leases due:	£	£
After more than 5 years	0	0
	Other Assets	
	2025	2024
Operating Leases due:	£	£
Within 1 year	9,155	9,156
Within 2 to 5 years	21,863	31,018
After more than 5 years	0	0
	<u>31,018</u>	<u>40,174</u>

Leeds Heritage Theatres

Financial Statements and Annual Report for the year ended 31 March 2025

18. Analysis of funds for Year Ending 31 March 2025

	At 31 March 2024 £	Income £	Expenditure £	Transfers & other recognised gains & losses £	At 31 March 2025 £
<u>Restricted Funds</u>					
Leeds Grand Theatre & Opera House:					
Restoration Fund	2,149,798	82,899	(315,280)	2,505,617	4,423,034
City Varieties Music Hall:					
Restoration Fund	793,310	303,394	(70,050)	(84,376)	942,278
Hyde Park Picture House:					
Development Fund	4,300,795	351,240	(161,936)	(402,065)	4,088,034
Development Fund Activity	0	0	(46,112)	46,112	0
Learning Department					
Keith Howard Foundation	0	85,000	(85,000)	0	0
Other Grants	0	20,000	(20,000)	0	0
Other Income	0	114,277	(114,277)	0	0
Company					
Non-LCC Grants	0	17,152	(17,152)	0	0
LCC Grants	0	43,000	(43,000)	0	0
Total Restricted Funds	7,243,903	1,016,962	(872,807)	2,065,288	9,453,346
<u>Unrestricted Funds</u>					
Designated Funds	21,867	346,493	(140,257)	0	228,103
Charity	(2,317,881)	13,563,076	(13,832,772)	(2,065,288)	(4,652,865)
Pension Reserve	0	0	0	0	0
Total Unrestricted Funds	(2,296,014)	13,909,569	(13,973,029)	(2,065,288)	(4,424,762)
Total Funds	4,947,889	14,926,531	(14,845,836)	0	5,028,584

Unrestricted Funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the Company.

Restricted Funds can only be used for particular restricted purposes within the objects of the Company. Restrictions arise when specified by the donor or when funds are received for a particular purpose. The use of the Restricted Funds is limited to the restoration of our three venues, grant income from the Keith Howard Foundation is limited to Learning activities, and Leeds Cultural Investment Programme grant is used to support our cultural and heritage offer.

Transfers and other recognised gains and losses represent the net investment in capital expenditure on Restricted Assets.

Leeds Heritage Theatres

Financial Statements and Annual Report for the year ended 31 March 2025

19. Analysis of funds for Prior Year (Ending 31 March 2024)

	At 31 March 2023 £	Income £	Expenditure £	Transfers & other recognised gains & losses £	At 31 March 2024 £
<u>Restricted Funds</u>					
Leeds Grand Theatre & Opera House:					
Restoration Fund	1,515,815	294,881	(184,463)	523,565	2,149,798
City Varieties Music Hall:					
Restoration Fund	179,358	81,989	(69,887)	601,850	793,310
Hyde Park Picture House:					
Development Fund	3,563,421	306,008	(109,971)	541,337	4,300,795
Lifecycle Fund	0	0	0	0	0
Learning Department					
Keith Howard Foundation	0	85,000	(85,000)	0	0
Other Grants	0	1,500	(1,500)	0	0
Other Income	0	103,758	(103,758)	0	0
Company					
Non-LCC Grants	141,079	13,842	(154,921)	0	0
LCC Grants	0	43,000	(43,000)	0	0
Total Restricted Funds	5,399,673	929,978	(752,500)	1,666,752	7,243,903
<u>Unrestricted Funds</u>					
Designated Funds	0	65,650	(43,783)	0	21,867
Charity	(833,237)	14,074,297	(13,892,189)	(1,666,752)	(2,317,881)
Pension Reserve	135,000	0	0	(135,000)	0
Total Unrestricted Funds	(698,237)	14,139,947	(13,935,972)	(1,801,752)	(2,296,014)
Total Funds	4,701,436	15,069,925	(14,688,472)	(135,000)	4,947,889

Leeds Heritage Theatres

Financial Statements and Annual Report for the year ended 31 March 2025

20. Analysis of Net Assets Between Funds for Year Ending 31 March 2025

	Tangible Fixed Assets £	Cash at Bank and In Hand £	Other Net Current Assets £	Pension (Liability)/ Asset £	Total £
<u>Unrestricted Funds</u>					
Designated Funds	0	228,103	0	0	228,103
Charity Unrestricted Reserve	819,379	538,432	(6,010,676)	0	(4,652,865)
Pension Reserve	0	0	0	0	0
Sub-total	819,379	766,535	(6,010,676)	0	(4,424,762)
<u>Restricted Funds</u>					
Leeds Grand Theatre & Opera House: Restoration Fund	4,423,034	0	0	0	4,423,034
City Varieties Music Hall: Preservation Levy	942,278	0	0	0	942,278
Hyde Park Picture House: Development Fund	4,088,034	0	0	0	4,088,034
Sub-Total	9,453,346	0	0	0	9,453,346
Total Funds	10,272,725	766,535	(6,010,676)	0	5,028,584

21. Analysis of Net Assets Between Funds for Prior Year (Ending 31 March 2024)

	Tangible Fixed Assets £	Cash at Bank and In Hand £	Other Net Current Assets £	Total £
<u>Unrestricted Funds</u>				
Designated Funds	0	21,867	0	21,867
Charity Unrestricted Reserve	457,445	505,584	(3,280,910)	(2,317,881)
Pension Reserve	0	0	0	0
Sub-total	457,445	527,451	(3,280,910)	(2,296,014)
<u>Restricted Funds</u>				
Leeds Grand Theatre & Opera House: Restoration Fund	2,149,798	0	0	2,149,798
City Varieties Music Hall: Preservation Levy	793,310	0	0	793,310
Hyde Park Picture House: Development Fund	4,300,795	0	0	4,300,795
Sub-Total	7,243,903	0	0	7,243,903
Total Funds	7,701,348	527,451	(3,280,910)	4,947,889

22. Reconciliation of Net Income to Net Cash Flow from Operating Activities

	2025 £	2024 £
Net Income	80,695	381,453
less: interest received	(17,550)	(77,997)
Operating Profit	63,145	303,456
Depreciation charge	616,157	490,923
Loss on Impairments	693	9,367
(Increase)/Decrease in stock	(13,168)	(16,674)
(Increase)/Decrease in debtors	330,195	(822,789)
Decrease in creditors	2,412,738	(1,213,154)
Net Cash used by/(provided by) Operating Activities	3,409,760	(1,248,871)

The Company had no debt in the current or previous year.

23. Going Concern

The Trustees consider the Company to be a going concern and the Financial Statements have been prepared on that basis. In reaching this conclusion the Trustees have taken into account a number of factors including the current period of economic downturn.

Long term forecasts have been prepared modelling a number of scenarios which show that, with income generation strategies and cost control measures in place, and the level of reserves, the Company can continue to operate as a going concern. Key to this success will be:

- Maintaining the high volume of productions and screenings across our three venues, and being able to attract high quality product,
- The award from The Keith Howard Foundation of a grant agreement for a period of three years, until July 2026,
- Additional income from implementing our Business Strategy, in particular income from fundraising.

It is recognised that under the terms of the Leeds Grand Theatre lease, the Company is responsible for ensuring that the whole of the premises is kept in good and tenable repair and condition. The Company has a programme of capital works, and is working closely with the City Council in order to ensure compliance with these lease obligations.

We acknowledge that a legal charge remains in place between the Company and the Arts Council of England dated 10 June 2009, creating a legal obligation for the Company to reimburse the Arts council a grant of up to £1,050k if the Leeds Grand Theatre property is no longer used for the purposes of being a theatre during the 20 years to June 2029. We consider that the probability of the theatre no longer being used as a theatre is remote, and on the basis that the Company is a going concern, no disclosure is required in respect of any potential contingent liability.

23. Going Concern (continued)

We also acknowledge that a legal charge is in place between the Leeds Heritage Theatres and the Trustees of the National Heritage Memorial Fund (NHMF) dated 14 September 2023, creating a legal obligation for the Company to reimburse the NHMF a grant of up to £2,812k if the Hyde Park Picture House is no longer used for the purposes of being a cinema during the period to December 2038. We consider that the probability of the cinema no longer being used as a cinema is remote, and again, on the basis the Company is a going concern, no disclosure is required in respect of any potential contingent liability.

The Board also has regard to the pension obligation disclosed in the financial statements. Under the terms of the Guarantee Agreement between Leeds City Council and the Administering Authority of the West Yorkshire Pension Fund dated 1978, Leeds City Council acts as guarantor to the Company in respect of future pension liabilities. If the Company ceased to operate, the pension asset/liability would revert to Leeds City Council.

With consideration of the points described above, the Trustees have concluded that the Company can continue to operate as a going concern basis.

24. Residency Licence

Leeds Heritage Theatres has a residency licence with Opera North Limited. For the purposes of this note, Leeds Heritage Theatres is the licensor and Opera North Limited the licensee.

Under the terms of this licence, Leeds Heritage Theatres permits Opera North Limited to use the Leeds Grand Theatre premises for a maximum of 23 residency weeks per year. Opera North Limited are entitled to have first call on booking its residency weeks but no part of a residency week may fall within the Company's priority window. The licence is due to terminate on the 31st December 2035.

25. Events After the Reporting Date

Subsequently to the year end, work will begin in Spring 2026 on the City Varieties Music Hall, which includes replacement of the roof, and repairs to pointing and brickwork. The estimated costs for this are £1.8m.

Accounts



Leeds Heritage Theatres
(formerly Leeds Grand Theatre
and Opera House Limited)

Financial Statements and Annual Report 2023/24

**HYDE PARK
PICTURE HOUSE**
LEEDS' PREMIER ART-HOUSE CINEMA

CITY VARIETIES
MUSIC HALL • LEEDS

The
GRAND
Theatre & Opera House Leeds

Leeds Heritage Theatres

Trustees' Annual Report and Financial Statements for the year ended 31 March 2024

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Reference and Administrative Information

Company Name	Leeds Heritage Theatres (with effect from 8 July 2024 formerly Leeds Grand Theatre & Opera House Limited)
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Company Registration Number 00978161

Charity Registration Number 500408

VAT Number 333 4718 09

Registered Office Leeds Heritage Theatres,
46 New Briggate, Leeds LS1 6NU

Trustees

Mr. Alan Gay O.B.E.

Mr. Robert Gettings M.B.E.

Mr. Neil Clephan

Mr. Kris Brewster

Mr. Peter Wilkinson Resigned 31 August 2024

Councillor Jane Dowson

Councillor Peter Harrand Resigned 27 April 2023

Councillor Denise Ragan Resigned 27 April 2023

Ms. Anna Franks

Ms. Rebecca Morgan

Ms. Madeleine Robinson

Councillor Ryan Stephenson Appointed 8 August 2023

Mr. Martin Farrington Appointed 6 November 2024

Senior Management Team

Vicky Cheetham	Chief Executive	Appointed 3 June 2024
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Chris Blythe	Chief Executive	Resigned 31 March 2024
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Anne Harrison Head of Support Services

Ian Sime Grand Theatre and City Varieties Music Hall General Manager

Anne Shaw Head of House Management

Wendy Cook Head of Cinema

Julie Wainwright **Head of Finance**

Amy Sanderson
Head of Communications

Alan Dawson
Head of Property & Technical

Rachel Lythe
Head of Learning

Treasurer Kris Brewster, c/o Leeds Heritage Theatres,
46 New Briggate, Leeds LS1 6NU

Auditors Azets Audit Services Ltd, 12 King Street, Leeds, LS1 2HL

Bankers NatWest Bank, 8 Park Row, Leeds, LS1 6QB

Solicitors Wrigleys Solicitors, 3 Wellington Place, Leeds, LS1 4AP
Lupton Fawcett Solicitors, 2 The Embankment, Sovereign Street,
Leeds, LS1 4BA

Trustees' Report for the year ended 31 March 2024

The Trustees are pleased to present their annual report together with the financial statements of the Leeds Heritage Theatres (the Company) for the year ending 31 March 2024, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and 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).

1.0 Reference and Administrative Details

The Reference and Administration Information page forms part of this report.

2.0 Our Objectives and Activities

Our purpose as set out in the Company's Memorandum of Association is to promote knowledge, education and appreciation of the arts. We achieve our charitable aims by providing a theatre, a music hall and a picture house to stage productions and host film screenings, and provide educational programmes and heritage activity to encourage participation in the arts by the general public.

Leeds Grand Theatre (LGT) is a Grade II* listed Victorian theatre (1878), City Varieties Music Hall (CVMH) is one of the few surviving Victorian music halls (1865), also with a Grade II* listed status, and Hyde Park Picture House (HPPH) is an early surviving cinema (1914) with a Grade II listing. Our venues are recognised nationally as significant heritage venues and are a renowned part of the cultural infrastructure of the city of Leeds.

The Learning Programme engages participants with activities across our three venues, working with both young people and communities in the city and region. Inclusive skills-based training, workshops and educational tours are delivered, alongside introductory activities to connect people who may not ordinarily engage with the arts, with our live performances and films. This helps to make our programme and theatre buildings more accessible to wider audiences.

The over-arching aims of the Company are to:

1. Engage with as many members of the public as possible to raise awareness of and access to the arts and our educational offer;
2. To be a financially sustainable and robust organisation;
3. To provide access to, and suitably well-maintained facilities for our high quality live performance and film programme.

In order to achieve these aims, the Company has the following objectives:

1. Maximise attendances at our theatre productions and cinema screenings, and to encourage community involvement in our Learning Programme: awareness and accessibility are key to these aspirations;
2. Offer variety by providing a broad range of cultural experiences to be enjoyed by all tastes, ages and backgrounds;

3. Offer a Learning programme;
4. To be financially efficient and business-like in our activities;
5. Maintain and where possible improve the condition of our buildings and infrastructure.

The strategies employed to achieve the Company's aims and objectives are:

- To achieve as broad an appeal as possible by presenting a wide range of theatre productions and cinema screenings, from younger children's activities and screenings, family productions such as pantomime, productions aimed at older audiences, operatic and balletic productions, plus those with a general appeal: dramatic, musical and comedic performances;
- To offer inclusivity by hosting accessible performances and screenings for people who are visually or hearing impaired, or otherwise vulnerable;
- To offer opportunities for young people to get involved in arts activities exploring their own creative powers through workshops, training, a Youth Theatre, summer school and feeding into planning and decision making;
- To celebrate the heritage element of our historic buildings through tours and open days;
- To be financially successful by maximising income and controlling expenditure in order to be an efficient and effective organisation which achieves good value for money and obtains maximum value from its assets;
- To continue enhancing our reputation, and maintain or enhance relationships with our visiting companies; this will ensure the Company has a choice of high quality productions to host at our venues, and the ability to secure these in the medium term;
- To continue the planned approach to identifying and scheduling works to our venues.

3.0 Delivering Public Benefit

In shaping our objectives for the year and planning our activities, the Trustees have considered the Charity Commission's guidance on public benefit. Our principal activities for the public benefit are providing access to a diverse programme of live theatre, film screenings and educational activities, including skills training, delivered by our in-house Learning & Engagement Team and a range of specialist freelance artists. Our vision is to bring people together, create the extraordinary and provide a positive environment in which to entertain and educate. We provide spaces and experiences for over 413,700 people a year to connect, work, learn, play and enjoy together, forming lasting connections and partnerships across the region. Activities improve well-being, confidence, resilience and develop new skills and a range of bursary schemes are in place to widen access across our education programme. In 2023 we launched a new scheme 'Secret Seats', which enables members of the public to access theatre tickets at a subsidised rate and with the purchase of new access equipment, interpreted performances are provided across our venues enabling more people to access the arts.

3.1 Advancing the Arts

The programme at our venues remains a core part of Leeds' cultural offer, providing a wide range of programme for audiences across the City. During the year ending March 2024 we delivered a breadth of genres including film screenings, drama, music, ballet, opera, comedy, musical theatre, and variety. The re-opening of the Hyde Park Picture House in June 2023 brought many cinema goers back to the venue as well as giving new audiences a chance to discover and explore our programme.

Of our 413,700 patrons, 50-60% are new, indicating our reach and the scale of people with whom we have engaged over the years.

For young people, over 6,000 patrons attended family productions aimed at youngsters aged 4 to 14 and there were four school performances attended by 210 school age children. A further 2,000+ children attended our pantomime as part of a school group.

The economic downturn has created a barrier for many with affordability problematic for more people. In response, we launched our Secret Seats offer in February 2023 to increase the number of more affordable tickets, widening our reach and increasing accessibility. This has been taken up by 48,000 patrons, many of whom have become repeat visitors.

Our Access Membership Scheme supports people with disabilities to enjoy live performance at our theatres, not only through discounted tickets but also through ensuring that their visit is safe and comfortable. In 2023 we launched a fundraising initiative to support our aim of increasing our interpreted (BSL, audio-described and captioned) performances and screenings. We have achieved this aim by providing captioned, BSL and audio-described performances for every week-long production at LGT and for our annual pantomime at CVMH. At HPPH we also had 238 screenings with captions for deaf and hard of hearing audiences and 637 which had audio description available for audiences. Particularly on captioning this is a huge increase compared with pre-closure (av. one per week).



*Cast of the Rock n' Roll Pantomime 2023/24
Credit: Ant Robling Photography*

This is complimented by the expanded access improvements at HPPH made possible with our renovation which has significantly improved physical access at the venue, alongside increasing the capacity required to improve our provision of accessible performances. This now includes weekly Autism Friendly performances for families and monthly Dementia friendly performances.

As stated, HPPH reopened after its major National Lottery Heritage Fund supported renovation on 26th June 2023. Our primary goal at the cinema included re-establishment of the venue both in the industry and with audiences.

Across the year we screened over 300 unique titles and to support that reconnection with sector and community we worked with over 80 different partners on events as part of our programme. These collaborations spanned the cultural world (Pavilion, Village Books, Leeds Animation Workshop, Leeds Queer Film Festival, Leeds Film, the Henry Moore Institute, Leeds International AFRICAN Arts Festival), Community (Senegalese Community Leeds, Leeds African Communities Trust, Pyramid of Arts, Migration Yorkshire, Arts & Minds) and Educational (Swarthmore, University of Leeds, University of Edinburgh, Brudenell Primary, Into Film). These wide-ranging connections helped us to broaden the range of people engaged in the creation of our programme in order to create a stronger artistic offer overall.

We continued our audience research with Indigo and with a better understanding of how our audiences compare to the make-up of our City, we have developed a five year audience development programme which will first focus on increasing the numbers of our audience aged 15-30 and will widen our reach to potential Asian audiences who make up almost 9% of our city. We have begun work on increasing 15-30 audiences with the launch of a 15-25 membership at Hyde Park Picture House and an 18-30 membership which runs across all three venues and 2024/25 will see increased targeting to these groups.

3.2 Advancing Education

Throughout the year 2023/24 we delivered a programme of creative skills development, industry experience, knowledge share and networking regarding the cultural sector and an opportunity to learn about the history of performance and film at our venues. Our Learning & Engagement Programme has built on lasting partnerships with education establishments, community groups and other creative organisations to improve skills, confidence, wellbeing and enjoyment.

Highlights include:

- Year-round performance skills training courses delivered through Leeds Grand Youth Theatre (8-17yr olds) and Leeds Actors in Training (18-25yr olds). The end of year production of The Addams Family provided valuable experience on and off stage and upon the completion of our advanced training, members were accepted to the Arden School of Performance, offered professional roles at York Theatre Royal, participated in the National Youth Theatre's performance of NEST and featured on Spotlight, the industry standard casting website,
- We delivered a series of school, college and university workshops, talks and venue tours linked to the curriculum and accredited courses,
- We were commissioned to create new work for the city's Child Friendly Leeds Awards and the Holocaust Memorial Commemoration'
- We continued to lead a collective of arts, cultural, heritage and educational organisations through the Grand Futures Leeds Arts Network, resulting in successful lobbying for additional funding for training courses in Technical Theatre, cross partnership delivery for work experience and supporting city events such as the Creative Skills Festival attended by 5,000 young people,
- We launched a series of pilot programmes including:
 - After-school Drama Clubs - engaging young people that were under-confident or had behavioural needs and wouldn't normally take part in drama activities,
 - 'LHT Unwrapped' holiday provision was reintroduced providing a broad range of creative taster sessions,

- Work experience projects were rolled out and new school partnerships established,
- Raised the opportunity for young people's voices to be heard through the LHT Youth Forum.
- Having been awarded the Scope Inclusivity Award for the youth theatre provision, the team strive to make further activities more accessible, piloting projects such as the Cultural Exchange with pupils with Special Educational Needs and Disabilities.
- Established the Hyde Park Film school to support in depth learning opportunities on a particular subject and expand our informal learning offer at HPPH.

3.4 Preservation and Enhancement of our Venues and Infrastructure

Delivery of our ten-year planned programme of works at LGT is ongoing. Urgent works are prioritised and this is kept under review. During the year, a number of works have been completed in the LGT estate, costing £0.7m. These were funded by a mixture of in-year budgetary provision, capitalisation and by the levy on ticket sales, collected for that purpose and held in a dedicated Restricted Fund.

- In order to reduce water consumption, we have replaced 43 pairs of taps, 10 cisterns, installed 7 flow restrictors and 31 thermostatic mixing valves in our back of house areas - we would like to thank the Theatres Trust for a grant towards the cost of water saving measures,
- We continue to repair and restore the Grade 2* listed ornate plaster work in the auditorium,
- We have undertaken works inside the ceiling void above the auditorium to protect the suspended ornate plaster ceiling,
- We began a major upgrade to cabling infrastructure to support LED lighting throughout the building, and continued our phased programme of lighting and dimmer upgrades to LED,
- We have replaced one of our fourteen roofs,
- We continue our programme of fire safety upgrades by improving doors and fire stopping.

At CVMH, works have been funded by a combination of capitalisation and by the levy on ticket sales, collected for that purpose and held in a dedicated Restricted Fund.

- We have replaced the flying system,
- We upgraded cabling infrastructure to allow the installation of LED lighting inside the auditorium, and production lighting,
- We continued our design work to refurbish brickwork and render on exterior walls, and to replace the main roof.

HPPH re-opened in June 2023 following extensive preservation and redevelopment works:

- the creation of a new second screen, internal waiting area/café bar and community room,
- comprehensive repair of the heritage features and fabric of the building,
- comprehensive renewal and improvement of the building services including electrical and plumbing.

Section 3 of the Strategic Report outlines significant planned works at our venues for 2024/25 and beyond.

4.0 Achievements and Performance

4.1 Performance Information

During the year 2023/24 the Company achieved the following:

- LGT: 298 performances with attendance levels of 247,000 (281 performances with attendance levels of 266,000 during 2022/23).
- CVMH: 216 performances and 10 screenings with attendance levels of 83,500 (209 performances and 15 screenings with 75,000 attendances in 2022/23).
- Learning and Engagement Programme across our three venues: 331 sessions and 5,482 people – virtual and in person (246 sessions and 4,819 people in 2022/23).
- HPPH: 1,756 screenings and events, with attendance levels of 77,736 (163 screenings and 5,953 attendances in 2022/23 On The Road).
- A total of **2,611** screenings, sessions and events have been staged and hosted during the year, with attendances of **413,718** people (virtual and in person).

4.2 Employees

Our Company is a major provider of employment within the arts, entertainment and cultural sectors in Leeds. The Company currently employs 112 permanent staff and 162 non-permanent staff (casual staff) across our three venues, a total of 274 individuals.

4.3 Contribution Made by the Company's Volunteers

Volunteers are an integral element of the Front of House function at our venues, and this has been a long running and successful arrangement for the Company. We remain very grateful for the commitment and expertise of our 116 regular volunteers who contributed an estimated 4,300 hours (this is not recognised in the Statement of Financial Activities).

4.4 Contribution Made by the Company's Friends

The Friends of City Varieties Music Hall number around 140, they are a fundraising body with registered charity status. Their charitable aim is to 'promote the public appreciation and understanding of the arts by the support maintenance and advancement of the charitable work of the music hall'.

The Friends of Hyde Park Picture House are an independent charity (no. 1168835). At closure they had over 800 members but whilst closed we have worked with them to reframe their role and membership functionality. This has included removing the discounts they have historically received (allowing HPPH to establish its own schemes) allowing them to reduce down to a smaller, more engaged group who are able to focus more closely on their charitable purposes. Their 'new' memberships were launched in January 2023, and they currently have approximately 100 members.

The role of the Friends is very much an ambassadorial role. Helping to act as advocates for the HPPH. They are also an invaluable critical friend, representing the voice of our historic core audience. The charitable objects of the Friends are:

- To promote, support and participate in the cultural landscape of Hyde Park, Leeds and Yorkshire, particularly through an appreciation and understanding of the art of cinema;
- To celebrate the heritage of the HPPH and ensure its preservation and continued use for cinema and related arts by and for all sections of the community.

Post re-opening we are working with them to support our work with volunteers as well as the development of our activity engaging with refugees and asylum seekers in the area including skills development and community building.



Strategic Report

1.0 Financial Summary

1.1 Position as at 31 March 2024

For the year ended 31 March 2024 the Company registered a surplus of £381k compared to last year's surplus of £709k. This result reflects a challenging year in which inflation was high e.g. the increase to the National Minimum Wage and demand for tickets was less than anticipated for some performances, largely we think, due to the wider economic environment.

The Company's overall pension reserve has increased by £872k and is now an asset of £1,007k compared to the asset of £135k in 2022/23. The asset is based on actuarial valuations and represents the difference between the value of the Company's pension fund assets at 31 March 2024 and the estimated present value of the future pension payments to which the Company was committed at that date.

During 2023/24, the fair value of assets has increased by £998k: investments in the property and equity markets were reliable and returns were reasonable. The present value of the future obligation has increased by £126k.

Financial Reporting Standard 102 'Pension Obligations' (FRS102) states that whilst liabilities must be recognised in the balance sheet, assets may only be recognised where certain criteria are met with regards to realisability. The asset is not realisable and therefore it has not been recognised in the Accounts.

1.2 Funds Position

The Company has overall Unrestricted Funds of £-2,296k. This includes the net transfer to Restricted Funds to support capital expenditure. Within this, free reserves (unrestricted funds which are not committed elsewhere and not invested in tangible fixed assets) are £-2,753k (2023: £-1,200k). This negative position is a result of the high level of deferred income we carry arising from advance ticket sales.

The Company has overall Restricted Funds of £7,244k. Restricted Funds comprise investments in fixed assets, grants and contributions, and levy income.

Unrestricted Funds of £-2,296k (2023: £-698k) together with Restricted Funds of £7,244k (2023: £5,400k) gives a net total of £4,948k (2023: £4,701k), as at 31 March 2024, as shown in the Statement of Financial Activities and the Balance Sheet.

1.3 Principal Funding Sources and Expenditure

The Company generated £12.2m of income from ticket and ancillary sales. Other operating income of £1.4m was received for work done, reimbursements, and miscellaneous recoveries. Grants of £0.5m were received, of this £0.3m related to the development works at HPPH, £0.1m was from the Keith Howard Foundation, to help fund the activities of our Learning Programme, and we also received grant from Leeds City Council to help fund the provision of the artistic programme at our three venues, and delivery of the Learning Programme.

Donations of £60k were received from patrons and supporters and Trustees would like to express their thanks to everyone who gave so generously.

Our total operating expenditure for the year was £14.8m, of which £4m was employee-related costs, £6.6m was paid to our visiting companies and film distributors for our performances and screenings. General operating costs were £4.1m, this comprises premises costs including repairs, energy and insurance, overheads such as IT/software, licences, marketing, stock and the cost of staging our in-house annual pantomime.

1.4 Reserves Policy

The Company's Policy is to have the minimum level of Unrestricted Funds which will mitigate against the realisation of certain major risks summarised below:

- Emergency or planned closure for an extended period of LGT;
- Withdrawal of significant grant funding,
- Significant and sustained under-performance on major income-generating shows creating an in-year deficit,
- Pensions Liability (see below),
- Unidentified major repairs.

The Trustees have assessed the probability and financial impact of the above risks and determined a target level of Unrestricted Funds to cover such operational eventualities. The target is currently met.

There is no target for Free Reserves which is defined as Unrestricted Funds less commitments and investments in Fixed Assets. Free Reserves are currently negative due to investing in Fixed Assets, in particular those assets categorised as Restricted Fixed Assets. In the Statement of Financial Activities, the value of this is shown as a transfer of funds from Unrestricted to Restricted.

Restricted Funds are held for specific purposes as defined by Trustees. Levy income on theatre tickets at LGT and CVMH is used to fund maintenance, enhancements and restoration works to those venues. Further plans to utilise some of these funds are set out in section 3.1 below. The HPPH Fund is being used to help fund the capital project.

1.5 Pension Payments

The accounting liability is covered in section 1.1 above. In cash terms, pensions are paid out by the Pension Fund over a period of many years during which time the assets will continue to generate returns towards funding them, and the Company will continue to make employer contributions. The last actuarial review was as at 31 March 2022, at that point the fund was 106% funded and therefore a reducing employer contribution rate was proposed for three years of 15.7% dropping to 15.3%. The methodology for determining this includes the value of current assets and the value of known liabilities (based on actual member demographics). The liability includes a prediction of for example, future RPI rates, CPI rates, salary increases, demographics etc. and is discounted back to present day. Given the impact of the pandemic, it is anticipated this position will worsen after the next review.

Leeds City Council acts as a guarantor for the Company under the West Yorkshire Pension Fund admission agreement and has agreed to indemnify the administering authority of the

fund from and against all losses and payments that may be incurred by the authority by reason of any default by the Company.

1.6 Investment Powers and Policy

The policy of the Company is to ensure that all investment and borrowing activity is valid, accurate, efficient, properly accounted for and in accordance with statutory and corporate requirements. Trustees have sole responsibility for this type of activity. There was no borrowing undertaken during 2023/24. Interest was earned on balances comprising fixed term deposits and current accounts.

2.0 Principal Risks and Uncertainties Facing the Business

2.1 Governance Arrangements

Governance arrangements are overseen by Trustees at regular Board and Sub-committee meetings. Any risks, weaknesses or issues of compliance are addressed in a timely manner by senior officers with the oversight of Trustees. No major weaknesses or policy breaches were identified in the year ending March 2024.

2.2 Risk Register

All major risks are identified and monitored via the Company's risk register which is reviewed by the Trustees. The key risk categories are:

- Financial Sustainability
- Failures in Governance Arrangements
- Failure of Infrastructure
- External factors

Each category of risk the Register has further detail on risk areas, internal and external causes of risk and how risks will be managed. Internal systems have been implemented to mitigate risks as far as practicable by having plans and procedures in place such as Major Incident Plans, a robust framework of financial controls and financial reporting, procedures for Health & Safety, Safeguarding etc.

3.0 Plans for the Future

We have ambitious plans for Leeds Heritage Theatres and a new three-year Business Plan has been agreed by Trustees to navigate us through the next phase as the wider economic, political and societal changes are still being realised. We are evolving our strategic pillars (Entertain, Educate and Sustain) into five strategic aims which have been developed through a Story of Change approach and detailed Evaluation Framework. Going into 2024-25 Leeds Heritage Theatre's Strategic Aims will be:

- **Proud to Belong**
Everyone feels they matter and are inspired to reach their potential through a fantastic experience with Leeds Heritage Theatres which makes them want to keep engaging with us.

- **Extraordinary Stories**

Leeds Heritage Theatres tells relevant and meaningful stories that are enjoyed by audiences, inspire participants and are admired by the industry.

- **Rooted in Leeds**

Staff, artists, audiences, participants and visitors are representative of Leeds. All of Leeds knows about us and most of them have engaged with us.

- **Thriving Future**

Leeds Heritage Theatres has a financially sustainable future with growth in sales and income, having a positive economic and skills impact on Leeds and the cultural sector.

- **Responsible Growth**

Leeds Heritage Theatres engages with the climate emergency and makes changes to ensure a sustainable future, internally and externally.

In order to sustain our Charity, we have created a robust business model and our heritage buildings need to be not only fit for purpose but assets which support the Charity in delivering its work to the widest possible audience. As we celebrate the re-opening of the Hyde Park Picture House post refurbishment, we will therefore embark on further capital works at Leeds Grand Theatre and City Varieties Music Hall to make our buildings and operations environmentally sustainable so we can continue to welcome audiences and participants in years to come.

3.1 Strategic Planning

During 2023/24 we embedded our Evaluation Framework into our planning, allowing us to draw on data from our audiences to inform future decision making and reflect on what has been achieved. Coupled with sales data reporting, we are now able to view and understand the information from various sources in a clearer and easier to analyse way, meaning we use our data in a more effective manner in strategic decision making. Our pricing strategy is proving robust, and work will continue to ensure we balance income and accessibility across our venues. For the first time in our history, we have data from all three venues feeding into the same places, making our planning more holistic than ever before.

Our charitable aims and Strategic Plans remain at the centre of our decision making and we remain confident that our business model is sound and sustainable. We regularly review and develop this, responding to the external and internal factors such as the current cost of living crisis and our own cost increases.

3.2 Our Venues

In conjunction with Leeds City Council as landlord, the Company has embarked on a multi-million pound programme of restoration works to the LGT estate to sustain the longevity of the theatre and facilities. Externally, the focus in the next 12-18 months will be roofs and maintaining structural integrity. Internally we undertook strengthening works to a number of different areas including balcony fronts from which lighting and sound bars are suspended. This necessitated a planned closure period in Summer 2024 as some of the works could not be done whilst the venue is live.

We will also continue to deliver planned maintenance and repairs including ongoing fire safety enhancements, annual inspections to ornate plaster works and repairs where necessary, continuing to upgrade all Front of House lighting to LED. We will also continue to reduce our carbon footprint in connection with water and energy consumption as well as

consumables. The funding strategy for Company costs includes capitalisation, LGT Restoration Fund (restricted), and Unrestricted Funds.

At CVMH, a similar programme of works has been identified externally. Whilst the CVMH has benefited from a comprehensive refurbishment internally, there are periodic inspections on roofs, internal structures and load bearing capacity. In Autumn 2024, we will replace the main roof and upgrade external walls, and we are continuing to upgrade lighting to LED. The costs of works will be met by a mixture of Restricted Funds, capitalisation and Unrestricted Funds.

The re-development of HPPH was completed in June, including works to make the venue more environmentally sustainable. Therefore, no major works are required in the short to medium term, but a comprehensive management and maintenance plan reflecting the best possible path to maintaining the asset will be followed.

3.3 Fundraising

Charity Commission guidance on fundraising sets out the law and good practice principles for trustees to follow when fundraising. The Company has registered with the Fundraising Regulator to demonstrate its commitment to the recognised standards, and adheres to them.

In 2023/24 we made bids to fifteen trusts and foundations, mainly in support of our Learning & Engagement programmes but also for urgent capital works needed for CVMH. Our applications were mostly unsuccessful but valuable feedback has been received and we are working on new plans to resubmit in the coming year. We were successful in receiving over £30k in funding from a variety of trusts and foundations. In addition to this, The Keith Howard Foundation continue as a major funder of our Learning & Engagement activities for which Trustees remain very grateful.

We have continued to grow our Individual Giving schemes and launched a new Theatre for All campaign to raise money to increase the number of interpreted performances, primarily at LGT but also for our pantomime at CVMH. Plans for the coming year are to increase the number of customers donating at checkout through stronger messaging as well as increasing the number of donation touchpoints for the customer during their entire experience.

Our current contract with our freelance fundraiser has now ended and Trustees are re-visiting our Fundraising Strategy and will make a decision about a permanent post in 2025.

4.0 Structure, Governance and Management

4.1 Structure

Leeds Heritage Theatres is a Company with no subsidiaries.

4.2 Governing Document

Leeds Heritage Theatres is a company limited by guarantee governed by its Memorandum and Articles of Association, dated 26 June 2024 (superceding those of 27 April 1970), and

incorporated in the United Kingdom. There is no share capital but each member of the company undertakes to guarantee £1 in the event of the winding up of the company.

4.3 Recruitment and Appointment of Trustees

The Company has a maximum of twelve people on its Board of Trustees, three of whom are nominated by Leeds City Council with the remaining nine being independent, of which two are currently vacant. The trustees make up the Board of Management. They are directors of the Company for the purposes of company law and are also charity trustees for the purposes of charity law. All trustees give their time voluntarily and received no benefit from the Company. Any expenses claimed are set out in Note 9 to the accounts.

Council trustees are appointed through the Member Management Committee of Leeds City Council. Independent trustees are appointed through an interview process following advertising on the Company's website. All trustees undertake an induction process led by the Company's Chief Executive; all council trustees receive appropriate training as part of their responsibilities and all independent trustees were selected based on their relevant experience and training.

4.4 Organisation

The Board of Trustees manages the Company. The Board normally meets quarterly and there are three sub-committees: Finance, Governance & Resources, Artistic & Charity Development, and Property, Health & Safety & Safeguarding. To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by Trustees, for operational matters.

4.5 Related Parties

Leeds City Council provides funding in support of the artistic and educational programme. In addition, the City Council owns the LGT estate, which it leases to the Company with a full repairing obligation for a peppercorn rent.

We are extremely grateful to the Keith Howard Foundation for continuing their grant funding to support the work of the Learning & Heritage Team; during the year 2023/24 grant was received of £85,000.

4.6 Pay Policy for Senior Staff

The Directors agree that the key management personnel of the Company comprise themselves and the Senior Management Team.

Annual salary increases for all staff are paid with reference to BECTU guidelines and statutory rates of pay, other than for the Company's Chief Executive post, which is determined by the Board of Trustees.

4.7 Risk Management

The Trustees have a governance framework as per section 2.1 which assesses key internal controls. The framework includes key internal controls to manage risk including:

- A system of authority and delegation for key decisions,
- Robust financial controls and financial planning,
- Annual high quality independent audit assessment of internal controls and processes,
- The setting of and monitoring of compliance with a comprehensive suite of policies and procedures covering risk areas,
- All major risks are identified and monitored via the Company's Risk Register. These include
 - Financial sustainability
 - Failure of governance arrangements
 - Failure of infrastructure
 - External factors.

5.0 Preparation of the Financial Statements

5.1 Trustees' Responsibilities

In relation to the Financial Statements the Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. The Trustees are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Company and charity law requires directors to prepare financial accounts that give a true and fair view of the state of affairs of the company at the end of the financial year and of its surplus or deficit for the financial year. In doing so the Directors have:

- Selected suitable accounting policies and then applied them consistently,
- Observed the methods and principles in the Charities SORP,
- Made judgements and estimates that were reasonable and prudent,
- Stated whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- Prepared the financial accounts on a Going Concern basis.

5.2 Statement as to Disclosure to our Auditors

In so far as the Trustees are aware:

- There is no relevant audit information of which the Company's auditor is unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

5.3 Auditors

Azets Audit Services Limited are auditors for the Company and in accordance with Section 485 of the Companies Act 2006, a resolution that they be re-appointed will be tabled at a future general meeting.

Approved by Trustees and signed on their behalf by



Mr. Alan T. Gay O.B.E.
Chair of the Board of Trustees,
Leeds Heritage Theatres

Date 27/11/2024



Mr. Kris Brewster,
Chair of Finance, Governance &
Resources Sub-committee and
Treasurer,
Leeds Heritage Theatres
Date 26/11/2024

Independent Auditor's Report to the Members of Leeds Heritage Theatres

Opinion

We have audited the financial statements of Leeds Heritage Theatres (the 'Company') for the year ended 31 March 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (UK Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2024 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's 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.

Independent Auditor's Report to the Members of Leeds Heritage Theatres continued

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report and strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report and 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 the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report or the strategic report.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us;
- the financial statements are not in agreement with the accounting records and returns;
- 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 the Trustees for the Financial Statements

As explained more fully in the Trustees' responsibilities statement, the Trustees 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 they 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 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 Company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report to the Members of Leeds Heritage Theatres continued

Our responsibilities for the audit of the financial statements

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

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

Extent to which the audit was considered capable of identifying irregularities, including fraud

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.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.
- Performing audit work over the timing and recognition of revenue and in particular whether it has been recorded in the correct accounting period.

Independent Auditor's Report to the Members of Leeds Heritage Theatres continued

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our report

This report is made solely to the 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 Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Jessica Lawrence

Jessica Lawrence
Senior Statutory Auditor

28/11/2024
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For and on behalf of Azets Audit Services Limited
Statutory Auditor

12 King Street
Leeds
LS1 2HL

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2024

	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Total Funds 2024 £	Total Funds 2023 £	Notes
INCOME					
Donations and grants	111,083	830,126	941,209	1,994,736	5
Investment income	77,997	0	77,997	48,658	6
Income from charitable activities	13,950,867	99,852	14,050,719	14,908,646	7
Other income	0	0	0	276,000	8
<i>Total Income</i>	<i>14,139,947</i>	<i>929,978</i>	<i>15,069,925</i>	<i>17,228,040</i>	
EXPENDITURE					
Charitable activities	(13,796,956)	(752,500)	(14,549,456)	(15,317,839)	10
Governance costs	(139,016)	0	(139,016)	(146,437)	9
Other expenditure	0	0	0	(1,055,000)	11
<i>Total Expenditure</i>	<i>(13,935,972)</i>	<i>(752,500)</i>	<i>(14,688,472)</i>	<i>(16,519,276)</i>	
Net Income for the Year	203,975	177,478	381,453	708,764	
TRANSFERS					
Gross transfers between funds	(1,666,752)	1,666,752	0	0	
Net outgoing resources	(1,462,777)	1,844,230	381,453	708,764	
OTHER RECOGNISED GAINS/LOSSES					
Actuarial gains/(losses) on Defined Benefit Pension Scheme	(135,000)	0	(135,000)	5,403,000	14
<i>Net movement in funds</i>	<i>(1,597,777)</i>	<i>1,844,230</i>	<i>246,453</i>	<i>6,111,764</i>	
RECONCILIATION OF FUNDS					
Total funds brought forward	(698,237)	5,399,673	4,701,436	(1,410,328)	
Total funds carried forward	(2,296,014)	7,243,903	4,947,889	4,701,436	

All of the above amounts relate to continuing activities. The Statement of Financial Activities also complies with the requirements for an Income and Expenditure account under the Companies Act 2006 and includes all gains and losses recognised in the year. A fully detailed comparative Statement of Financial Activities for the year ending 31 March 2023 is shown at Note 4.

BALANCE SHEET AS AT 31 MARCH 2024

	Charity 2024	Charity 2023	Notes
Fixed assets	£	£	
Tangible assets	7,701,348	5,625,433	15
Investment	0	0	
	<u>7,701,348</u>	<u>5,625,433</u>	
Current assets			
Stock	45,464	28,790	
Debtors	1,731,192	908,403	16
Cash	527,451	4,274,530	
	<u>2,304,107</u>	<u>5,211,723</u>	
Creditors			
Amounts falling due within one year			
- trade creditors	(524,591)	(744,801)	17
- other creditors	(4,532,975)	(5,525,919)	17
	<u>(5,057,566)</u>	<u>(6,270,720)</u>	
Net current asset	<u>(2,753,459)</u>	<u>(1,058,997)</u>	
Total assets less current liabilities	4,947,889	4,566,436	
Creditors			
Amounts falling due after more than one year:			
- pension asset / (	0	135,000	14
Net assets	<u>4,947,889</u>	<u>4,701,436</u>	20, 22
Represented by:			
Unrestricted funds	(2,296,014)	(698,237)	20, 22
Restricted funds	7,243,903	5,399,673	20, 22
Total Funds	<u>4,947,889</u>	<u>4,701,436</u>	

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and preparation of the financial statements. The financial statements were approved and are signed on their behalf by



Mr. Alan T. Gay O.B.E.
Chair of the Board of Trustees,
Leeds Heritage Theatres

Date 27/11/2024



Mr. Kris Brewster,
Chair of Finance, Governance &
Resources Sub-committee and
Treasurer,
Leeds Heritage Theatres
Date 26/11/2024

Company Registration Number – 00978161

The notes on pages 24 to 43 form part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2024

	2024 £	2023 £	Notes
Cash flows from operating activities	(1,248,871)	2,506,866	24
Cash flows from investing activities			
Interest received	77,997	48,658	6, 24
Purchase of property, plant and equipment	(2,576,205)	(3,015,785)	15
Change in cash in the year	(3,747,079)	(460,261)	

RECONCILIATION OF NET CASH FLOW TO MOVEMENTS IN NET FUNDS

	2024 £	2023 £
(Decrease) / Increase in cash in the year	(3,747,079)	(460,261)
Net funds at beginning of year	4,274,530	4,734,791
Net funds at end of year	<u>527,451</u>	<u>4,274,530</u>

Notes

Forming part of the Financial Statements for the year ended 31 March 2024

1. Charity Information

Leeds Heritage Theatres is a Company Limited by Guarantee and is a Charity Registered in England and Wales. The Registered Office is 46 New Briggate, Leeds, LS1 6NU. The liability of each Trustee in the event of winding-up is limited to £1.

2. Accounting Policies

a) Basis of Accounting

The financial accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (Effective 1 January 2015) – (Charities SORP (FRS102)), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

The Financial Statements are prepared in Sterling which is the functional currency of the Company. Monetary amounts are rounded to the nearest £1.

The Leeds Heritage Theatres meets the definition of a public benefit entity under FRS102.

Assets and liabilities are initially recognised at cost or transaction value unless otherwise stated in the relevant accounting policy notes.

b) Going Concern

The Trustees consider that given the current level of Unrestricted Reserves, it is appropriate to prepare the financial accounts on the going concern basis. Further detail is given at note 25 to the accounts.

c) Taxation

No provision for corporation taxation has been made, as Leeds Heritage Theatres claim for exemption from taxes under Section 505 (1) Income and Corporation Taxes Act 1988 has been confirmed by the Inland Revenue.

The Company became partially exempt from Value Added Taxation (VAT) on 25th January 2016. The cultural exemption has been applied to the sale of tickets for live performances, but other sales such as bar sales and ices remain subject to VAT.

d) Income

All income is included in the Statement of Financial Activities when the Company is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income.

Grants (including Government grants) and donations are included in full in the Statement of Financial Activities when receivable.

Leeds City Council provided core funding of £85k (2023: £85k) to support the operation of the Company. In addition, certain donated services are provided which are explained in more detail in note 3 below.

Donated services are included in income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable. No income is recognised when there is no financial cost borne by a third party. The contribution of volunteers is therefore not included in the Statement of Financial Activities.

Investment income is included when receivable by the Company. This comprises interest earned on deposits.

Income from charitable trading activity is accounted for in the year of show, income from tickets sold in advance is shown as 'Receipts in Advance'.

e) Financial Instruments

The Company only has financial assets and financial liabilities that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

f) Expenditure

Expenditure is included in the Statement of Financial Activities on an accruals basis. Certain expenditure is directly attributable to specific activities and has been included in those cost categories.

g) Pension Costs

Employees of the Company are entitled to join the West Yorkshire Pension Fund, which is a funded defined benefit statutory scheme administered by the City of Bradford Metropolitan Council in accordance with the Local Government Superannuation Regulations 1988. The benefits provided to the employees concerned are based on a combination of final and career average pensionable pay. Contributions are charged to the Statement of Financial Activities each year so as to spread the cost of pensions over employees' working lives with the Company. Leeds City Council acts as a guarantor for the Company under the admission agreement and has agreed to indemnify the administering authority of the fund from and against all losses and payments that may be incurred by the authority by reason of any default by the Company.

h) Additional Pension Disclosures

In accordance with FRS102, the pension fund asset has not been recognised in the Financial Statements. The modest asset reported for the year ending March 2023 has been taken down to nil in the Statement of Financial Activities for the year ending March 2024, giving a reduction of £135k. This is also reflected in the Statement of Financial Activities in accordance with the Charities SORP.

At 31 March 2024, despite ongoing volatility in the market, the property and equity markets remained reliable and achieved reasonable returns on investments, they have increased by £998k. Liabilities have increased by a relatively modest £126k, the actuarial assumptions are based on a broadly static discount rate combined with a very modest reduction in rates for pension increases, salary increases, and pension account revaluation rates.

i) Depreciation

Individual fixed assets and expenditure (including interest costs directly associated with expenditure on property improvements) that enhances rather than maintains the performance of tangible fixed assets is capitalised at cost; in general this is items above £1,000. Each capitalised asset will be considered individually to determine the length of its useful economic life, and will be depreciated accordingly on a straight line basis.

Depreciation rates are:

- Leasehold property improvements: 25 – 40 years
- Freehold buildings: 25 – 40 years
- Other Plant, Fittings and Equipment: 3 to 25 years.

In the Balance Sheet, assets are held at cost less accumulated depreciation.

j) Stock

Stock comprises supplies for bars and kiosks, and merchandise. Stock is included in the accounts at the lower of cost or net realisable value.

k) Cash/Cash Equivalents

Cash and cash equivalents includes cash in hand and deposits held with banks.

l) Debtors

Trade and other debtors are held at the settlement amount. Prepayments are valued at the amount prepaid. Provisions for Doubtful Debts are held at the settlement amount outstanding, taking into account the risk of default.

m) Creditors

Creditors are recognised where the Company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or reliably estimated. Creditors are normally recognised at their settlement amount. Financial liabilities are only de-recognised when the Company's obligations are discharged, cancelled or they expire.

n) Governance Costs

Resources expended are included in the Statement of Financial Activities on an accruals basis. Directors who are not councillors may be reimbursed for expenses incurred in attending board meetings. Not all Trustees seek reimbursement. As per the Company's memorandum and articles of association, members of the board are not entitled to any remuneration for their role.

o) Fund Accounting

Unrestricted Funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the Company.

Restricted Funds can only be used for particular restricted purposes within the objects of the Company. Restrictions arise when specified by the donor or when funds are received for a particular purpose. The use of the Restricted Funds is limited to the restoration and preservation of our venues, grant income from the Keith Howard Foundation is limited to

Learning activities, the arts@leeds grant is limited to supporting our cultural and heritage offer, Sustainability Grant from the CRF also has eligibility conditions attached to it.

p) Operating Lease

Leeds City Council has let the LGT to the Company at a peppercorn rent under a 99 year full repairing lease. The Company also has four leases for operational assets, further detail is shown in Note 19.

q) Capital Commitments

On 31 March 2024, the Company had the following capital commitments:

	2024	2023
	£000s	£000s
Contracted but not provided for in the Financial Statements	52	203

r) Judgements and Estimations Policy

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the date of the statement of financial position and the amounts reported for revenues and expenses during the year. However, the nature of these estimations means that actual outcomes could differ from those estimates. Details of these judgements are set out in the accounting policies.

Depreciation of tangible assets: the annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are assessed annually.

3. Related Party Transactions

Leeds City Council recognises ownership of the Company as per the guidelines under International Financial Reporting Standards, the theatre at 46 New Briggate, and nominates all members of the Board of Management. The City Council provides funding, enabling the Company to carry out its charitable objectives. Leeds City Council has let the LGT to the company at a peppercorn rent under a 99 year full repairing lease.

	2024	2023
	£	£
<u>Leeds City Council</u>		
Income:		
Revenue & capital funding	86,175	85,000

The total £86k comprises core funding of £85k (2023: £85k) to support the operation of the Company and £1k of Leeds Inspired Grant.

The Company receives a donation in kind from Leeds City Council, for the provision of certain administrative and financial services such as payroll and financial management systems, the value of these services has not been quantified and therefore has not been included in the financial statements.

Leeds City Council processes the majority of the company's payroll, creditor payments and income through its own systems. The Company reimburses the council on a monthly basis; the outstanding indebtedness balance with Leeds City Council as at 31 March 2024 was £360,812 owing from LCC (2023: £973,732 owing to LCC).

4. Statement of Financial Activities for the Prior Year

	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £
INCOME			
Donations and grants	48,286	1,946,450	1,994,736
Investment income	48,658	0	48,658
Income from charitable activities	14,835,717	72,929	14,908,646
Other income	276,000	0	276,000
<i>Total Income</i>	<u>15,208,661</u>	<u>2,019,379</u>	<u>17,228,040</u>
EXPENDITURE			
Charitable activities	(14,405,316)	(912,523)	(15,317,839)
Governance costs	(146,437)	0	(146,437)
Other expenditure	(1,055,000)	0	(1,055,000)
<i>Total Expenditure</i>	<u>(15,606,753)</u>	<u>(912,523)</u>	<u>(16,519,276)</u>
Net Income for the Year	(398,092)	1,106,856	708,764
TRANSFERS			
Gross transfers between funds	(1,061,840)	1,061,840	0
OTHER RECOGNISED GAINS/LOSSES			
Actuarial gains on Defined Benefit Pension Scheme	5,403,000	0	5,403,000
<i>Net movement in funds</i>	<u>3,943,068</u>	<u>2,168,696</u>	<u>6,111,764</u>
RECONCILIATION OF FUNDS			
Total funds brought forward	(4,641,305)	3,230,977	(1,410,328)
Total funds carried forward	<u>(698,237)</u>	<u>5,399,673</u>	<u>4,701,436</u>

5. Donations and Grants

	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Total Funds 2024 £	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £
Donations and Levy	49,161	406,513	455,674	548	333,733	334,281
Other Income	0	1,760	1,760	0	13,039	13,039
Leeds City Council Grant	42,000	44,175	86,175	42,000	43,000	85,000
Other Grants	19,922	377,678	397,600	5,738	1,556,678	1,562,416
Total	111,083	830,126	941,209	48,286	1,946,450	1,994,736

6. Investment Income

	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Total Funds 2024 £	Total Funds 2023 £
Income from bank deposits	77,997	0	77,997	48,658

The investment income arises from an interest-bearing deposit account and fixed term deposits.

7. Income from Charitable Activities

	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Total Funds 2024 £	Total Funds 2023 £
Films & shows	11,133,897	0	11,133,897	11,656,987
Bars & Front of House	1,310,533	0	1,310,533	1,276,313
Marketing & Box Office	1,280,210	0	1,280,210	1,384,551
Estate Management	59,949	0	59,949	341,785
Learning	0	99,852	99,852	72,929
Other	166,278	0	166,278	176,081
Total	13,950,867	99,852	14,050,719	14,908,646

8. Other Income

	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Total Funds 2024 £	Total Funds 2023 £
FRS17 Pension Finance Changes:				
- expected return on assets	0	0	0	276,000
	0	0	0	276,000

This note along with notes 11 and 14 allocates pension changes (gains and costs) to the Statement of Financial Activities in accordance with the Charities SORP.

9. Allocation of Support Costs

	Charitable Activities 2024 £	Governance 2024 £	Total 2024 £	Total 2023 £
Trustee Expenses	0	(461)	(461)	0
Management & Support	0	(110,527)	(110,527)	(122,335)
Internal & External Audit Fees	0	(25,850)	(25,850)	(20,495)
LCC Interest & bank charges	0	0	0	(60,230)
H&S Consultants	(10,149)	0	(10,149)	(5,846)
Insurance	(119,838)	(2,128)	(121,966)	(131,453)
Subscriptions	(6,989)	(50)	(7,039)	(10,200)
Non-Domestic Rates	(10,991)	0	(10,991)	(17,416)
	<u>(147,967)</u>	<u>(139,016)</u>	<u>(286,983)</u>	<u>(367,975)</u>

Where appropriate, expenditure has been allocated directly to an activity. Management costs represent the cost of the Company's Chief Executive.

10. Analysis of Charitable Expenditure

	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Total Funds 2024 £	Total Funds 2023 £
Films & Shows	(8,487,638)	(43,000)	(8,530,638)	(9,159,284)
Bars & Front of House	(1,513,174)	0	(1,513,174)	(1,326,283)
Marketing & Box Office	(1,087,052)	0	(1,087,052)	(1,222,298)
Facilities, Technical & Housekeeping	(1,864,189)	0	(1,864,189)	(2,143,656)
Learning	(131,739)	(190,258)	(321,997)	(270,297)
Refurbishment of venues	(123,615)	(364,321)	(487,936)	(335,681)
Management & support costs	(589,549)	(154,921)	(744,470)	(860,340)
	<u>(13,796,956)</u>	<u>(752,500)</u>	<u>(14,549,456)</u>	<u>(15,317,839)</u>

11. Other Expenditure

	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Total Funds 2024 £	Total Funds 2023 £
Contributions by employer	0	0	0	376,000
FRS17 Pension Finance Changes:				
- current service cost	0	0	0	(1,039,000)
- interest cost	0	0	0	(392,000)
	<u>0</u>	<u>0</u>	<u>0</u>	<u>(1,055,000)</u>

This note along with notes 8 and 14 allocates pension changes (gains and costs) to the Statement of Financial Activities in accordance with the Charities SORP (FRS102).

12. Net Income for the Year

This is stated after charging:

	2024	2023
	£	£
Employer pension contributions	(438,151)	(369,050)
Depreciation	(490,923)	(214,086)
Loss on disposal net of depreciation	0	(528)
Disposals	(9,367)	(27,292)
Audit Fees: audit services	(24,000)	(17,950)
Audit Fees: non-audit services	(1,850)	(2,545)

13. Staff Costs

	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Total Funds 2024 £	Total Funds 2023 £
Wages and salaries	3,213,785	85,000	3,298,785	2,828,631
National Insurance	249,938	0	249,938	217,109
Pension costs: employer contributions	438,151	0	438,151	369,050
Accruals	(231,858)	0	(231,858)	10,075
Sub-total	3,670,016	85,000	3,755,016	3,424,865
adjustments (net)	0	0	0	779,000
Total	3,670,016	85,000	3,755,016	4,203,865

Trustees who are not City Councillors may be reimbursed expenses incurred in attending board meetings. Not all Trustees seek reimbursement. As per the Company's memorandum and articles of association, members of the board are not entitled to any remuneration for their role. Trustees did not receive any reimbursed expenses for attending board meetings in 2023/24 (2023: £nil). No remuneration was paid to Directors during the year ended 31 March 2024 (2023: nil).

The number of employees who received emoluments in excess of £60,000 was:

	2024	2023
£80,000 to £89,999	1	1
	1	1

The other key management personnel of the Company comprises the Senior Management Team. Remuneration totalling £465,159 (2023: £444,651) was paid to the Senior Management Team, plus benefits were accrued under the Company's pension scheme. It is the policy of the Company not to quantify the contribution made by volunteers, as it cannot be readily measured.

Average Number of Employees During the Year

	2024	2023
Key Management	9	9
Other Management & Administrative	21	19
Marketing, Publicity & Box Office	33	29
Stage Crew & Electricians	49	48
Stage Door & House Keepers	15	17
Front of House & Bar Staff	106	89
Total	233	211

14. Actuarial Gains/ (Losses) On Defined Benefit Pension Scheme

The West Yorkshire Pension Fund is a defined benefit pension fund. The last full actuarial valuation of the Fund was carried out as at 31 March 2022 and the results have been received.

Since the Company is only one small unit within the West Yorkshire Superannuation Fund it is not appropriate to disclose either the current level of funding in the fund as a whole or the market value of its assets. However, copies of the accounts of the fund can be obtained from City of Bradford Metropolitan Council.

Introduction

The disclosures below relate to the funded liabilities within the West Yorkshire Pension Fund (the "Fund") which is part of the Local Government Pension Scheme (the "LGPS"). The funded nature of the LGPS requires Leeds Heritage Theatres and its employees to pay contributions into the Fund, calculated at a level intended to balance the pension's liabilities with investment assets.

In accordance with Financial Reporting Standards disclosure of certain information concerning assets, liabilities, income and expenditure relating to pension schemes is required.

Contributions for the accounting period ending 31 March 2024

The Employer's regular contributions to the Fund for the accounting period ending 31 March 2024 were £438k. Additional contributions may also become due in respect of employer discretions to enhance members' benefits in the Fund over the next accounting period.

Assumptions

The latest actuarial valuation of Leeds Heritage Theatres' liabilities took place as at 31 March 2022. Liabilities have been estimated by the independent qualified actuary on an actuarial basis using the projected credit method. The principal assumptions used by the independent qualified actuaries in updating the latest valuation of the Fund for FRS102 purposes were:

Principal financial assumptions (% per annum)

	31-Mar-24	31-Mar-23
Discount rate	4.8%	4.7%
CPI Inflation	2.6%	2.7%
Rate of increase to pensions in payment	2.6%	2.7%
Rate of general increase in salaries	3.85%	3.95%

14. Actuarial gains/ (losses) on Defined Benefit Pension Scheme (continued)

Mortality assumptions

The mortality assumptions are based on the recent actual mortality experience of members within the Fund and allow for expected future mortality improvements.

Post retirement mortality (retirement in normal health)

	31-Mar-24	31-Mar-23
Males		
Year of Birth base table	Standard SAPS S3N tables (Heavy)	Standard SAPS S3N tables (Heavy)
Rating to above base table * (years)	0.00	0.00
Scaling to above base table rates: Pensioners	90%	90%
Improvements to base table rates	CMI Projections (SK 7.0, A 0.5) with long term rate of improvement of 1.5% p.a.	CMI Projections (SK 7.5, A 0.0) with long term rate of improvement of 1.5% p.a.
Future lifetime from age 65 (aged 65 at accounting date)	21.0	21.6
Future lifetime from age 65 (aged 45 at accounting date)	22.3	22.9
Females		
Year of Birth base table	Standard SAPS S3N tables (Heavy)	Standard SAPS S2N tables
Rating to above base table * (years)	0	0
Scaling to above base table rates: Pensioners	90%	90%
Improvements to base table rates	CMI Projections (SK 7.0, A 0.5) with long term rate of improvement of 1.5% p.a.	CMI Projections (SK 7.0, A 0.5) with long term rate of improvement of 1.5% p.a.
Future lifetime from age 65 (aged 65 at accounting date)	24.2	24.6
Future lifetime from age 65 (aged 45 at accounting date)	25.2	25.7

* A rating of +1 years means that members of the Fund are assumed to follow the mortality pattern of the base table for an individual +1 years older than them. The ratings shown apply to normal health retirements.

14. Actuarial gains/ (losses) on Defined Benefit Pension Scheme (continued)

Commutation

31-Mar-24	31-Mar-23
Members assumed to surrender pension on retirement, such that the total cash received (including any accrued lump sum from pre 2008 service) is 75% of the permitted maximum.	Members assumed to surrender pension on retirement, such that the total cash received (including any accrued lump sum from pre 2008 service) is 75% of the permitted maximum.

Reconciliation of Funded Status to Balance Sheet

	Value as at 31-Mar-24 £000	Value as at 31-Mar-23 £000
Fair value of assets	11,397	10,399
Present value of funded liabilities	(10,390)	(10,264)
Total	1,007	135

Analysis of the Profit and Loss charge

	Period ending 31-Mar-24 £000	Period ending 31-Mar-23 £000
Current service cost	392	1,039
Interest cost	475	392
Expected return on assets	(426)	(276)
Total	441	1,155

Actuarial Gains / (Losses)

	31-Mar-24 £000	31-Mar-23 £000	31-Mar-22 £000	31-Mar-21 £000	31-Mar-20 £000
Actuarial Gain / (Loss)	848	5,403	2,364	(1,563)	(943)

The cumulative actuarial gain as at 31st March 2024 was £4,938k (2023: gain of £4,090k).

14. Actuarial gains/ (losses) on Defined Benefit Pension Scheme (continued)

Changes to the present value of liabilities during the accounting period

	Period ending 31-Mar-24 £000	Period ending 31-Mar-23 £000
Opening present value of liabilities	(10,264)	(14,565)
Current service cost	(392)	(1,039)
Interest cost	(475)	(392)
Contributions by participants	(215)	(150)
Actuarial gains/(losses) on liabilities*	422	5,613
Net benefits paid out #	534	269
Closing present value of liabilities	(10,390)	(10,264)

* includes changes to the actuarial assumptions

consists of net-cash-flow out of the Fund in respect of the employer, excluding contributions and any death in service lump sums paid, and including an approximate allowance for the expected cost of death in service lump sums.

Changes to the fair value of assets during the accounting period

	Period ending 31-Mar-24 £000	Period ending 31-Mar-23 £000
Opening fair value of assets	10,399	10,076
Interest income on assets	491	276
Actuarial gains/(losses) on assets	426	(210)
Contributions by employer	400	376
Contributions by participants	215	150
Net benefits paid out #	(534)	(269)
Closing fair value of assets	11,397	10,399

consists of net-cash-flow out of the Fund in respect of the employer, excluding contributions and any death in service lump sums paid, and including an approximate allowance for the expected cost of death in service lump sums.

Actual return on assets

Period ending	31-Mar-24 £000	31-Mar-23 £000	31-Mar-22 £000	31-Mar-21 £000	31-Mar-20 £000
Interest income on assets	491	276	193	169	183
Actuarial gain/(loss) on assets	426	(210)	611	(1,520)	(598)
Actual return on assets	917	66	804	(1,351)	(415)

14. Actuarial gains/ (losses) on Defined Benefit Pension Scheme (continued)

Analysis of amount recognised in Statement of Financial Activities

	31-Mar-24 £000	31-Mar-23 £000	31-Mar-22 £000	31-Mar-21 £000	31-Mar-20 £000
Total actuarial gains/(losses)	848	5,403	2,364	(1,563)	(943)
Total	848	5,403	2,364	(1,563)	(943)

History of asset values, present value of liabilities and surplus/deficit

Period ending	31-Mar-24 £000	31-Mar-23 £000	31-Mar-22 £000	31-Mar-21 £000	31-Mar-20 £000
Fair value of assets	11,397	10,399	10,076	9,054	7,358
Present value of liabilities	(10,390)	(10,264)	(14,565)	(15,139)	(11,501)
Surplus/(deficit)	1,007	135	(4,489)	(6,085)	(4,143)

The table below allocates pension changes (gains and costs) to the Statement of Financial Activities in accordance with the Charities SORP.

Description	Period ending 31-Mar-24 £000	Period ending 31-Mar-23 £000	Disclosed in:
Pension Service Changes			
<u>Liabilities</u>			
Current service cost	(392)	(1,039)	Other expenditure: note 11
Past service cost	-	-	
Curtailment Cost	-	-	
<u>Assets</u>			
Contributions by employer	400	376	Other income note 8
Subtotal	8	(663)	
Pension Finance Changes			
<u>Liabilities</u>			
Interest cost	(475)	(392)	Other expenditure: note 11
<u>Assets</u>			
Interest Income on assets	491	276	Other income: note 8
Subtotal	16	(116)	
Pension Changes total	24	(779)	
Analysis of amount recognised in Statement of Financial Activities	848	5,403	
Total	872	4,624	

15. Tangible Fixed Assets

The value of expenditure capitalised and the amounts depreciated during 2023/24 is summarised below:

	Leasehold Property Improvements £	Freehold Buildings £	Other Fittings & Equipment £	Total £
<u>Cost</u>				
At 1 April 2023	507,257	3,905,694	2,839,029	7,251,980
Additions	829,229	909,788	837,188	2,576,205
Transfers		3,864	(3,864)	0
Disposals	0	0	(273,064)	(273,064)
At 31 March 2024	1,336,486	4,819,346	3,399,289	9,555,121
<u>Depreciation</u>				
At 1 April 2023	(104,034)	(334,131)	(1,188,382)	(1,626,547)
Charge for the year	(67,439)	(116,513)	(306,971)	(490,923)
On Disposals	0	0	263,697	263,697
At 31 March 2024	(171,473)	(450,644)	(1,231,656)	(1,853,773)
 Net book value				
At 1 April 2023	403,223	3,571,564	1,650,647	5,625,433
At 31 March 2024	1,165,013	4,368,702	2,167,633	7,701,348

16. Debtors

	Charity 2024 £	Charity 2023 £
Trade debtors	228,286	111,956
Prepayments	432,868	
National Lottery Heritage Fund Grant	450,689	474,094
Culture Recovery Fund Grant	0	68,400
Leeds City Council	360,813	0
HMRC (VAT & Theatre Tax Credits)	277,147	268,719
Total - Debtors	1,749,803	923,169
Doubtful Debt Provision	(18,611)	(14,766)
Net Total	1,731,192	908,403

17. Creditors: Amounts Falling Due Within One Year

	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Total Funds 2024 £	Total 2023 £
Trade Creditors	(524,591)	0	(524,591)	(744,801)
Advance Receipts	(4,171,939)	(75,224)	(4,247,163)	(4,498,997)
Leeds City Council	0	0	0	(974,343)
HMRC (VAT)	(53,954)	0	(53,954)	(42,505)
Accruals	(231,858)	0	(231,858)	(10,075)
Total	(4,982,342)	(75,224)	(5,057,566)	(6,270,721)

18. Deferred Income

	Charity 2024 £	Charity 2023 £
Balance as at 1 April	(4,498,997)	(5,576,382)
Amount released to incoming resources from charitable activities	4,498,997	5,576,382
Amount deferred in year	(4,247,163)	(4,498,997)
Balance as at 31 March	(4,247,163)	(4,498,997)

'Amount deferred in year' as shown above, comprises Box Office income from tickets and vouchers being sold in advance for around 90 performances and screenings.

19. Commitments under Operating Leases

At 31 March 2024 the Company's future minimum operating lease payments are as follows:

	Land and Buildings	
	2024	2023
Operating Leases due:	£	£
After more than 5 years	0	0
	Other Assets	
	2024	2023
Operating Leases due:	£	£
Within 1 year	9,156	60
Within 2 to 5 years	31,018	0
After more than 5 years	0	0
	40,174	60

20. Analysis of funds for Year Ending 31 March 2024

	At 31 March 2023 £	Income £	Expenditure £	Transfers & other recognised gains & losses £	At 31 March 2024 £
<u>Restricted Funds</u>					
Leeds Grand Theatre & Opera House:					
Restoration Fund	1,515,815	294,881	(184,463)	523,565	2,149,798
City Varieties Music Hall:					
Restoration Fund	179,358	81,989	(69,887)	601,850	793,310
Hyde Park Picture House:					
Development Fund	3,563,421	306,008	(109,971)	541,337	4,300,795
Lifecycle Fund	0	0	0	0	0
Learning Department					
Keith Howard Foundation	0	85,000	(85,000)	0	0
Other Grants	0	1,500	(1,500)	0	0
Other Income	0	103,758	(103,758)	0	0
Company					
Non-LCC Grants	141,079	13,842	(154,921)	0	0
LCC Grants	0	43,000	(43,000)	0	0
Total Restricted Funds	5,399,673	929,978	(752,500)	1,666,752	7,243,903
<u>Unrestricted Funds</u>					
Designated Funds	0	65,650	(43,783)	0	21,867
Charity	(833,237)	14,074,297	(13,892,189)	(1,666,752)	(2,317,881)
Pension Reserve	135,000	0	0	(135,000)	0
Total Unrestricted Funds	(698,237)	14,139,947	(13,935,972)	(1,801,752)	(2,296,014)
Total Funds	4,701,436	15,069,925	(14,688,472)	(135,000)	4,947,889

Unrestricted Funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the Company.

Restricted Funds can only be used for particular restricted purposes within the objects of the Company. Restrictions arise when specified by the donor or when funds are received for a particular purpose. The use of the Restricted Funds is limited to the restoration of our three venues, grant income from the Keith Howard Foundation is limited to Learning activities, and arts@leeds grant is used to support our cultural and heritage offer.

Transfers and other recognised gains and losses represent the net actuarial gain or loss on the defined benefit pension scheme, this being the difference between the actuarial gain or loss on liabilities and the actuarial gain or loss on assets.

21. Analysis of funds for Prior Year (Ending 31 March 2023)

	As Restated 31 March 2022 £	Income £	Expenditure £	Transfers & other recognised gains & losses £	At 31 March 2023 £
<u>Restricted Funds</u>					
Leeds Grand Theatre & Opera House:					
Restoration Fund	1,025,167	263,581	(233,260)	460,327	1,515,815
City Varieties Music Hall:					
Restoration Fund	130,762	67,241	(27,413)	8,768	179,358
Hyde Park Picture House:					
Development Fund	1,572,448	1,428,225	(29,997)	592,745	3,563,421
Learning Department					
Keith Howard (formerly Emerald) Foundation Grant	0	63,000	(63,000)	0	0
Other Income	0	80,932	(80,932)	0	0
Company					
Non-LCC Grants	502,600	73,400	(434,921)	0	141,079
LCC Grants	0	43,000	(43,000)	0	0
Total Restricted Funds	3,230,977	2,019,379	(912,523)	1,061,840	5,399,673
<u>Unrestricted Funds</u>					
Charity	(152,305)	14,932,661	(14,551,753)	(1,061,840)	(833,237)
Pension Reserve	(4,489,000)	276,000	(1,055,000)	5,403,000	135,000
Total Unrestricted Funds	(4,641,305)	15,208,661	(15,606,753)	4,341,160	(698,237)
Total Funds	(1,410,328)	17,228,040	(16,519,276)	5,403,000	4,701,436

22. Analysis of Net Assets Between Funds for Year Ending 31 March 2024

	Tangible Fixed Assets	Cash at Bank and In Hand	Other Net Current Assets	Pension (Liability)/ Asset	Total
	£	£	£	£	£
Unrestricted Funds					
Designated Funds	0	21,867	0	0	21,867
Charity Unrestricted Reserve	457,445	505,584	(3,280,910)	0	(2,317,881)
Pension Reserve	0	0	0	0	0
Sub-total	457,445	527,451	(3,280,910)	0	(2,296,014)
Restricted Funds					
Leeds Grand Theatre & Opera House: Restoration Fund	2,149,798	0	0	0	2,149,798
City Varieties Music Hall: Preservation Levy	793,310	0	0	0	793,310
Hyde Park Picture House: Development Fund	4,300,795	0	0	0	4,300,795
Sub-Total	7,243,903	0	0	0	7,243,903
Total Funds	7,701,348	527,451	(3,280,910)	0	4,947,889

23. Analysis of Net Assets Between Funds for Prior Year (Ending 31 March 2023)

	Tangible Fixed Assets	Cash at Bank and In Hand	Other Net Current Assets	Pension (Liability)/ Asset	Total
	£	£	£	£	£
Unrestricted Funds					
Charity Unrestricted Reserve	366,840	4,201,850	(5,401,926)	0	(833,237)
Pension Reserve	0		0	135,000	135,000
Sub-total	366,840	4,201,850	(5,401,926)	135,000	(698,237)
Restricted Funds					
Leeds Grand Theatre & Opera House: Restoration Fund	1,515,814	0	0	0	1,515,814
City Varieties Music Hall: Preservation Levy	179,358	0	0	0	179,358
Hyde Park Picture House: Development Fund	3,563,421	0	0	0	3,563,421
Corporate: Other Grants	0	72,680	68,399	0	141,079
Sub-Total	5,258,594	72,680	68,399	0	5,399,671
Total Funds	5,625,433	4,274,530	(5,333,528)	135,000	4,701,436

24. Reconciliation of Net Income to Net Cash Flow from Operating Activities

	2024	2023
	£	£
Net Income	381,453	708,764
less: interest received	<u>(77,997)</u>	<u>(48,658)</u>
Operating Profit	303,456	660,106
(Decrease)/Increase in pension costs (FRS102)	0	779,000
Depreciation charge	490,923	214,086
Loss on disposals	0	528
Loss on disposals	9,367	27,292
(Increase)/Decrease in stock	(16,674)	2,391
(Increase)/Decrease in debtors	(822,789)	1,290,962
Decrease in creditors	<u>(1,213,154)</u>	<u>(467,499)</u>
Net Cash used by/(provided by) Operating Activities	<u>(1,248,871)</u>	<u>2,506,866</u>

The Company had no debt in the current or previous year.

25. Going Concern

The Trustees consider the Company to be a going concern and the financial statements have been prepared on that basis. In reaching this conclusion the Trustees have taken into account a number of factors including the current period of economic downturn. Other major factors include the re-opening of Hyde Park Picture House and the planned twelve-week closure period of the Leeds Grand Theatre in Summer 2024 to undertake major works.

Long term forecasts have been prepared modelling a number of scenarios which show that, with income generation strategies and cost control measures in place, and the level of reserves, the Company can continue to operate as a going concern. Key to this success will be:

- At Hyde Park Picture House, a new second auditorium and refreshment facilities,
- The award from The Keith Howard Foundation of a grant agreement for a period of three years, until July 2026,
- Energy savings from investments in infrastructure as per the Environmental Strategy,
- Additional income from implementing our Business Strategy.

It is recognised that under the terms of the Leeds Grand Theatre lease, the Company is responsible for ensuring that the whole of the premises is kept in good and tenantable repair and condition. The Company has a programme of capital works, and is working closely with the City Council in order to ensure compliance with these lease obligations.

We acknowledge that a legal charge remains in place between the Company and the Arts Council of England dated 10 June 2009, creating a legal obligation for the Company to reimburse the Arts council a grant of up to £1,050k if the Leeds Grand Theatre property is no longer used for the purposes of being a theatre during the 20 years to June 2029. We consider that the probability of the theatre no longer being used as a theatre is remote, and on the basis that the Company is a going concern, no disclosure is required in respect of any potential contingent liability.

25. Going Concern (continued)

We also acknowledge that a legal charge is in place between the Leeds Heritage Theatres and the Trustees of the National Heritage Memorial Fund (NHMF) dated 14 September 2023, creating a legal obligation for the Company to reimburse the NHMF a grant of up to £2,812k if the Hyde Park Picture House is no longer used for the purposes of being a cinema during the period to December 2038. We consider that the probability of the cinema no longer being used as a cinema is remote, and again, on the basis the Company is a going concern, no disclosure is required in respect of any potential contingent liability.

The Board also has regard to the pension obligation disclosed in the financial statements. Under the terms of the Guarantee Agreement between Leeds City Council and the Administering Authority of the West Yorkshire Pension Fund dated 1978, Leeds City Council acts as guarantor to the Company in respect of future pension liabilities. If the Company ceased to operate, the pension asset/liability would revert to Leeds City Council.

With consideration of the points described above, the Trustees have concluded that the Company can continue to operate as a going concern basis.

26. Residency Licence

Leeds Heritage Theatres has a residency licence with Opera North Limited. For the purposes of this note, Leeds Heritage Theatres is the licensor and Opera North Limited the licensee.

Under the terms of this licence, Leeds Heritage Theatres permits Opera North Limited to use the Leeds Grand Theatre premises for a maximum of 23 residency weeks per year. Opera North Limited are entitled to have first call on booking its residency weeks but no part of a residency week may fall within the Company's priority window.

The weekly licence fee from 2010/11 was £30,300, rising in line each year with RPI. The licence is due to terminate on the 31st December 2035.

Accounts



Leeds Grand Theatre
and Opera House Limited

Financial Statements
and Annual Report 2022/23

HYDE PARK
PICTURE HOUSE
LEEDS' PREMIER ART-HOUSE CINEMA

CITY VARIETIES
MUSIC HALL • LEEDS

The
GRAND
Theatre & Opera House Leeds

Company Registration Number – 00978161
Charity Registration Number – 500408

Leeds Grand Theatre & Opera House Limited

Trustees' Annual Report and Financial Statements for the year ended 31 March 2023

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Reference and Administrative Information

Company Name	Leeds Grand Theatre & Opera House Limited
Company Registration Number	00978161
Charity Registration Number	500408
VAT Number	333 4718 09
Registered Office	Leeds Grand Theatre & Opera House Limited, 46 New Briggate, Leeds LS1 6NU

Trustees

Mr. Paul Scholey	Resigned 3 November 2022
Mr. Alan Gay O.B.E.	
Mr. Robert Gettings M.B.E.	
Ms. Lucinda Yeadon	Resigned 22 August 2022
Alderman Gerry Harper	Resigned 16 March 2023
Mr. Neil Clephan	
Mr. Kris Brewster	
Mr. Peter Wilkinson	
Councillor Jane Dowson	
Councillor Peter Harrand	Resigned 27 April 2023
Councillor Denise Ragan	Resigned 27 April 2023
Ms. Anna Franks	Appointed 26 January 2023
Ms. Rebecca Morgan	Appointed 26 January 2023
Ms. Madeleine Robinson	Appointed 26 January 2023
Councillor Ryan Stephenson	Appointed 8 August 2023

Senior Management Team

Chris Blythe	Chief Executive
Anne Harrison	Head of Support Services
Ian Sime	Grand Theatre and City Varieties Music Hall General Manager
Anne Shaw	Head of House Management
Wendy Cook	Head of Cinema
Julie Wainwright	Head of Finance
Amy Sanderson	Head of Communications
Alan Dawson	Head of Property & Technical
Rachel Lythe	Head of Learning

Treasurer Kris Brewster, c/o Leeds Grand Theatre & Opera House Limited,
46 New Briggate, Leeds LS1 6NU

Auditors Azets Audit Services Ltd, 33 Park Place, Leeds, LS1 2RY

Bankers NatWest Bank, 8 Park Row, Leeds, LS1 6QB

Solicitors Wrigleys Solicitors, 3 Wellington Place, Leeds, LS1 4AP
Lupton Fawcett Solicitors, 2 The Embankment, Sovereign Street,
Leeds, LS1 4BA

Trustees' Report for the year ended 31 March 2023

The Trustees are pleased to present their annual report together with the financial statements of the Leeds Grand Theatre & Opera House Limited (the Company) for the year ending 31 March 2023, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and 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).

1.0 Reference and Administrative Details

The Reference and Administration Information page forms part of this report.

2.0 Our Objectives and Activities

Our purpose as set out in the Company's Memorandum of Association is to promote knowledge, education and appreciation of the arts. We achieve our charitable aims by providing a theatre, a music hall and a picture house to stage productions and host film screenings, and provide educational programmes and heritage activity to encourage participation in the arts by the general public.

Leeds Grand Theatre (LGT) is a Grade II* listed Victorian theatre (1878), City Varieties Music Hall (CVMH) is one of the few surviving Victorian music halls (1865), also with a Grade II* listed status, and Hyde Park Picture House (HPPH) is an early surviving cinema (1914) with a Grade II listing. Our venues are recognised nationally as significant heritage venues and are a renowned part of the cultural infrastructure of the city of Leeds.

The Learning Programme engages participants with activities across our three venues, working with both young people and communities in the city and region. Inclusive skills-based training, workshops and educational tours are delivered, alongside introductory activities to connect people who may not ordinarily engage with the arts, with our live performances and films. This helps to make our programme and theatre buildings more accessible to wider audiences.

The over-arching aims of the Company are to:

1. Engage with as many members of the public as possible to raise awareness of and access to the arts and our educational offer;
2. To be a financially sustainable and robust organisation;
3. To provide access to, and suitably well-maintained facilities for our high quality live performance and film programme.

In order to achieve these aims, the Company has the following objectives:

1. Maximise attendances at our theatre productions and cinema screenings, and to encourage community involvement in our Learning Programme: awareness and accessibility are key to these aspirations;
2. Offer variety by providing a broad range of cultural experiences to be enjoyed by all tastes, ages and backgrounds;
3. Offer a Learning programme;

4. To be financially efficient and business-like in our activities;
5. Maintain and where possible improve the condition of our buildings and infrastructure.

The strategies employed to achieve the Company's aims and objectives are:

- To achieve as broad an appeal as possible by presenting a wide range of theatre productions and cinema screenings, from younger children's activities and screenings, family productions such as pantomime, productions aimed at older audiences, operatic and balletic productions, plus those with a general appeal: dramatic, musical and comedic performances;
- To offer inclusivity by hosting accessible performances and screenings for people who are visually or hearing impaired, or otherwise vulnerable;
- To offer opportunities for young people to get involved in arts activities exploring their own creative powers through workshops, training, a Youth Theatre, summer school and feeding into planning and decision making;
- To celebrate the heritage element of our historic buildings through tours, open days and exhibitions;
- To be financially successful by maximising income and controlling expenditure in order to be an efficient and effective organisation which achieves good value for money and obtains maximum value from its assets;
- To continue enhancing our reputation, and maintain or enhance relationships with our visiting companies; this will ensure the Company has a choice of high quality productions to host at our venues, and the ability to secure these in the medium term;
- To continue the planned approach to identifying and scheduling works to our venues.

3.0 Delivering Public Benefit

In shaping our objectives for the year and planning our activities, the Trustees have considered the Charity Commission's guidance on public benefit. Our principal activities for the public benefit are staging live performances, film screenings and an educational programme delivered by our in-house Learning Team. Our vision is to connect people through arts and culture, each year we bring together over 340,000 people to collectively experience, celebrate, participate and enjoy the arts

3.1 Advancing the Arts

The year ending March 2023 was our first full year of opening post-pandemic and, like many in our sector, we were anxious to see whether audiences would return to our venues. At LGT, the majority of productions were re-scheduled from their original dates due to the pandemic. Most customers transferred their tickets so attendances remained buoyant. This was not the case for new shows booked post-pandemic where it was harder to generate sales, particularly for new titles where there was less knowledge of the show. However, overall it was a positive picture with many shows returning to pre-Covid numbers although with later booking patterns.

Our Christmas seasons at both LGT and CVMH bucked all trends and were some of our most successful weeks. At LGT, *Les Misérables* was packed with audiences of all ages from across Leeds and the wider City Region. This was followed by Northern Ballet's most successful ever run of *The Nutcracker*, a perennial Christmas favourite which always brings families spanning multiple generations for a festive experience. At CVMH, our *Rock 'n' Roll* pantomime, *Dick Whittington* was again hugely successful. This is often the first time many

people visit a theatre, and we were encouraged to see an increase in bookings from schools on the previous year, again, giving many children their first experience of live performance.

CVMH continued to programme a wide range of performances from comedy to music to live screenings from the National Theatre as well as burlesque, magicians and more traditional variety performances. Audiences are diverse and numbers were strong, with the venue benefiting from being on the relaunched Leeds Heritage Theatres website meaning increased traffic from a larger audience base looking at our 'What's On' pages. This trend continued across the year.



Cast of the Rock n' Roll Pantomime 2022/23

The HPPH remained closed for renovation throughout this year although the On the Road programme continued including the hosting of over 100 events across 12 different venues in 10 different postcodes. During this period, we engaged with 7,049 audience members and participants. This is predominantly through screening-based activities which account for 5,953 audiences but also includes lectures, talks, tours, podcasts, and other engagement activity. Screenings and events were delivered across 12 venues in Leeds but we additionally worked on events in Bristol, Bradford, Sheffield, Edinburgh and virtually recognising that the community we can serve through HPPH isn't always defined by geography.

Our On the Road programme also allowed us to test and develop our planned programming strands, including the successful 'Hyde and Seek' family programming, a new Cinema Africa! strand, in partnership with Leeds African Communities Trust and our Philosophy and Film strand which has been kept alive throughout the pandemic and closure period through a podcast.

The programme at our venues remains a core part of Leeds' cultural offer, providing a wide range of programme for audiences across the City. We are however conscious of the people

we currently do not reach, and the barriers faced in accessing our programme and activities for many residents.

To help shape our audience development plans, we commissioned Indigo to create a new evaluation framework for Leeds Heritage Theatres, tracking our audience and stakeholders' views on the Company as well as their demographics, and also looking at people who are not currently engaged with us to develop plans to widen our reach. This work is ongoing. The economic downturn has created an additional barrier for many with affordability problematic for more people. In February 2023 we introduced a 'Secret Seats' scheme at LGT, making a limited number of seats at all week-long performances available for £20. This has been successful in reaching new audiences who have never visited - 33% of Secret Seat bookers had not previously attended the venue - and also allowing existing patrons to visit more, widening their engagement with us.

Our Access Membership Scheme supports people with disabilities to enjoy live performance at our theatres, not only through discounted tickets but also through ensuring that their visit is safe and comfortable. Accessible performances increased in 2022/23 with over half the programme at LGT having an Audio-Described or BSL interpreted performance.

3.2 Advancing Education

The Learning & Engagement programme focuses on connection, wellbeing, nurturing confidence and team work. In 2022/23, 246 participation sessions were delivered engaging 4,891 individuals. Outputs included Leeds Grand Youth Theatre (LGYT) and Leeds Actors in Training (LAIT), our School Partnership Programme, commissioned young people's projects and performances (Child Friendly Leeds Awards, Holocaust Memorial Commemoration performance), On the Road family activities and work experience partnership models. As part of our ambition to be more outward focused and have a wider reach of engagement, holiday provision and after school drama clubs were re-launched in 2022/23 working with targeted groups in the community to develop a sense of belonging, pride and connection.

Within our existing programme of activity, we strive to engage a demographic which is representative of the City. This year, a third of our regular participants (LGYT & LAIT) live in areas with low progression to High Education and 18% have additional needs. 18% of places were offered bursaries and we engaged young people from across 55% of the wards in the City through these activities. 64% of our school partners have above average Free School Meal entitlement, 57% had above average pupil need for SEN support and 60% pupils studied in areas with low progression to HE.

Projects such as the LAIT performance for the Holocaust Memorial Commemoration addressed challenging questions we face today regarding cohesion and respect and LGYT's production of 'Imaginary' explored the joys of coming together and celebrating difference – both for participants performing for the first-time post pandemic and for audience members.

Working with a range of partners across the city, key relationships have been developed within communities exploring themes of co-existence and place-based shared experiences (Leeds Libraries, BAME Health and Wellbeing Hub, Swarthmore, Action Asylum; Leeds African Charity Trust); creative & cultural (Pavilion, Brave Words Producers Club, SinCru, Queer East, Cinema Rediscovered); heritage (Yorkshire Film Archive, Heritage Action Zone, Armley Industrial Museum); and education (Leeds East Primary Partnership, Leeds City College, Leeds Conservatoire, Leeds Universities). Lasting connections have been formed to ensure that a wide range of voices are represented and inform our work, feeding into programming decisions and participation activities with creative wellbeing at the forefront.

3.4 Financial Position

In the post-covid19 environment we have experienced dampened demand from patrons combined with hesitance amongst touring production companies who are also suffering the lingering economic effects of the pandemic. There has also been the significant impact of rising energy costs suffered nationally. The charitable Company has survived another year by controlling costs where possible and utilising reserves which have been topped up in recent years by Culture Recovery Fund (CRF) grant.

3.5 Preservation and Enhancement of our Venues and Infrastructure

Delivery of our ten-year planned programme of works at LGT is ongoing. Urgent works are prioritised and this is kept under review. During the year, a number of works have been completed in the LGT estate, costing £0.7m. These were funded by a mixture of in-year budgetary provision, capitalisation and by the levy on ticket sales, collected for that purpose and held in a dedicated Restricted Fund.

- We have removed or encapsulated asbestos in some back of house areas,
- We continue to repair and restore the Grade 2* listed ornate plaster work in the auditorium,
- We continued our phased programme of lighting upgrades to LED,
- We have replaced the software and control desk for the flying system which flies scenery up and down from above the stage,
- We have upgraded some of our plant and infrastructure for heating the building,
- We have begun a programme of internal strengthening works which will be completed over the next twelve months,
- We have completed the construction and fit out of two new accessible toilet facilities.

At CVMH, works have been funded by a combination of capitalisation and by the levy on ticket sales, collected for that purpose and held in a dedicated Restricted Fund. We would like to thank the Andrew Lloyd Webber Foundation for a grant towards the cost of upgrading the stage area.

- We have upgraded the stage area by rebuilding the stage thrust, replacing the stage covering and completed strengthening works to the grid and access to the area above the stage,
- We have replaced the lighting rig,
- We have begun a programme of works to refurbish roofs and brickwork, and replace the render on exterior walls.

Works at HPPH commenced on site in May 2021 and should have been completed in July 2022 however complications in the delivery of the works mean that Practical Completion was not achieved until June 2023. The challenges on site were dominated by unexpected conditions of the heritage fabric of the building, including the identification of a serious structural issue in the façade which, whilst not in the original scope of the project, required urgent repair in order to make the building safe to renovate.

Despite the elongated programme and obstacles along the way, the fundamental aims of the scheme have been achieved, namely:

- The creation of a new second screen, internal waiting area/café bar and community room,
- Comprehensive repair of the heritage features and fabric of the building,

- Comprehensive renewal and improvement of the building services including electrical and plumbing.



*Hyde Park Picture House undergoing redevelopment Sept. 2022
Credit: Ollie Jenkins*

Ongoing engagement throughout the year has positioned our team well to understand the operational, maintenance and management needs of the improved building and the understanding gained through involvement throughout the scheme means that post completion, we are well placed to deliver the planned programme of management and maintenance.

Section 3 of the Strategic Report outlines significant planned works at our venues for 2023/24 and beyond.

4.0 Achievements and Performance

4.1 Performance Information

During the year 2022/23 the Company achieved the following:

- LGT: 281 performances with attendance levels of 266,000 (188 performances with attendance levels of 99,000 reflecting a part year closure during 2021/22).
- CVMH: 209 performances and 15 screenings with attendance levels of 75,000 (155 performances and 94 screenings with 50,000 attendances in 2021/22).
- On the Road Programme at Leeds University and HEART: 111 screenings with attendance levels of 2,552 (28 screenings and attendance levels of 1,529 in 2021/22).

- Learning and Engagement Programme across our three venues: 246 sessions and 4,819 people – virtual and in person (201 sessions and 50,000 engagements – including repeat visits - in 2021/22).
- A total of **862** screenings, sessions and events have been staged and hosted during the year, with attendances of **348,300** people (virtual and in person).

4.2 Employees

Our Company is a major provider of employment within the arts, entertainment and cultural sectors in Leeds. The Company currently employs 101 permanent staff and 110 non-permanent staff (casual staff) across our three venues, a total of 211 individuals.

4.3 Contribution Made by the Company's Volunteers

Volunteers are an integral element of the Front of House function at our venues, and this has been a long running and successful arrangement and the Company. We remain very grateful for the commitment and expertise of our 41 regular volunteers who contributed an estimated 2,500 hours.

4.4 Contribution Made by the Company's Friends

The Friends of City Varieties Music Hall number around 140, they are a fundraising body with registered charity status. Their charitable aim is to 'promote the public appreciation and understanding of the arts by the support maintenance and advancement of the charitable work of the music hall'.

The Friends of Hyde Park Picture House are an independent charity (no. 1168835). At closure they had over 800 members but whilst closed we have worked with them to reframe their role and membership functionality. This has included removing the discounts they have historically received (allowing HPPH to establish its own schemes) allowing them to reduce down to a smaller, more engaged group who are able to focus more closely on their charitable purposes. Their 'new' memberships were launched in January 2023, and they currently have approximately 45 members.

The role of the Friends is very much an ambassadorial role. Helping to act as advocates for the Picture House. They are also an invaluable critical friend, representing the voice of our historic core audience. The charitable objects of the Friends are;

- To promote, support and participate in the cultural landscape of Hyde Park, Leeds and Yorkshire, particularly through an appreciation and understanding of the art of cinema
- To celebrate the heritage of the HPPH and ensure its preservation and continued use for cinema and related arts by and for all sections of the community.

Post re-opening we anticipate them to be involved in supporting our work with volunteers and helping us by engaging with our historical and archival work as part of our ongoing National Lottery Heritage Fund supported scheme.

Strategic Report

1.0 Financial Summary

1.1 Position as at 31 March 2023

For the year ended 31 March 2023 the Company registered a surplus of £709k compared to last year's surplus of £865k. This result reflects a number of factors which are summarised below:

- An underlying operating deficit despite earned income beginning to return to normal levels, this was mainly due to rising energy costs and inflation on other supplies, plus investments in delivering our strategic priorities,
- These pressures were offset in particular by the use of Sustainability Grant awarded from the CRF, and taxation efficiencies,
- The receipt of grant and other contributions towards the redevelopment works at HPPH, this income has been credited to the Restricted Fund to pay for the future annual depreciation on the capitalised costs of the scheme.

The Company's overall pension liability has decreased by £4,624k and is now an asset of £135k compared to the liability of £4,489k in 2021/22. Financial Reporting Standard 102 'Pension Obligations' (FRS102) states that this item must be recognised in the balance sheet. The asset is based on actuarial valuations and represents the difference between the value of the Company's pension fund assets at 31 March 2023 and the estimated present value of the future pension payments to which the Company was committed at that date.

During 2022/23, the fair value of assets has increased by a modest amount at £323k: investments in the property and equity markets are reliable and returns are reasonable. The present value of the future obligation has decreased significantly by £4,301k. This is mainly due to an increase in the discount rate of 2% which reduces the liability, combined with more modest reductions in the rate of assumed salary increases, pension increases, and the pension account revaluation rate.

1.2 Funds Position

The Company has overall Unrestricted Funds of £-698k. This is net of a transfer to Restricted Funds to support capital expenditure. Within this, free reserves (unrestricted funds which are not committed elsewhere and not invested in tangible fixed assets) are £-1,200k (2022: £-462k). This negative position arises from the level of deferred income we carry arising from advance ticket sales.

The Company has overall Restricted Funds of £5,400k. Restricted Funds comprise investments in fixed assets, grant income and a bequest.

Unrestricted Funds of £-698k (2022: £-4,641k) together with Restricted Funds of £5,400k (2022: £3,230k) gives a net total of £4,701k (2022: £-1,410k), as at 31 March 2023, as shown in the Statement of Financial Activities and the Balance Sheet.

Excluding the pension fund asset, the Company has funds of £4.6m. This represents expenditure on the restoration and development of the Company's three historic venues. Further detail is given in Section 3.1 below.

1.3 Principal Funding Sources and Expenditure

The Company generated £14.6m of income from ticket and ancillary sales. Other operating income of £0.4m was received for work done, reimbursements, and miscellaneous recoveries. Grants of £1.6m were received, of which £1.4m related to the development works at HPPH, and £0.07m was the final payment released to us from the CRF Grant.

In addition, grants were received from two other sources: Leeds City Council to help fund the provision of the artistic programme at our three venues, and delivery of the Learning Programme. The second source of grant was the Keith Howard Foundation, also to help fund the activities of our Learning Programme.

Donations of £43k were received from patrons and supporters and Trustees would like to express their thanks to everyone who gave so generously.

Our total operating expenditure for the year was £16.5m, of which £3.5m was employee-related costs, £8.2m was paid to our visiting companies and film distributors for our performances and screenings. General operating costs were £3.9m, this comprises premises costs including repairs, energy and insurance, overheads such as IT/software, licences, marketing, stock and the cost of staging our in-house performances, the annual pantomime and Good Old Days.

1.4 Reserves Policy

The Company's Policy is to have the minimum level of Unrestricted Funds which will mitigate against the realisation of certain major risks summarised below:

- Emergency or planned closure for an extended period of LGT;
- Withdrawal of significant grant funding,
- Significant and sustained under-performance on major income-generating shows creating an in-year deficit,
- Pensions Liability (see below),
- Unidentified major repairs.

The Trustees have assessed the probability and financial impact of the above risks and determined a target level of Unrestricted Funds to cover such operational eventualities. The target is currently met.

There is no target for Free Reserves which is defined as Unrestricted Funds less commitments and investments in Fixed Assets. Free Reserves are currently negative due to investing in Fixed Assets, in particular those assets categorised as Restricted Fixed Assets. In the Statement of Financial Activities, the value of this is shown as a transfer of funds from Unrestricted to Restricted.

Restricted Funds are held for specific purposes as defined by Trustees. Levy income on theatre tickets at LGT and CVMH is used to fund enhancements and restoration works to those venues (as outlined on page 8). Further plans to utilise some of these funds are set out in section 3.1 below. The HPPH Development Fund will be used to help fund redevelopment works and activity.

1.5 Pension Payments

The accounting liability is covered in section 1.1 above. In cash terms, pensions are paid out by the Pension Fund over a period of many years during which time the assets will continue to generate returns towards funding them, and the Company will continue to make employer contributions. The last actuarial review was as at 31 March 2022, at that point the fund was 106% funded and therefore a reducing employer contribution rate was proposed for three years of 15.7% dropping to 15.3%. The methodology for determining this includes the value of current assets and the value of known liabilities (based on actual member demographics). The liability includes a prediction of for example, future RPI rates, CPI rates, salary increases, demographics etc. and is discounted back to present day. Given the impact of the pandemic, it is anticipated this position will worsen after the next review.

Leeds City Council acts as a guarantor for the Company under the West Yorkshire Pension Fund admission agreement and has agreed to indemnify the administering authority of the fund from and against all losses and payments that may be incurred by the authority by reason of any default by the Company.

1.6 Investment Powers and Policy

The policy of the Company is to ensure that all investment and borrowing activity is valid, accurate, efficient, properly accounted for and in accordance with statutory and corporate requirements. Trustees have sole responsibility for this type of activity. There was no borrowing undertaken during 2022/23. Interest was earned on balances comprising fixed term deposits and current accounts.

2.0 Principal Risks and Uncertainties Facing the Business

2.1 Governance Arrangements

An annual governance statement was received by Trustees in January 2023, this summarises an annual review of a suite of governance arrangements, to ensure compliance. Any risks or weaknesses identified can then be addressed by senior officers with the oversight of Trustees. No major weaknesses were identified.

2.2 Risk Register

All major risks are identified and monitored via the Company's risk register which is reviewed by the Trustees. The key risk categories are:

- Financial Sustainability
- Failures in Governance Arrangements
- Failure of Infrastructure

Each category of risk the Register has further detail on risk areas, internal and external causes of risk and how risks will be managed. Internal systems have been implemented to mitigate risks as far as practicable by having plans and procedures in place such as Major Incident Plans, a robust framework of financial controls and financial reporting, procedures for Health & Safety, Safeguarding etc.

3.0 Plans for the Future

We have ambitious plans for Leeds Heritage Theatres. We want to ensure that we are here for generations to come, as we have been for generations past.

Our over-arching strategy is broken into three core areas, Educate, Entertain and Sustain. Each overlap and feed into each other to work towards our vision.

In order to sustain our Company, we need a robust business model and our heritage buildings need to be not only fit for purpose but assets which support the Company in delivering its work to the widest possible audience. We also have a renewed focus on reducing our carbon footprint in connection with water and energy consumption as well as consumables and we are looking ahead to major projects to upgrade systems to support this aim.

3.1 Our Venues

In conjunction with Leeds City Council as landlord, the Company has embarked on a multi-million pound programme of restoration works to the LGT estate to sustain the longevity of the theatre and facilities. Externally, the focus in the next 12-18 months will be rooves and maintaining structural integrity. Internally we will undertake strengthening works to a number of different areas including balcony fronts from which lighting and sound bars are suspended. This will necessitate a planned closure period in Summer 2024 as some of the works cannot be done whilst the venue is live.

We will also continue to deliver planned maintenance and repairs including ongoing fire safety enhancements, annual inspections to ornate plaster works and repairs where necessary, continuing to upgrade all Front of House lighting to LED. We will also continue to reduce our carbon footprint in connection with water and energy consumption as well as consumables. The funding strategy for Company costs includes capitalisation, LGT Restoration Fund (restricted), and Unrestricted Funds.

At CVMH, a smaller programme of works has been identified. Whilst the CVMH has benefited from a comprehensive refurbishment, there are periodic inspections such inspections of roofs, internal structures and load bearing capacity. Here we are prioritising roofs and external walls, and continuing to upgrade lighting to LED. The costs of works will be met by a mixture of Restricted Funds, capitalisation and Unrestricted Funds.

The re-development of HPPH was completed in June, including works to make the venue more environmentally sustainable. Therefore, no major works are required in the short to medium term, but a comprehensive management and maintenance plan reflecting the best possible path to maintaining the asset will be followed.

3.2 Strategic Planning

The Strategic Plan is updated regularly, as is the corresponding financial plan. This is used to articulate the strategic direction of the Company and to plan particular activities together with the timescales for implementation.

Our strategic working groups continue to focus on Business Development including fundraising, Equality, Diversity and Inclusion, Environmental Responsibilities and the Artistic Vision, Audience Development and Engagement group. For the latter, a ten-year plan has been developed alongside a newly commissioned Evaluation Framework to monitor and measure our progress against key outcomes. Work continues with an action plan and key deliverables during 2023/24.

The remaining focus of our development is our ambition to reflect the demographic of our city, through our workforce, our audiences, our participants and the work we present on our screens and stages. Our EDI plans cut across all areas of the Company, and we believe this is critical to us achieving our ambition of being here for future generations.

Our charitable aims and Strategic Plans remain at the centre of our decision making and we remain confident that our business model is sound and sustainable. We review and develop this, responding to the external and internal factors such as the current cost of living crisis and our own cost increases. Our pricing strategy is proving robust, and work will continue to ensure we balance income and accessibility across our venues.

3.3 Fundraising

Charity Commission guidance on fundraising sets out the law and good practice principles for trustees to follow when fundraising. The charitable Company has registered with the Fundraising Regulator to demonstrate its commitment to the recognised standards, and adheres to them.

To ensure greater stability, we are developing and investing in our fundraising capability. Historically our approach to fundraising from trusts, foundations, individuals and corporate entities has been ad hoc and split across different teams. This year, we have used CRF Grant to commission a freelance fundraiser to kick-start the process and support us in creating an achievable fundraising model which we can then adopt. During 2023/24 we anticipate realising additional income from grant bids made, along with submitting new bids for other key areas of development. Subject to affordability, we are hoping to employ a permanent fundraiser over the coming two years. In the meantime, Trustees would like to extend their sincere thanks to all donors.

4.0 Structure, Governance and Management

4.1 Structure

Leeds Grand Theatre & Opera House Limited is a charitable company with no subsidiaries.

4.2 Governing Document

The Leeds Grand Theatre & Opera House Limited is a company limited by guarantee governed by its Memorandum and Articles of Association, dated 27 April 1970, and incorporated in the United Kingdom. There is no share capital but each member of the company undertakes to guarantee £1 in the event of the winding up of the company.

4.3 Recruitment and Appointment of Trustees

The Company has a maximum of twelve people on its Board of Trustees, three of whom are nominated by Leeds City Council with the remaining nine being independent, of which one is currently vacant. The trustees make up the Board of Management. They are directors of the Company for the purposes of company law and are also charity trustees for the purposes of charity law. All trustees give their time voluntarily and received no benefit from the Company. Any expenses claimed are set out in note 13 to the accounts.

Council trustees are appointed through the Member Management Committee of Leeds City Council. Independent trustees are appointed through an interview process following advertising on the Company's website. All trustees undertake an induction process led by the Company's Chief Executive; all council trustees receive appropriate training as part of

their responsibilities and all independent trustees were selected based on their relevant experience and training.

4.4 Organisation

The Board of Trustees manages the Company. The Board normally meets quarterly and there are three sub-committees: Finance, Governance & Resources, Artistic & Charity Development, and Property, Health & Safety & Safeguarding. To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by Trustees, for operational matters.

4.5 Related Parties

Leeds City Council recognises ownership of the charitable Company under International Financial Reporting Standards, and provides funding in support of the artistic and educational programme. In addition, the City Council owns the LGT estate, which it leases to the Company with a full repairing obligation for a peppercorn rent.

We are extremely grateful to the Keith Howard Foundation for extending their three-year grant agreement into a fourth year to support the work of the Learning & Heritage Team; during the year 2022/23 grant was received of £63,000.

4.6 Pay Policy for Senior Staff

The Directors agree that the key management personnel of the Company comprise themselves and the Senior Management Team. Trustees do not receive remuneration for their role as Board Members; details of expenses paid to Trustees are shown in note 13 to the accounts (2022/23: nil; 2021/22: nil).

Annual salary increases for all staff are paid with reference to BECTU guidelines and statutory rates of pay, other than for the Company's Chief Executive post, which is determined by the Board of Trustees.

4.7 Risk Management

The Trustees have a governance framework as per section 2.1 which assesses key internal controls. The framework includes key internal controls to manage risk including:

- A system of authority and delegation for key decisions,
- Robust financial controls and financial planning,
- Annual high quality independent audit assessment of internal controls and processes,
- The setting of and monitoring of compliance with a comprehensive suite of policies and procedures covering risk areas,
- All major risks are identified and monitored via the Company's Risk Register. These include
 - Financial Sustainability
 - Failure of Governance Arrangements
 - Failure of Infrastructure.

5.0 Preparation of the Financial Statements

5.1 Trustees' Responsibilities

In relation to the Financial Statements the Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. The Trustees are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Company and charity law requires directors to prepare financial accounts that give a true and fair view of the state of affairs of the company at the end of the financial year and of its surplus or deficit for the financial year. In doing so the Directors have:

- Selected suitable accounting policies and then applied them consistently,
- Observed the methods and principles in the Charities SORP,
- Made judgements and estimates that were reasonable and prudent,
- Stated whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- Prepared the financial accounts on a Going Concern basis.

5.2 Statement as to Disclosure to our Auditors

In so far as the Trustees are aware:

- There is no relevant audit information of which the Company's auditor is unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

5.3 Auditors

Azets Audit Services Limited were appointed auditor to the Company and in accordance with Section 485 of the Companies Act 2006, a resolution that they be re-appointed will be tabled at a general meeting.

Approved by Trustees and signed on their behalf by



Mr. Alan T. Gay O.B.E.
Chair of the Board of Trustees,
Leeds Grand Theatre & Opera House Limited



Mr. Kris Brewster,
Chair of Finance, Governance &
Resources Sub-committee and
Treasurer,
Leeds Grand Theatre & Opera House
Limited

Date 29/09/2023

Date 06/10/2023



*Hyde Park Picture House Nov. 2022
Credit: Ollie Jenkins*

Independent Auditor's Report to the Members of Leeds Grand Theatre and Opera House

Opinion

We have audited the financial statements of Leeds Grand Theatre and Opera House (the 'charitable company') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (UK Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's 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.

Independent Auditor's Report to the Members of Leeds Grand Theatre and Opera House continued

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report and strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report and 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 the 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 or the strategic report.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us;
- the financial statements are not in agreement with the accounting records and returns;
- 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 the Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees 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 they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent Auditor's Report to the Members of Leeds Grand Theatre and Opera House continued

Our responsibilities for the audit of the financial statements

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

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

Extent to which the audit was considered capable of identifying irregularities, including fraud

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.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.
- Performing audit work over the timing and recognition of revenue and in particular whether it has been recorded in the correct accounting period.

Independent Auditor's Report to the Members of Leeds Grand Theatre and Opera House continued

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our report

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

Jessica Lawrence

Jessica Lawrence
Senior Statutory Auditor

09/10/2023

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For and on behalf of Azets Audit Services Limited
Statutory Auditor

33 Park Place
Leeds
LS1 2RY

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

	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	Total Funds Restated 2022 £	Notes
INCOME					
Donations and grants	48,286	1,946,450	1,994,736	3,776,002	5
Investment income	48,658	0	48,658	15,658	6
Income from charitable activities	14,835,717	72,929	14,908,646	7,147,710	7
Other income	276,000	0	276,000	193,000	8
<i>Total Income</i>	<u>15,208,661</u>	<u>2,019,379</u>	<u>17,228,040</u>	<u>11,132,370</u>	
EXPENDITURE					
Charitable activities	(14,405,316)	(912,523)	(15,317,839)	(9,174,338)	10
Governance costs	(146,437)	0	(146,437)	(132,350)	9
Other expenditure	(1,055,000)	0	(1,055,000)	(961,000)	11
<i>Total Expenditure</i>	<u>(15,606,753)</u>	<u>(912,523)</u>	<u>(16,519,276)</u>	<u>(10,267,688)</u>	
Net Income for the Year	(398,092)	1,106,856	708,764	864,682	
TRANSFERS					
Gross transfers between funds	(1,061,840)	1,061,840	0	0	
OTHER RECOGNISED GAINS/LOSSES					
Actuarial gains/(losses) on Defined Benefit Pension Scheme	5,403,000	0	5,403,000	2,364,000	14
<i>Net movement in funds</i>	<u>3,943,068</u>	<u>2,168,696</u>	<u>6,111,764</u>	<u>3,228,682</u>	
RECONCILIATION OF FUNDS					
Total funds brought forward	(4,641,305)	3,230,977	(1,410,328)	(4,639,010)	
Total funds carried forward	<u>(698,237)</u>	<u>5,399,673</u>	<u>4,701,436</u>	<u>(1,410,328)</u>	

All of the above amounts relate to continuing activities. The Statement of Financial Activities also complies with the requirements for an Income and Expenditure account under the Companies Act 2006 and includes all gains and losses recognised in the year. A fully detailed comparative Statement of Financial Activities for the year ending 31 March 2022 is shown at Note 4.

BALANCE SHEET AS AT 31 MARCH 2023

	Charity	As restated Charity	Notes
	2023	2022	
	£	£	
Fixed assets			
Tangible assets	5,625,433	2,851,554	15
Investment	0	0	
	<u>5,625,433</u>	<u>2,851,554</u>	
Current assets			
Stock	28,790	31,181	
Debtors	908,403	2,199,365	16
Cash	4,274,530	4,734,791	
	<u>5,211,723</u>	<u>6,965,337</u>	
Creditors			
Amounts falling due within one year			
- trade creditors	(744,801)	(1,113,481)	17
- other creditors	(5,525,919)	(5,624,738)	17
	<u>(6,270,720)</u>	<u>(6,738,219)</u>	
Net current assets	<u>(1,058,997)</u>	227,118	
Total assets less current liabilities	4,566,436	3,078,672	
Creditors			
Amounts falling due after more than one year:			
- pension asset / (liability)	135,000	(4,489,000)	14
Net assets	<u>4,701,436</u>	<u>(1,410,328)</u>	20, 22
Represented by:			
Unrestricted funds	(698,237)	(4,641,305)	20, 22
Restricted funds	5,399,673	3,230,977	20, 22
Total Funds	<u>4,701,436</u>	<u>(1,410,328)</u>	

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and preparation of the financial statements. The financial statements were approved and are signed on their behalf by

Alan T. Gay

Mr. Alan T. Gay O.B.E.
Chair of the Board of Trustees,
Leeds Grand Theatre & Opera House Limited

Kris Brewster

Mr. Kris Brewster,
Chair of Finance, Governance &
Resources Sub-committee and
Treasurer,
Leeds Grand Theatre & Opera House
Limited

Date 29/09/2023

Date 06/10/2023

Company Registration Number – 00978161

The notes on pages 24 to 43 form part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

	2023 £	2022 £	Notes
Cash flows from operating activities	2,506,866	1,965,794	24
Cash flows from investing activities			
Interest received	48,658	15,658	6, 24
Purchase of property, plant and equipment	(3,015,785)	(1,644,764)	15
Change in cash in the year	(460,261)	336,688	

RECONCILIATION OF NET CASH FLOW TO MOVEMENTS IN NET FUNDS

	2023 £	2022 £
(Decrease) / Increase in cash in the year	(460,261)	336,688
Net funds at beginning of year	4,734,791	4,398,103
Net funds at end of year	4,274,530	4,734,791

Notes

Forming part of the Financial Statements for the year ended 31 March 2023

1. Charity Information

Leeds Grand Theatre & Opera House Limited is a Company Limited by Guarantee and is a Charity Registered in England and Wales. The Registered Office is 46 New Briggate, Leeds, LS1 6NU. The liability of each Trustee in the event of winding-up is limited to £1.

2. Accounting Policies

a) Basis of Accounting

The financial accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (Effective 1 January 2015) – (Charities SORP (FRS102)), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

The Financial Statements are prepared in Sterling which is the functional currency of the Company. Monetary amounts are rounded to the nearest £1.

The Leeds Grand Theatre & Opera House Limited meets the definition of a public benefit entity under FRS102.

Assets and liabilities are initially recognised at cost or transaction value unless otherwise stated in the relevant accounting policy notes.

b) Going Concern

The Trustees consider that given the current level of Unrestricted Reserves, it is appropriate to prepare the financial accounts on the going concern basis. Further detail is given at note 25 to the accounts.

c) Taxation

No provision for corporation taxation has been made, as Leeds Grand Theatre & Opera House Limited claim for exemption from taxes under Section 505 (1) Income and Corporation Taxes Act 1988 has been confirmed by the Inland Revenue.

The Company became partially exempt from Value Added Taxation (VAT) on 25th January 2016. The cultural exemption has been applied to the sale of tickets for live performances, but other sales such as bar sales and ices remain subject to VAT.

d) Income

All income is included in the Statement of Financial Activities when the Company is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income.

Grants (including Government grants) and donations are included in full in the Statement of Financial Activities when receivable.

Leeds City Council provided core funding of £85k (2022: £85k) to support the operation of the Company. In addition, certain donated services are provided which are explained in more detail in note 3 below.

Donated services are included in income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable. No income is recognised when there is no financial cost borne by a third party. The contribution of volunteers is therefore not included in the Statement of Financial Activities.

Investment income is included when receivable by the Company. This comprises interest earned on deposits.

Income from charitable trading activity is accounted for in the year of show, income from tickets sold in advance is shown as 'Receipts in Advance'.

e) Financial Instruments

The Company only has financial assets and financial liabilities that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

f) Expenditure

Expenditure is included in the Statement of Financial Activities on an accruals basis. Certain expenditure is directly attributable to specific activities and has been included in those cost categories.

g) Pension Costs

Employees of the Company are entitled to join the West Yorkshire Pension Fund, which is a funded defined benefit statutory scheme administered by the City of Bradford Metropolitan Council in accordance with the Local Government Superannuation Regulations 1988. The benefits provided to the employees concerned are based on final pensionable pay. Contributions are charged to the Statement of Financial Activities each year so as to spread the cost of pensions over employees' working lives with the Company. Leeds City Council acts as a guarantor for the Company under the admission agreement and has agreed to indemnify the administering authority of the fund from and against all losses and payments that may be incurred by the authority by reason of any default by the Company.

h) Additional Pension Disclosures

FRS102 has required the pension fund asset to be recognised in the financial statements. The effect on the current year has been to decrease the overall charge in the Statement of Financial Activities by £4,624k. The pension charges (gains and losses) have been allocated to the Statement of Financial Activities in accordance with the Charities SORP.

At 31 March 2023, despite ongoing volatility in the market, the property and equity markets remain reliable and are achieving reasonable returns on investments. Liabilities have reduced substantially by £4,301k, the actuarial assumptions are based on an increased discount rate by 2% combined with reduced rates for pension increases, salary increases, and pension account revaluation rates.

i) Depreciation

Individual fixed assets and expenditure that enhances rather than maintains the performance of tangible fixed assets is capitalised at cost; in general this is items above £1,000. Each capitalised asset will be considered individually to determine the length of its useful economic life, and will be depreciated accordingly on a straight line basis. Depreciation rates are:

- Leasehold property improvements: 25 – 50 years
- Freehold buildings: 25 – 50 years
- Other Plant, Fittings and Equipment: 3 to 15 years.

In the Balance Sheet, assets are held at cost less accumulated depreciation.

j) Stock

Stock comprises supplies for bars and kiosks, and merchandise. Stock is included in the accounts at the lower of cost or net realisable value.

k) Cash/Cash Equivalents

Cash and cash equivalents includes cash in hand and deposits held with banks.

l) Debtors

Trade and other debtors are held at the settlement amount. Prepayments are valued at the amount prepaid. Provisions for Doubtful Debts are held at the settlement amount outstanding, taking into account the risk of default.

m) Creditors

Creditors are recognised where the Company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or reliably estimated. Creditors are normally recognised at their settlement amount. Financial liabilities are only de-recognised when the Company's obligations are discharged, cancelled or they expire.

n) Governance Costs

Resources expended are included in the Statement of Financial Activities on an accruals basis. Directors who are not councillors may be reimbursed for expenses incurred in attending board meetings. Not all Trustees seek reimbursement. As per the Company's memorandum and articles of association, members of the board are not entitled to any remuneration for their role.

o) Fund Accounting

Unrestricted Funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the Company.

Restricted Funds can only be used for particular restricted purposes within the objects of the Company. Restrictions arise when specified by the donor or when funds are received for a particular purpose. The use of the Restricted Funds is limited to the restoration and preservation of our venues, grant income from the Keith Howard Foundation is limited to

Learning activities, the arts@leeds grant is limited to supporting our cultural and heritage offer, Sustainability grant from the CRF also has eligibility conditions attached to it.

p) Operating Lease

Leeds City Council has let the LGT to the charitable Company at a peppercorn rent under a 99 year full repairing lease. The Company also has four leases for operational assets, further detail is shown in Note 19.

q) Capital Commitments

On 31 March 2023, the Company had the following capital commitments:

	2023	2022
	£000s	£000s
Contracted but not provided for in the Financial Statements	203	1,693

r) Judgements and Estimations Policy

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the date of the statement of financial position and the amounts reported for revenues and expenses during the year. However, the nature of these estimations means that actual outcomes could differ from those estimates. Details of these judgements are set out in the accounting policies.

Depreciation of tangible assets: the annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are assessed annually.

3. Related Party Transactions

Leeds City Council recognises ownership of the Company as per the guidelines under International Financial Reporting Standards, the theatre at 46 New Briggate, and nominates all members of the Board of Management. The City Council provides funding, enabling the Company to carry out its charitable objectives. Leeds City Council has let the LGT to the company at a peppercorn rent under a 99 year full repairing lease.

	2023	2022
	£	£
<u>Leeds City Council</u>		
Income:		
Revenue & capital funding	85,000	467,444

The total £85k comprises core funding of £85k (2022: £85k) to support the operation of the Company.

The Company receives a donation in kind from Leeds City Council, for the provision of certain administrative and financial services such as payroll and financial management systems, the value of these services has not been quantified and therefore has not been included in the financial statements.

Leeds City Council processes the majority of the company's payroll, creditor payments and income through its own systems. The Company reimburses the council on a monthly basis; the outstanding indebtedness balance with Leeds City Council as at 31 March 2023 was £-973,732 (2022: 228,305 owing from LCC).

4. Statement of Financial Activities for the Prior Year

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £
INCOME			
Donations and grants	1,544,918	2,231,084	3,776,002
Investment income	15,658	0	15,658
Income from charitable activities	7,109,423	38,287	7,147,710
Other income	193,000	0	193,000
Total Income	8,862,999	2,269,371	11,132,370
EXPENDITURE			
Charitable activities	(8,763,841)	(410,497)	(9,174,338)
Governance costs	(132,350)	0	(132,350)
Other expenditure	(961,000)	0	(961,000)
Total Expenditure	(9,857,191)	(410,497)	(10,267,688)
Net Income for the Year	(994,192)	1,858,874	864,682
TRANSFERS			
Gross transfers between funds	(609,232)	609,232	0
OTHER RECOGNISED GAINS/LOSSES			
Actuarial gains/(losses) on Defined Benefit Pension Scheme	2,364,000	0	2,364,000
Net movement in funds	760,576	2,468,106	3,228,682
RECONCILIATION OF FUNDS			
Total funds brought forward	(5,401,881)	762,871	(4,639,010)
Total funds carried forward	(4,641,305)	3,230,977	(1,410,328)

5. Donations and Grants

	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	Total Funds 2022 £
Donations and Levy	548	333,733	334,281	196,683
Other Income	0	13,039	13,039	6,143
Leeds City Council Grant	42,000	43,000	85,000	467,444
Other Grants	5,738	1,556,678	1,562,416	3,105,731
Total	48,286	1,946,450	1,994,736	3,776,002

6. Investment Income

	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	Total Funds 2022 £
Income from bank deposits	48,658	0	48,658	15,658

The investment income arises from an interest-bearing deposit account and fixed term deposits.

7. Income from Charitable Activities

	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	Total Funds 2022 £
Films & shows	11,656,987	0	11,656,987	5,150,365
Bars & Front of House	1,276,313	0	1,276,313	552,660
Marketing & Box Office	1,384,551	0	1,384,551	871,843
Estate Management	341,785	0	341,785	471,375
Learning	0	72,929	72,929	38,287
Other	176,081	0	176,081	63,180
	<u>14,835,717</u>	<u>72,929</u>	<u>14,908,646</u>	<u>7,147,710</u>

8. Other Income

	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	Total Funds 2022 £
FRS17 Pension Finance Changes:				
- expected return on assets	276,000	0	276,000	193,000
	<u>276,000</u>	<u>0</u>	<u>276,000</u>	<u>193,000</u>

This note along with notes 11 and 14 allocates pension changes (gains and costs) to the Statement of Financial Activities in accordance with the Charities SORP.

9. Allocation of Support Costs

	Charitable Activities 2023 £	Governance 2023 £	Total 2023 £	Total 2022 £
Management & Support	0	(122,335)	(122,335)	(115,400)
Internal & External Audit Fees	0	(20,495)	(20,495)	(15,150)
LCC Interest & bank charges	(60,230)	0	(60,230)	(144)
H&S Consultants	(5,846)	0	(5,846)	(12,445)
Insurance	(129,833)	(1,620)	(131,453)	(135,775)
Subscriptions	(8,213)	(1,987)	(10,200)	(4,784)
Non-Domestic Rates	(17,416)	0	(17,416)	(10,298)
	<u>(221,538)</u>	<u>(146,437)</u>	<u>(367,975)</u>	<u>(293,996)</u>

Where appropriate, expenditure has been allocated directly to an activity. Management costs represent the cost of the Company's Chief Executive.

10. Analysis of Charitable Expenditure

	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	Total Funds 2022 £
Films & Shows	(9,116,284)	(43,000)	(9,159,284)	(4,101,654)
Bars & Front of House	(1,326,283)	0	(1,326,283)	(941,153)
Marketing & Box Office	(1,222,298)	0	(1,222,298)	(1,026,679)
Facilities, Technical & Housekeeping	(2,143,656)	0	(2,143,656)	(1,766,219)
Learning	(126,365)	(143,932)	(270,297)	(185,575)
Refurbishment of venues	(45,011)	(290,670)	(335,681)	(406,265)
Management & support costs	(425,419)	(434,921)	(860,340)	(746,793)
	<u>(14,405,316)</u>	<u>(912,523)</u>	<u>(15,317,839)</u>	<u>(9,174,338)</u>

11. Other Expenditure

	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	Total Funds 2022 £
Contributions by employer	376,000	0	376,000	315,000
FRS17 Pension Finance Changes:				
- current service cost	(1,039,000)	0	(1,039,000)	(959,000)
- interest cost	(392,000)	0	(392,000)	(317,000)
	<u>(1,055,000)</u>	<u>0</u>	<u>(1,055,000)</u>	<u>(961,000)</u>

This note along with notes 8 and 14 allocates pension changes (gains and costs) to the Statement of Financial Activities in accordance with the Charities SORP (FRS102).

12. Net Income for the Year

This is stated after charging:

	2023 £	2022 £
Employer pension contributions	(369,050)	(315,000)
Depreciation	(214,086)	(174,368)
Loss on disposal of Fixed Assets	(528)	(3,557)
Impairments	(27,292)	0
Audit Fees: audit services	(17,950)	(12,400)
Audit Fees: non-audit services	<u>(2,545)</u>	<u>(2,750)</u>

13. Staff Costs

	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	Total Funds 2022 £
Wages and salaries	2,765,631	63,000	2,828,631	2,332,939
National Insurance	217,109	0	217,109	174,774
Pension costs: employer contributions	369,050	0	369,050	316,419
Accumulating compensated absences	10,075	0	10,075	48,356
Sub-total	3,361,865	63,000	3,424,865	2,872,488
Pension costs: FRS102 adjustments (net)	779,000	0	779,000	768,000
Total	4,140,865	63,000	4,203,865	3,640,488

Trustees who are not City Councillors may be reimbursed expenses incurred in attending board meetings. Not all Trustees seek reimbursement. As per the charitable Company's memorandum and articles of association, members of the board are not entitled to any remuneration for their role. Trustees did not receive any reimbursed expenses for attending board meetings in 2022/23 (2022 £nil). No remuneration was paid to Directors during the year ended 31 March 2023 (2022: nil).

The number of employees who received emoluments in excess of £60,000 was:

	2023	2022
£80,000 to £89,999	1	1
	<u>1</u>	<u>1</u>

The other key management personnel of the Company comprises the Senior Management Team. Remuneration totalling £356,748 (2022: £333,556) was paid to the Senior Management Team, plus benefits were accrued under the Company's pension scheme.

It is the policy of the Company not to quantify the contribution made by volunteers, as it cannot be readily measured.

Average Number of Employees During the Year

	2023	2022
Key Management	9	9
Other Management & Administration	19	14
Marketing, Publicity & Box Office	29	22
Stage Crew & Electricians	48	29
Stage Door & House Keepers	17	13
Front of House & Bar Staff	89	92
Total	<u>211</u>	<u>179</u>

14. Actuarial Gains/ (Losses) On Defined Benefit Pension Scheme

The West Yorkshire Pension Fund is a defined benefit pension fund. The last full actuarial valuation of the Fund was carried out as at 31 March 2022 and the results have been received.

Since the Company is only one small unit within the West Yorkshire Superannuation Fund it is not appropriate to disclose either the current level of funding in the fund as a whole or the market value of its assets. However, copies of the accounts of the fund can be obtained from City of Bradford Metropolitan Council.

Introduction

The disclosures below relate to the funded liabilities within the West Yorkshire Pension Fund (the "Fund") which is part of the Local Government Pension Scheme (the "LGPS"). The funded nature of the LGPS requires Leeds Grand Theatre & Opera House Limited and its employees to pay contributions into the Fund, calculated at a level intended to balance the pension's liabilities with investment assets.

In accordance with Financial Reporting Standards disclosure of certain information concerning assets, liabilities, income and expenditure relating to pension schemes is required.

Contributions for the accounting period ending 31 March 2023

The Employer's regular contributions to the Fund for the accounting period ending 31 March 2023 were £369k. Additional contributions may also become due in respect of employer discretions to enhance members' benefits in the Fund over the next accounting period.

Assumptions

The latest actuarial valuation of Leeds Grand Theatre & Opera House Limited's liabilities took place as at 31 March 2022. Liabilities have been estimated by the independent qualified actuary on an actuarial basis using the projected credit method. The principal assumptions used by the independent qualified actuaries in updating the latest valuation of the Fund for FRS102 purposes were:

Principal financial assumptions (% per annum)

	31-Mar-23	31-Mar-22
Discount rate	4.7%	2.7%
CPI Inflation	2.7%	2.9%
Rate of increase to pensions in payment	2.7%	2.9%
Rate of general increase in salaries	3.95%	4.15%

14. Actuarial gains/ (losses) on Defined Benefit Pension Scheme (continued)

Mortality assumptions

The mortality assumptions are based on the recent actual mortality experience of members within the Fund and allow for expected future mortality improvements.

Post retirement mortality (retirement in normal health)

	31-Mar-23	31-Mar-22
Males		
Year of Birth base table	Standard SAPS S3N tables (Heavy)	Standard SAPS S2N tables
Rating to above base table * (years)	0.00	0.00
Scaling to above base table rates: Pensioners	90%	108%
Improvements to base table rates	CMI Projections (SK 7.0, A 0.5) with long term rate of improvement of 1.5% p.a.	CMI Projections (SK 7.5, A 0.0) with long term rate of improvement of 1.5% p.a.
Future lifetime from age 65 (aged 65 at accounting date)	21.6	21.8
Future lifetime from age 65 (aged 45 at accounting date)	22.9	22.5
Females		
Year of Birth base table	Standard SAPS S3N tables (Heavy)	Standard SAPS S2N tables
Rating to above base table * (years)	0	0
Scaling to above base table rates: Pensioners	90%	98%
Improvements to base table rates	CMI Projections (SK 7.0, A 0.5) with long term rate of improvement of 1.5% p.a.	CMI Projections (SK 7.5, A 0.0) with long term rate of improvement of 1.5% p.a.
Future lifetime from age 65 (aged 65 at accounting date)	24.6	24.6
Future lifetime from age 65 (aged 45 at accounting date)	25.7	25.7

* A rating of +1 years means that members of the Fund are assumed to follow the mortality pattern of the base table for an individual +1 years older than them. The ratings shown apply to normal health retirements.

14. Actuarial gains/ (losses) on Defined Benefit Pension Scheme (continued)

Commutation

31-Mar-23	31-Mar-22
Members assumed to surrender pension on retirement, such that the total cash received (including any accrued lump sum from pre 2008 service) is 75% of the permitted maximum.	Members assumed to surrender pension on retirement, such that the total cash received (including any accrued lump sum from pre 2008 service) is 75% of the permitted maximum.

Reconciliation of Funded Status to Balance Sheet

	Value as at 31-Mar-23 £000	Value as at 31-Mar-22 £000
Fair value of assets	10,399	10,076
Present value of funded liabilities	(10,264)	(14,565)
Pension asset/(liability) recognised on the Balance Sheet	135	(4,489)

Analysis of the Profit and Loss charge

	Period ending 31-Mar-23 £000	Period ending 31-Mar-22 £000
Current service cost	1,039	959
Interest cost	392	317
Expected return on assets	(276)	(193)
Expense recognised	1,155	1,083

Actuarial Gains / (Losses)

	31-Mar-23 £000	31-Mar-22 £000	31-Mar-21 £000	31-Mar-20 £000	31-Mar-19 £000
Actuarial Gain / (Loss)	5,403	2,364	(1,563)	(943)	(293)

The cumulative actuarial gain as at 31st March 2023 was £4,090k (2022: loss of £1,313k).

14. Actuarial gains/ (losses) on Defined Benefit Pension Scheme (continued)

Changes to the present value of liabilities during the accounting period

	Period ending 31-Mar-23 £000	Period ending 31-Mar-22 £000
Opening present value of liabilities	(14,565)	(15,139)
Current service cost	(1,039)	(959)
Interest cost	(392)	(317)
Contributions by participants	(150)	(126)
Actuarial gains/(losses) on liabilities*	5,613	1,753
Net benefits paid out #	269	223
Closing present value of liabilities	(10,264)	(14,565)

* includes changes to the actuarial assumptions

consists of net-cash-flow out of the Fund in respect of the employer, excluding contributions and any death in service lump sums paid, and including an approximate allowance for the expected cost of death in service lump sums.

Changes to the fair value of assets during the accounting period

	Period ending 31-Mar-23 £000	Period ending 31-Mar-22 £000
Opening fair value of assets	10,076	9,054
Interest income on assets	276	193
Actuarial gains/(losses) on assets	(210)	611
Contributions by employer	376	315
Contributions by participants	150	126
Net benefits paid out #	(269)	(223)
Closing fair value of assets	10,399	10,076

consists of net-cash-flow out of the Fund in respect of the employer, excluding contributions and any death in service lump sums paid, and including an approximate allowance for the expected cost of death in service lump sums.

Actual return on assets

Period ending	31-Mar-23 £000	31-Mar-22 £000	31-Mar-21 £000	31-Mar-20 £000	31-Mar-19 £000
Interest income on assets	276	193	169	183	165
Actuarial gain/(loss) on assets	(210)	611	(1,520)	(598)	746
Actual return on assets	66	804	(1,351)	(415)	911

14. Actuarial gains/ (losses) on Defined Benefit Pension Scheme (continued)

Analysis of amount recognised in Statement of Financial Activities

	31-Mar-23 £000	31-Mar-22 £000	31-Mar-21 £000	31-Mar-20 £000	31-Mar-19 £000
Total actuarial gains/(losses)	5,403	2,364	(1,563)	(943)	(293)
Total gain/(loss) in STRGL	5,403	2,364	(1,563)	(943)	(293)

History of asset values, present value of liabilities and surplus/deficit

Period ending	31-Mar-23 £000	31-Mar-22 £000	31-Mar-21 £000	31-Mar-20 £000	31-Mar-19 £000
Fair value of assets	10,399	10,076	9,054	7,358	7,435
Present value of liabilities	(10,264)	(14,565)	(15,139)	(11,501)	(10,028)
Surplus/(deficit)	135	(4,489)	(6,085)	(4,143)	(2,593)

The table below allocates pension changes (gains and costs) to the Statement of Financial Activities in accordance with the Charities SORP.

Description	Period ending 31-Mar-23 £000	Period ending 31-Mar-22 £000	Disclosed in:
Pension Service Changes			
<u>Liabilities</u>			
Current service cost	(1,039)	(959)	Other expenditure: note 11
Past service cost	-	-	
Curtailment Cost	-	-	
<u>Assets</u>			
Contributions by employer	376	315	Other income note 8
Subtotal	(663)	(644)	
Pension Finance Changes			
<u>Liabilities</u>			
Interest cost	(392)	(317)	Other expenditure: note 11
<u>Assets</u>			
Expected return on assets	276	193	Other income: note 8
Subtotal	(116)	(124)	
Pension Changes total	(779)	(768)	
Analysis of amount recognised in Statement of Financial Activities	5,403	2,364	
Change in Balance Sheet Liability	4,624	1,596	

15. Tangible Fixed Assets

The value of expenditure capitalised and the amounts depreciated during 2022/23 is summarised below:

	Leasehold Property Improvements £	Freehold Buildings £	Other Fittings & Equipment £	Total £
<u>Cost</u>				
At 1 April 2022	288,920	1,858,789	2,119,506	4,267,214
Additions	245,629	2,046,906	723,250	3,015,785
Disposals	0	0	(3,727)	(3,727)
Impairments	(27,292)	0	0	(27,292)
At 31 March 2023	507,257	3,905,694	2,839,029	7,251,980
<u>Depreciation</u>				
At 1 April 2022	(74,956)	(332,774)	(1,007,930)	(1,415,660)
Charge for the year	(29,078)	(1,357)	(183,652)	(214,086)
On Disposals	0	0	3,199	3,199
At 31 March 2023	(104,034)	(334,131)	(1,188,382)	(1,626,547)
Net book value				
At 1 April 2022	213,963	1,526,015	1,111,576	2,851,554
At 31 March 2023	403,223	3,571,564	1,650,647	5,625,433

16. Debtors

	Charity 2023 £	Charity 2022 £
Trade debtors	111,956	571,488
National Lottery Heritage Fund Grant	474,094	742,423
Culture Recovery Fund Grant	68,400	318,194
Leeds City Council	0	369,455
HMRC (VAT & Theatre Tax Credits)	268,719	213,701
Total - Debtors	923,169	2,215,261
Doubtful Debt Provision	(14,766)	(15,896)
Net Total	908,403	2,199,365

17. Creditors: Amounts Falling Due Within One Year

	Charity 2023 £	Charity 2022 £
Trade Creditors	(744,801)	(1,113,481)
Advance Receipts	(4,498,997)	(5,576,382)
Leeds City Council	(974,343)	0
HMRC (VAT)	(42,505)	0
Employees accumulating compensated absences accrual	(10,075)	(48,356)
Total	(6,270,721)	(6,738,219)

18. Deferred Income

	Charity 2023 £	Charity 2022 £
Balance as at 1 April	(5,576,382)	(4,177,250)
Amount released to incoming resources from charitable activities	5,576,382	6,731,865
Amount deferred in year	(4,498,997)	(8,130,997)
Balance as at 31 March	(4,498,997)	(5,576,382)

'Amount deferred in year' as shown above, comprises Box Office income from tickets and vouchers being sold in advance for around 90 performances and screenings.

19. Commitments under Operating Leases

At 31 March 2023 the Charitable Company's future minimum operating lease payments are as follows:

	Land and Buildings	
	2023	2022
	£	£
Operating Leases which expire		
After more than 5 years	0	0
	Other Assets	
	2023	2022
	£	£
Operating Leases which expire		
Within 1 year	60	2,080
Within 2 to 5 years	0	564
	60	2,644

20. Analysis of funds for Year Ending 31 March 2023

	As Restated 31 March 2022 £	Income £	Expenditure £	Transfers & other recognised gains & losses £	At 31 March 2023 £
<u>Restricted Funds</u>					
Leeds Grand Theatre & Opera House:					
Restoration Fund	1,025,167	263,581	(233,260)	460,327	1,515,815
City Varieties Music Hall:					
Restoration Fund	130,762	67,241	(27,413)	8,768	179,358
Hyde Park Picture House:					
Development Fund	1,572,448	1,428,225	(29,997)	592,745	3,563,421
Learning Department					
Keith Howard (formerly Emerald) Foundation Grant	0	63,000	(63,000)	0	0
Other Income	0	80,932	(80,932)	0	0
Company					
Non-LCC Grants	502,600	73,400	(434,921)	0	141,079
LCC Grants	0	43,000	(43,000)	0	0
Total Restricted Funds	3,230,977	2,019,379	(912,523)	1,061,840	5,399,673
<u>Unrestricted Funds</u>					
Charity	(152,305)	14,932,661	(14,551,753)	(1,061,840)	(833,237)
Pension Reserve	(4,489,000)	276,000	(1,055,000)	5,403,000	135,000
Total Unrestricted Funds	(4,641,305)	15,208,661	(15,606,753)	4,341,160	(698,237)
Total Funds	(1,410,328)	17,228,040	(16,519,276)	5,403,000	4,701,436

Unrestricted Funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the Company.

Restricted Funds can only be used for particular restricted purposes within the objects of the Company. Restrictions arise when specified by the donor or when funds are received for a particular purpose. The use of the Restricted Funds is limited to the restoration of our three venues, grant income from the Keith Howard Foundation is limited to Learning activities, and arts@leeds grant is used to support our cultural and heritage offer.

Transfers and other recognised gains and losses represent the net actuarial gain or loss on the defined benefit pension scheme, this being the difference between the actuarial gain or loss on liabilities and the actuarial gain or loss on assets.

21. Analysis of funds for Prior Year (Ending 31 March 2022)

	At 31 March 2021 £	Income £	Expenditure £	Transfers & other recognised gains & losses £	As Restated 31 March 2022 £
<u>Restricted Funds</u>					
Leeds Grand Theatre & Opera House:					
Restoration Fund	418,059	91,982	(94,106)	609,232	1,025,167
City Varieties Music Hall:					
Restoration Fund	115,472	27,951	(12,661)	0	130,762
Hyde Park Picture House					
Development Fund	211,932	1,386,825	(26,309)	0	1,572,448
Learning Department					
Emerald Grant	17,408	63,000	(80,408)	0	0
Other Grants	0	2,728	(2,728)	0	0
Other Income	0	38,287	(38,287)	0	0
Company					
Non-LCC Grants	0	615,598	(112,998)	0	502,600
LCC Grants	0	43,000	(43,000)	0	0
Total Restricted Funds	762,871	2,269,371	(410,497)	609,232	3,230,977
<u>Unrestricted Funds</u>					
Lifecycle & Planned	437,338	0	(437,338)	0	0
Charity	245,781	8,669,999	(8,458,853)	(609,232)	(152,305)
Pension Reserve	(6,085,000)	193,000	(961,000)	2,364,000	(4,489,000)
Total Unrestricted Funds	(5,401,881)	8,862,999	(9,857,191)	1,754,768	(4,641,305)
Total Funds	(4,639,010)	11,132,370	(10,267,688)	2,364,000	(1,410,328)

22. Analysis of Net Assets Between Funds for Year Ending 31 March 2023

	Tangible Fixed Assets £	Cash at Bank and In Hand £	Other Net Current Assets £	Pension (Liability)/ Asset £	Total £
Unrestricted Funds					
Charity Unrestricted Reserve	366,840	4,201,850	(5,401,926)	0	(833,237)
Pension Reserve	0		0	135,000	135,000
Sub-total	366,840	4,201,850	(5,401,926)	135,000	(698,237)
Restricted Funds					
Leeds Grand Theatre & Opera House: Restoration Fund	1,515,814	0	0	0	1,515,814
City Varieties Music Hall: Preservation Levy	179,358	0	0	0	179,358
Hyde Park Picture House: Development Fund	3,563,421	0	0	0	3,563,421
Corporate: Other Grants	0	72,680	68,399	0	141,079
Sub-Total	5,258,594	72,680	68,399	0	5,399,671
Total Funds	5,625,433	4,274,530	(5,333,528)	135,000	4,701,436

23. Analysis of Net Assets Between Funds for Prior Year (Ending 31 March 2022)

	Tangible Fixed Assets £	Cash at Bank and In Hand £	Other Net Current Assets £	Pension Liability £	Total As Restated £
Unrestricted Funds					
Charity Unrestricted Reserve	309,870	4,045,498	(4,507,673)	0	(152,305)
Pension Reserve	0	0	0	(4,489,000)	(4,489,000)
Sub-total	309,870	4,045,498	(4,507,673)	(4,489,000)	(4,641,305)
Restricted Funds					
Leeds Grand Theatre & Opera House: Refurbishment levy	1,025,167	0	0	0	1,025,167
City Varieties Music Hall: Preservation Levy	0	130,762	0	0	130,762
Hyde Park Picture House: Development Fund	1,516,516	55,932	0	0	1,572,448
Learning Department: Emerald Grant	0	0	0	0	0
Corporate: Other Grants	0	502,600	0	0	502,600
Sub-Total	2,541,683	689,294	0	0	3,230,977
Total Funds	2,851,554	4,734,791	(4,507,673)	(4,489,000)	(1,410,328)

24. Reconciliation of Net Income to Net Cash Flow from Operating Activities

	2023 £	2022 £
Net Income	708,764	864,682
less: interest received	(48,658)	(15,658)
Operating Profit	660,106	849,024
(Decrease)/Increase in pension costs (FRS102)	779,000	768,000
Depreciation charge	214,086	174,368
Loss on disposal of fixed assets	528	3,557
Impairments	27,292	0
Decrease/(Increase) in stocks	2,391	(26,005)
Decrease/(Increase) in debtors	1,290,962	(1,872,152)
(Decrease)/Increase in creditors	(467,499)	2,069,002
Net Cash provided by Operating Activities	<u>2,506,866</u>	<u>1,965,794</u>

The Company had no debt in the current or previous year.

25. Going Concern

The Trustees consider the charitable Company to be a going concern and the financial statements have been prepared on that basis. In reaching this conclusion the Trustees have taken into account a number of factors, including the residual impact of the Covid19 pandemic and the current period of economic downturn. Other major factors include the re-opening of Hyde Park Picture House and the planned twelve-week closure period of the Leeds Grand Theatre in Summer 2024 to undertake major works.

Long term forecasts have been prepared modelling a number of scenarios which show that, with income generation strategies and cost control measures in place, and the level of reserves, the Company can continue to operate as a going concern. Key to this success will be:

- The re-opening of Hyde Park Picture House with a second auditorium and refreshment facilities,
- The award from The Keith Howard Foundation (previously the Emerald Foundation) of a grant agreement for a period of three years, until July 2026,
- Energy savings from investments in infrastructure as per the Environmental Strategy,
- Additional income from implementing our Business Strategy.

It is recognised that under the terms of the Leeds Grand Theatre lease, the Company is responsible for ensuring that the whole of the premises is kept in good and tenantable repair and condition. The Company has a programme of capital works, and is working closely with the City Council in order to ensure compliance with these lease obligations.

We acknowledge that a legal charge remains in place between the Company and the Arts Council of England dated 10 June 2009, creating a legal obligation for the Company to reimburse the Arts council a grant of up to £1,050k if the Leeds Grand Theatre property is no longer used for the purposes of being a theatre during the 20 years to June 2029. We consider that the probability of the theatre no longer being used as a theatre is remote, and on the basis that the Company is a going concern, no disclosure is required in respect of any potential contingent liability.

25. Going Concern (continued)

We also acknowledge that a legal charge is in place between the Leeds Grand Theatre & Opera House Ltd and the Trustees of the National Heritage Memorial Fund (NHMF) dated 14 September 2023, creating a legal obligation for the Company to reimburse the NHMF a grant of up to £2,623.4k if the Hyde Park Picture House is no longer used for the purposes of being a cinema during the period to December 2038. We consider that the probability of the cinema no longer being used as a cinema is remote, and again, on the basis the Company is a going concern, no disclosure is required in respect of any potential contingent liability.

The Board also has regard to the pension liability disclosed in the financial statements. Under the terms of the Guarantee Agreement between Leeds City Council and the Administering Authority of the West Yorkshire Pension Fund dated 1978, Leeds City Council acts as guarantor to the Company in respect of its pension liabilities. If the Company ceased to operate, the pension liability would revert to Leeds City Council.

With consideration of the points described above, the Trustees have concluded that the charitable Company can continue to operate as a going concern basis.

26. Residency Licence

Leeds Grand Theatre & Opera House Limited has a residency licence with Opera North Limited. For the purposes of this note, Leeds Grand Theatre & Opera House Limited is the licensor and Opera North Limited the licensee.

Under the terms of this licence, Leeds Grand Theatre & Opera House permits Opera North Limited to use the LGT premises for a maximum of 23 residency weeks per year. Opera North Limited are entitled to have first call on booking its residency weeks but no part of a residency week may fall within the Company's priority window.

The weekly licence fee from 2010/11 was £30,300, rising in line each year with RPI. The licence is due to terminate on the 31st December 2035.

27. Prior Year Adjustments

An adjustment has been made to the prior year figures in relation to the reclassification of unrestricted fixed assets to restricted fixed assets. A corresponding transfer of funds from unrestricted to restricted has been made in relation to these assets.

	2022 £
Opening Reserves at 1 April 2022	(1,410,328)
Prior Year Adjustment:	
Transfer from Unrestricted Fund	(609,232)
Transfer to Restricted Funds	609,232
Opening Reserves at 1 April 2022 (restated)	(1,410,328)

In the prior year the Company subsidised the purchase of Restricted Fund assets from Unrestricted Funds and did not recognise a transfer between funds in relation to this expenditure. A prior year adjustment has been processed to correct this. The adjustment has had the effect of increasing closing Restricted Funds by £609,232 and reducing Unrestricted Funds by £609,232; the effect on the overall reserves balance is nil.

Jessica Lawrence
Azets Audit Services Limited
33 Park Place
Leeds
LS1 2RY

Re: Audit of Leeds Grand Theatre and Opera house Limited

The following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience such as we consider necessary in connection with your audit of the charitable company's financial statements for the period ended 31 March 2023. These enquiries have included inspection of supporting documentation where appropriate and are sufficient to satisfy ourselves that we can make each of the following representations. All representations are made to the best of our knowledge and belief.

GENERAL

1. We have fulfilled our responsibilities as trustees as set out in the terms of your engagement letter dated 9 January 2023, under the Companies Act 2006 for preparing financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), for being satisfied that they give a true and fair view and for making accurate representations to you.
2. All the transactions undertaken by the charitable company have been properly reflected and recorded in the accounting records.
3. All the accounting records have been made available to you for the purpose of your audit. We have provided you with unrestricted access to all appropriate persons within the charitable company, and with all other records and related information requested, including minutes of all management and trustee meetings and correspondence with The Charity Commission.

ADJUSTMENTS & DISCLOSURES

4. The financial statements are free of material misstatements, including omissions.
5. The effects of uncorrected misstatements are immaterial, both individually and in aggregate, to the financial statements as a whole. (See appendix 1 for details of such uncorrected misstatements).
6. We have reviewed and approved all audit adjustments made in the financial statements (See appendix 2 for details of such corrected misstatements).
7. We have reviewed and approved all disclosures made in the financial statements and we are not aware of any other matters which require disclosure in order to comply with the requirements of applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

INTERNAL CONTROL AND FRAUD

8. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error, and we believe that we have appropriately fulfilled these responsibilities. We have disclosed to you the results of our risk assessment that the financial statements are very unlikely to be misstated as a result of fraud.
9. We have disclosed to you all instances of known or suspected fraud affecting the charitable company involving management, employees who have a significant role in internal control or others where fraud could have a material effect on the financial statements.
10. We have also disclosed to you all information in relation to allegations of fraud or suspected fraud affecting the charitable company's financial statements communicated by current or former employees, analysts, regulators or others.

ASSETS AND LIABILITIES

11. The charitable company has satisfactory title to all assets and there are no liens or encumbrances on the charitable company's assets except for those that are disclosed in the notes to the financial statements.
12. There were no changes in fixed assets during the period ended 31st March 2023 other than those disclosed in the accounts.
13. We have reviewed the residual values attached to fixed assets and confirm they are still appropriate and reasonable reflections of these assets condition and usage.
14. All actual liabilities, contingent liabilities and guarantees given to third parties have been recorded or disclosed as appropriate.
15. We have no plans or intentions that may materially alter the carrying value and, where relevant, the fair value measurements or classification of assets and liabilities reflected in the financial statements.
16. We confirm that all bank accounts have been disclosed to you and are included within the financial statements.
17. We confirm that the charitable company has not contracted for any capital expenditure other than as disclosed in the financial statements.

ACCOUNTING ESTIMATES

18. The methods, data and significant assumptions used by us in making accounting estimates, and their related disclosures, are appropriate to achieve recognition, measurement and disclosure that is reasonable in the context of the applicable financial reporting framework.

LOANS AND ARRANGEMENTS

19. The charitable company has not granted any advances or credits to, or made guarantees on behalf of, trustees other than those disclosed in the financial statements.

LEGAL CLAIMS

20. We have disclosed to you all claims in connection with litigation that have been, or are expected to be, received and such matters, as appropriate, have been properly accounted for and disclosed in the financial statements.

LAWS AND REGULATIONS

21. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements and disclosures, including non-compliance matters:
 - a. Involving financial impropriety;
 - b. Related to laws or regulations that have a direct effect on the determination of material amounts and disclosures in the charitable company's financial statements;
 - c. Related to laws and regulations that have an indirect effect on amounts and disclosures in the financial statements, but compliance with which may be fundamental to the operations of the charitable company's business, its ability to continue in business, or to avoid material penalties; and
 - d. Involving management, or employees who have significant roles in internal control, or others.
22. We are unaware of any known or probable instances of non-compliance with the requirements of regulatory or governmental authorities, including their financial reporting requirements, and there have been no communications from regulatory agencies or government representatives concerning investigations or allegations of non-compliance, other than those already disclosed.

RELATED PARTIES

23. Related party relationships and transactions have been appropriately accounted for and disclosed in the financial statements. We have disclosed to you all relevant information concerning such relationships and transactions and we confirm that such information is complete. We are not aware of any other matters which require disclosure in order to comply with legislative and accounting standards requirements.

SUBSEQUENT EVENTS

24. All events subsequent to the date of the financial statements which require adjustment or disclosure have been properly accounted for and disclosed.

GOING CONCERN

25. We believe that the charitable company's financial statements should be prepared on a going concern basis on the grounds that existing cash reserves will be more than adequate for the charitable company's needs.

26. We also confirm our plans for future action(s) required to enable the charitable company to continue as a going concern are feasible.
27. We have considered a period of twelve months from the date of approval of the financial statements. We believe that no further disclosures relating to the charitable company's ability to continue as a going concern need to be made in the financial statements.

GRANTS AND DONATIONS

28. All grants, donations and other income, the receipt of which is subject to specific terms or conditions, have been notified to you. There have been no breaches of terms or conditions in the application of such income.
29. Restricted grants and donations are as follows:
- a. Leeds Grand Theatre and Opera House restoration fund
 - b. City Varieties restoration fund
 - c. Hyde Park Picture House development fund
 - d. The Keith Howard Foundation Grant
 - e. Learning Department other income
 - f. Non Leeds City Council grants
 - g. Leeds City Council grants
30. We acknowledge our legal responsibilities regarding disclosure of information to you as auditor and confirm that so far as we are aware, there is no relevant audit information needed by you in connection with preparing your audit report of which you are unaware.
31. Each trustee has taken all the steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that you are aware of that information.

Yours faithfully

Alan T. Gay

.....
Signed on behalf of the board of trustees by:

Mr Alan T Gay O.B.E

Chair of the Board of Trustees and Treasurer

Date: 29/09/2023

Appendix 1 – Uncorrected misstatements

No	Detail	Assets	Liabilities	Equity	Profit / (loss)
		Dr / (Cr) £	Dr / (Cr) £	Dr / (Cr) £	Dr / (Cr) £
Details of unadjusted audit differences					
1	To remove amount from debtor related to VAT re-pricing exercise which appears to have been rejected by HMRC	(68,000)	-	-	68,000
2	Being to reclass element of deferred income in relation to Sister Act to accruals	43,003 (43,003)	- -	- -	- -
3	Being to split out accruals from trade creditors	- -	58,384 (58,384)	- -	- -
Total		(141,780)	-	-	141,780

Appendix 2 – Corrected misstatements

No	Detail	Assets	Liabilities	Equity	Profit / (loss)
		Dr / (Cr) £	Dr / (Cr) £	Dr / (Cr) £	Dr / (Cr) £
Details of adjusted audit differences					
1	To reclassify deferred income from creditors	- -	104,790 (104,790)	- -	- -
2	Being capitalisation of additional assets and additional depreciation charge	29,740 11,515 (461)	- -	- -	(29,740) (11,515) 461
3	Transfer from unrestricted to restricted funds - 2023	- -	- -	1,061,840 (1,061,840)	- -
4	Transfer from unrestricted to restricted funds – 2022 – Prior year adjustment	- -	- -	609,232 (609,232)	- -
Total		40,794	-	-	(40,794)

Accounts



Leeds Grand Theatre
and Opera House Ltd

Financial Statements
and Annual Report 2021/22

**HYDE PARK
PICTURE HOUSE**
LEEDS' PREMIER ART-HOUSE CINEMA

CITY VARIETIES
MUSIC HALL • LEEDS

The
GRAND
Theatre & Opera House Leeds

Company Registration Number – 00978161
Charity Registration Number – 500408

Leeds Grand Theatre & Opera House Ltd

Trustees' Annual Report and Financial Statements for the year ended 31 March 2022

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Reference and Administrative Information

Company Name	Leeds Grand Theatre & Opera House Ltd
Company Registration Number	00978161
Charity Registration Number	500408
VAT Number	333 4718 09
Registered Office	Leeds Grand Theatre & Opera House Ltd, 46 New Briggate, Leeds LS1 6NU

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Councillor Denise Ragan

Senior Management Team

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Anne Shaw	Head of House Management
Wendy Cook	Head of Cinema
Julie Wainwright	Head of Finance
Amy Sanderson	Head of Communications
Alan Dawson	Head of Property & Technical
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Trustees' Report for the year ended 31 March 2022

The Trustees are pleased to present their annual report together with the financial statements of the charity for the year ending 31 March 2022, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and 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).

1.0 Our Charitable Purposes

Our purpose as set out in the Company's Memorandum of Association is to promote knowledge, education and appreciation of the arts. We achieve our charitable aims by providing a theatre, a music hall and a picture house to stage productions and host film screenings, and provide educational programmes and heritage activity to encourage participation in the arts by the general public.

The Learning Programme engages participants with activities across our three venues, working with both young people and communities in the city and region. Inclusive skills-based training, workshops and educational tours are delivered, alongside introductory activities to connect people who may not ordinarily engage with the arts, with our live performances and films. This helps to make our programme and theatre buildings more accessible to wider audiences.

The over-arching **aims** of the Company are to:

1. Engage with as many members of the public as possible to raise awareness of and access to the arts and our educational offer;
2. To be a financially sustainable and robust organisation in the long term;
3. To provide access to, and suitably well maintained facilities for our high quality live performance and film programme

In order to achieve these aims, the Company has the following **objectives**:

1. Maximise attendances at our theatre productions and cinema screenings, and to encourage community involvement in our Learning Programme: awareness and accessibility are key to these aspirations;
2. Offer variety by providing a broad range of cultural experiences to be enjoyed by all tastes, ages and backgrounds;
3. Offer a Learning programme;
4. To be financially efficient and business-like in our activities;
5. Maintain and where possible improve the condition of our buildings and infrastructure.

The **strategies** employed to achieve the charitable Company's aims and objectives are:

- To achieve as broad an appeal as possible by presenting a wide range of theatre productions and cinema screenings, from younger children's activities and screenings, family productions such as pantomime, productions aimed at older audiences, operatic and balletic productions, plus those with a general appeal: dramatic, musical and comedic performances;

- To offer inclusivity by hosting accessible performances and screenings for people who are visually or hearing impaired, or otherwise vulnerable;
- To offer opportunities for a young people to get involved in arts activity exploring their own creative powers through workshops, training, a Youth Theatre, summer school and feeding into planning and decision making;
- To celebrate the heritage element of our historic buildings through tours, open days and exhibitions;
- To be financially successful by maximising income and controlling expenditure in order to be an efficient and effective organisation which achieves good value for money and obtains maximum value from its assets;
- To continue enhancing our reputation, and maintain or enhance relationships with our visiting companies; this will ensure the Company has a choice of high quality productions to host at our venues, and the ability to secure these in the medium term;
- To continue the planned approach to identifying and scheduling works to our venues.

2.0 Delivering Public Benefit

In shaping our objectives for the year and planning our activities, the Trustees have considered the Charity Commission's guidance on public benefit. Our principal activities for the public benefit are staging live performances, film screenings and an educational programme delivered by our in-house Learning Team.

2.1 Productions and Screenings

2.1.1 Leeds Grand Theatre & Opera House (LGT)

At LGT we were forced to remain closed in the early part of the year as due to covid restrictions, live stage performances were not permitted until Summer, and even then, social distancing restrictions were in place. As a result, audience numbers were extremely low and remained so through to the end of the financial year. Nationally, restrictions and dampened demand led to the cancellation of tours by production companies, leaving us unable to deliver any product for certain weeks and unable to generate earned income.

Despite the reduced programme, we hosted performances of ballet, opera, comedy, drama, live music and musical & comedic theatre, the most successful show being Disney's *Bedknobs & Broomsticks*. There were other exceptions to the rule where demand was very high, in particular for *'Six'* and *'Dick & Angel'*, both of which appeal to family audiences.

2.1.2 City Varieties Music Hall (CVMH)

We were able to open the CVMH sooner as film screenings were permitted before live performances were, albeit with social distancing measures in place. As restrictions were relaxed, there was a very gradual return of confidence and we began to deliver our usual mix of live music, comedy, talks, *Good Old Days* and hosted important local events such as *The Child Friendly Leeds Awards*. In particular there was reinvigorated demand for our annual pantomime which aimed at a family audience and is staged November to January.

2.1.3 Hyde Park Picture House (HPPH)

Commencing in May 2021, our renovation works are an important step forward to help improve how we deliver our activity for the public benefit. Physical access barriers at the Grade II listed Picture House building including the absence of any accessible toilet facilities

and only stepped access at the main entrance have for a long time presented a major block to who in our community can comfortably access the activity which we host. Addressing these elements as part of a joined-up scheme of works alongside an expansion of our facilities enabling us to increase the range of cultural and community activity we host means we can serve a much wider audience more effectively upon re-opening.

During the closure of the HPPH, the team continued to run a vibrant On the Road programme of roughly five screenings per week across two regular venues. Throughout the year as well as sustaining professional relationships with distributors and allowing us to continue to support our staffing team we have also used our programme to further partnership working and audience development. This included working with national touring partners including TAPE Collective and Birds Eye View. Locally we've continued to work closely with Pavilion, hosting them in our office space and presenting joined up programming. We've also worked with other local partners on one off or short-term projects including Leeds Palestinian Film Festival, The Yorkshire Sculpture International and Heritage Corner. Exploring co-production as a way of working with community partners we have established a new permanent African cinema collaboration with the Leeds African Communities Trust. Collectively this activity is feeding into our re-opening programme to help ensure we are using the full potential of our updated facilities.



On The Road with TAPE Collective event: But Where am I Really From?
Photograph credit: Baile Ali

2.2 Education and Heritage

In 2021/22, we re-opened our two theatre buildings for public screenings, performances and creative engagement activities, post the pandemic closures. Refurbishment works also began at our heritage cinema with supporting community activities. Investing in our Learning & Engagement programme across both film and theatre, we returned to in person activities in May 2021 engaging children, young people and community partner groups, alongside delivering some continued online engagements. Through 116 workshops we made 2,702 creative engagements, with an additional 27,757 interactions with online learning content.

Youth Theatre provision supported fifty 8-17yr olds throughout the year with wellbeing, skills development and performance opportunities, resulting in the creation of three productions performed at the CVMH and three films documenting the process. Our year-long provision for 18-25yr olds, Leeds Actors in Training, relaunched in the autumn providing access to industry professionals, audition preparations and progression pathways. Chairing the city-wide arts partnership Grand Futures, several placement and work experience projects were delivered alongside reigniting partnerships with local schools, academies, colleges and universities to provide access to our venues. Awareness was raised regarding careers in the creative and cultural sector, training offered, and seasonal creative curriculum workshops delivered.

The Charity continues to be committed to training and development and in February, our Cultural Learning & Participation apprentice completed their Level 3 qualification and went on to successfully interview for a permanent post. Ahead of re-opening our venues an extensive programme of training was rolled out across the charity including key H&S updates/refreshers, safeguarding inductions, carbon literacy training, and awareness around Equality, Diversity and Inclusion.



Leeds Grand Youth Theatre's return to the stage July 2021

For film engagement we used our programme to further partnership working and audience development, working with national touring partners including TAPE Collective and Birds Eye View. We've continued to support local organisations providing office space and presenting joined up programming. We've also worked with other local partners on short term projects including Leeds Palestinian Film Festival, The Yorkshire Sculpture International and Heritage Corner. Exploring co-production as a way of working with community partners we have established a new permanent African cinema collaboration with the Leeds African Communities Trust. Collectively this activity is feeding into our re-opening programme to help ensure we are using the full potential of our updated facilities.

Our new brand and website have grown in strength, introducing new visitors to the full spectrum of our work including an opportunity to talk more about the Company. The launch of a new blog has expanded this further with recent pieces including insights into

apprenticeships and interviews with staff about different roles in the Company as well as behind the scenes interviews with creatives. We've also hosted several successful insta takeovers with visiting companies giving audiences and people interested in learning more about the theatre and cinema a chance to see behind the scenes and find out more about how people get work in the industry. Social media posts relating to our Learning and Engagement Programme had a reach of 160,867 audience members/participants.

2.3 Inclusivity

In May 2021, when restrictions were lifted, we opened our doors once again at CVMH with socially distanced screenings and some live performance and went on to open LGT in June, with socially distanced performances in partnership with Northern Ballet and Six. Whilst our main programme quickly evolved into full capacity audiences as restrictions allowed, we worked with visiting companies where possible to offer socially distanced areas within the theatres for those that were more nervous to return. In person screenings and live performances engaged a total of 180,000 people in 2021/22. This marks a significant increase on 2020/21 but still reflects dampened ticket sales in comparison to pre-pandemic levels with averages of 350,000 people/year. Therefore, our focus has been on building audience confidence back up and continuing engagements with audiences and participants in new ways through a hybrid of online and in person activities.

The activities we deliver as part of the Charity's Learning & Engagement Programme aim to engage a diverse range of participants with our venues and the arts, many for the first time. Activities are developed to help decrease social, financial and cultural barriers through a range of affordable creative projects and workshops.

In 2021/22 we were able to bring our creative engagements back into the theatre, delivering weekly workshops for Leeds Grand Youth Theatre (8-17yrs) and Leeds Actors in Training (18-25yrs). The summer saw us stage three productions at CVMH, an original musical written by one of our Youth Theatre members (with mentorship and dramaturg provided by our Artistic Director and Musical Director), original songs and a devised piece based on historical research conducted just before the pandemic closed our venues. We also participated in the University of Leeds International Medieval Congress, sharing extracts from our devised young people's production based on research at the Royal Armouries and a Q&A session with the creative team discussing how you bring history to life and onto the stage with young people. Through our youth theatre membership, we engage with young people from twenty wards across the city, where 22% of participants live in areas of multiple deprivation and 31% live in areas with low progression to higher education; 6% have additional needs and 20% of participants currently receive a bursary to enable them to participate.

Our 2021/22 cohort of Leeds Actors in Training have focused on progression pathways with in-depth development of vocal, movement and actor training and included 67% participants who had not previously engaged with us before. 45% of members live in areas with low progression to higher education and 27% live in areas of multiple deprivation. Bursary places are also awarded for this activity.



School visit to CVMH

Developing our Education Strategy, we aim to put our venues at the centre of creative learning within Leeds, giving all young people an opportunity to learn about theatre and heritage, and develop creative skills that will give them the best opportunities in their future careers. Since April 2021, we have continued to work with schools in person and reconnect with colleges and universities. As a result, we have re-engaged with all our pre-pandemic School Partners and formed new partnerships with academy trusts to develop programmes to meet their specific cultural capital and curriculum-led objectives. 86% of our school partners are located within areas of multiple deprivation in Leeds.

Whilst the pandemic shrunk the ambition of our On the Road programme we did spend 2021/22 maintaining a core presence in recurring venues at HEART and the University of Leeds Students Union as well as seeking out opportunities where possible to work in additional venues for one of activities or short seasons of events. This included screenings at St John's Church on New Briggate as part of a Heritage Open Day, at SCRAP in Pudsey as part of our Hyde and Seek screenings and at the Tetley again with a collaboration focusing on young audiences. Working in these different and varied spaces allowed us to welcome in a wider range of audiences with geography, physical spaces, and programming each impacting on who joined us for events.

Parallel to this we worked to maintain a virtual presence for those audiences still unable or unwilling to return to cinemas yet. This included delivery of our Philosophy & Film podcast working with academics from the University of Durham and the production and distribution of a self-guided tour around the cinemas of Leeds which audiences could engage with either from the comfort of their living room or outside in a safe, socially-distanced way.

With our film programming for On The Road we keep inclusivity and access at the fore with two concurrent strands of thinking:

- How do we make everything we do more accessible by designing screenings in a way which builds in access? By building in captioning and in some cases BSL provision as well as working in venues with access facilities like gender neutral toilets and wheelchair access.

- How do we make a wider range of work accessible to our audiences? By prioritising films made by under-represented artists and seeking out films and stories audiences may be unfamiliar with or not used to finding in contemporary cinema.

Longer term as we reopen the HPPH, we will have greater control of our space and reintroducing audio description, dementia friendly and relaxed performances will all be essential. Achieving this is complex and includes a combination of working with a wide range of programmers and partners to expand the range of voices who participate in our programming, alongside a more comprehensive consideration of the new release programme we curate and who the makers are that we choose to prioritise in that programme.

Work continues to develop the Charity into an equal, diverse and inclusive organisation and a strategy has been developed to positively change governance, policies and procedures to underpin this work. We're reviewing our programming processes and the booking mechanisms for films and shows which include sensitive material which might impact on our Equality, Diversity and Inclusion agenda. Annual surveys of staff and audiences were launched for the first time to capture data so we can better understand how our organisation represents the city of Leeds and work needed to address this. New recruitment approaches were trialled resulting in an updated guide to ensure our process is more inclusive. We are signed up members of the PiPA Charter and have tendered for consultants to complete audience development focus groups, and commissioned an Access Audit and an Environmental Policy and Action plan. Our intranet has been developed with areas to focus on inclusion promoting, for example, anti-racism, mental wellbeing and menopause awareness and will continue to be a place to communicate and share further resources.

2.4 Financial Position

Pre-pandemic, the charitable Company achieved a momentous turnaround from having historically operated at a deficit, to achieving operating surpluses for five consecutive years. This success allowed us to build up reserves to manage business risk and to help us survive the devastating impact of the Covid-19 pandemic.

In the context of a substantial loss of earned income, the charitable Company has survived another year by controlling costs, utilising reserves, and receiving considerable levels of grant income. In particular, the charitable Company was awarded £1.2m of Culture Recovery Fund (CRF) grant.

This considerably strengthened the financial sustainability of the Company during this period of uncertainty, despite the operating deficit of £632k in 2021/22 (£388k deficit in 2020/21).

2.5 Preservation and Enhancement of our Venues and Infrastructure

LGT is a Grade II* listed Victorian theatre (1878), CVMH is one of the few surviving Victorian music halls (1865), also with a Grade II* listed status, and HPPH is an early surviving cinema (1914) with a Grade II listing. Our venues are recognised nationally as significant heritage venues and are a renowned part of the cultural infrastructure of the city of Leeds.

A planned programme of works at LGT had been devised for a ten-year period, together with a funding strategy. In light of the Covid19 restrictions, urgent works have been prioritised. The programme will be reviewed, works prioritised, and timescales lengthened

to meet the new financial reality of the post Covid19 environment. The ability to fund the business-critical works going forward is key.

During the year, a number of urgent works have been completed in the LGT estate, costing £0.4m. These were funded by a mixture of in-year budgetary provision, capitalisation and by the levy on ticket sales, collected for that purpose and held in a dedicated Restricted Fund.

- We have removed or encapsulated asbestos in several back of house areas,
- We continue to repair and restore the Grade 2* listed ornate plaster work in the auditorium,
- We continued our phased programme of lighting upgrades to LED,
- We have replaced the prompt desk in the wings of the stage,
- We have improved the secondary means of escape from the 6 storey high grid above the back of the stage,
- We have completed a number of urgent repairs to rooves and made good damage caused by the ingress of water,
- We have begun the construction of two new accessible toilet facilities which are for completion in July.

During the year, no major works have been required at CVMH.

At HPPH, after significant delays, we were able to commence works in May 2021. Key milestones achieved in the year included the removal of all currently identified asbestos at the premises, the excavation of the basement to create our new second screen and the excavation of the basement for the new extension which will help provide our new break out spaces, indoor waiting area and lift. Essential heritage repairs were either started or completed including repairs to our heritage masonry and woodwork, the restoration of our historic ironworks and the finalisation of a plan to ensure continued use of our unique gas lighting which is in line with health and safety requirements.

Section 3 of the Strategic Report outlines significant planned works at our venues for 2022/23 and beyond.

3.0 Achievements and Performance

3.1 Performance Information

During the year 2021/22 the Covid-19 restrictions have reduced the number of live performances in our theatres but allowed more film screenings. We are delighted however that we were able to continue delivering our Learning Programme both in person and digitally and have been able to achieve the following:

- LGT: 188 performances with attendance levels of 99,000 (completely closed during 2020/21).
- CVMH: 155 performances and 94 screenings with attendance levels of 50,000 (zero performances and 25 screenings with 927 attendances in 2020/21).
- On the Road Programme at Leeds University and HEART: 203 screenings with attendance levels of 5,839 (28 screenings and attendance levels of 1,529 in 2020/21).
- Learning and Engagement Programme across our three venues: 201 sessions and 50,000 engagements – virtual and in person (291 sessions and 22,400 engagements in 2020/21).

- A total of **841** screenings, sessions and events have been staged and hosted during the year, with attendances of **228,500** people (virtual and in person).



Cast of the Rock n' Roll Pantomime 2021/22

3.2 Employees

Our Company is a major provider of employment within the arts, entertainment and cultural sectors in Leeds. The Company currently employs 79 permanent staff and 100 non-permanent staff (casual staff and an apprentice) across our three venues, a total of 179 individuals.

3.3 Contribution Made by the Company's Volunteers

Volunteers are an integral element of the Front of House function at our venues, and archiving activity for the Company. This has been a long running and successful arrangement and the Company remains very grateful for the commitment and expertise of our 82 volunteers. We currently have the support of 8 archivists and 44 volunteers at HPPH.

3.4 Contribution Made by the Company's Friends

The Friends of City Varieties Music Hall number around 140, they are a fundraising body with registered charity status. Their charitable aim is to 'promote the public appreciation and understanding of the arts by the support maintenance and advancement of the charitable work of the music hall'.

The Friends of Hyde Park Picture House are an independent charity (no. 1168835) with over 800 members. They act in an ambassadorial role to champion the cause of the Picture

House. As part of the ongoing development of the Picture House not only physically but strategically we are working with the Friends to re-define their relationship with the cinema and how best to support the charity going forwards whilst also delivering their own charitable aims. As part of this process new memberships have been on hold since January 2020 and the cinema team are working with the Friends Trustees on a new approach to memberships ready for the cinema re-opening in 2022 when the Picture House will have their own more commercially minded membership scheme. At this time it is envisioned the Friends scheme will be able to better focus on their charitable objects which are;

- To promote, support and participate in the cultural landscape of Hyde Park, Leeds and Yorkshire, particularly through an appreciation and understanding of the art of cinema
- To celebrate the heritage of the HPPH and ensure its preservation and continued use for cinema and related arts by and for all sections of the community.

Strategic Report

1.0 Financial Summary

1.1 Position as at 31 March 2022

For the year ended 31 March 2022 the charitable Company registered a surplus of £3,229k compared to last year's deficit of £2,603k. This result reflects a number of factors which are summarised below:

Item	31 March 22 £000s	31 March 21 £000s
Operating (Deficit) / Surplus	(632)	(388)
Net movement to and from Funds	2,255	(249)
The revaluation of the company's pension fund liability resulting in an additional cost being recognised in the Statement of Comprehensive Income	1,596	(1,942)
Employees accumulating compensated absences	10	(23)
Total as per Statement of Comprehensive Income	3,229	(2,603)

The in-year surplus of £3.2m masks a year in which our ability to generate earned income was significantly reduced. The charitable Company has survived the year by utilising reserves, cutting costs wherever possible, and a reliance on substantial grant funding. The improvement in the Funds position arises from the reduction in pension liability, and transferring grant for the HPPH Development Scheme into Restricted Funds. This is necessary to fund future depreciation on the cost of the works which has been capitalised.

The net movement Funds of £2,255k represents £2,533k of income transferred into Funds, offset by utilising £(278)k of Funds.

The Company's overall pension liability has decreased by £1,596k and now stands at £4,489k compared to £6,085k in 2020/21. Financial Reporting Standard 102 'Pension Obligations' (FRS102) states that this deficit must be recognised in the balance sheet. The deficit is based on actuarial valuations and represents the difference between the value of the Company's pension fund assets at 31 March 2022 and the estimated present value of the future pension payments to which the Company was committed at that date.

During 2021/22, the fair value of assets has increased despite some volatility in the market, for example, high inflation and the reaction to the Covid19 pandemic. Investments in the property and equity markets remain strong and are achieving strong returns. The present value of the future obligation has decreased, mainly due to an increase in the discount rate which reduces the liability, and partly due to a slight slowing down of increasing life expectancy as a result of the pandemic. These two factors have combined to create an overall decrease in the liability of £1,596k.

1.2 Funds Position

The Company has overall negative Unrestricted Funds of £(4,032)k. This is made up of two elements:

- £(4,489)k relates to the pension fund liability – pension payments are underwritten by Leeds City Council in the unlikely event of default by the Company,
- £457k of positive funds (replenished from CRF Grant Round 3).

The Company has overall Restricted Funds of £2,622k. Restricted Funds have various sources: income generated from a modest levy on ticket sales at our theatres; grant income from the Emerald Foundation, arts@Leeds grant from Leeds City Council and the CRF; plus contributions towards the development scheme at HPPH have been received from the NHLF, LCC and a grant making body.

The negative Unrestricted Funds of £(4,032)k together with positive Restricted Funds of £2,622k gives a net total of £(1,410)k, as at 31 March 2022, as shown in the Statement of Comprehensive Income and Statement of Financial Position.

Excluding the pension fund liability, the charitable Company has funds of £3.1m. The majority of this will be spent on the restoration and development of the Company's three historic venues. Further detail is given in Section 3.1 below. The remaining unrestricted funds will be held to mitigate against the realisation of certain major risks as outlined in Section 1.4 below.

1.3 Principal Funding Sources and Expenditure

The Company has received £1.2m of grant from the Government's CRF Scheme. This has been utilised to support the costs of the Company during the period of part-closure, loss of product, and dampened demand. CRF Grant was also used to replenish Free Reserves as permitted by the grant conditions.

A further £0.7m was received from the CRF scheme specifically for sustainability. It is intended to help fund certain categories of spend to strengthen governance and operational resilience, and to help enhance income-generating activity. Some of this grant was utilised during 2021/22 and some will be utilised during 2022/23. The balance is currently held in a restricted fund in accordance with the grant conditions.

The Company has also benefitted from local discretionary grants made available in response to the pandemic, as well as relief from Business Rates which was a national scheme.

Donations of £12k were received from patrons and supporters and Trustees would like to express their thanks to everyone who gave so generously.

Normally, operational grants are receivable from two main sources: Leeds City Council to help fund the provision of the artistic programme at our three venues, and delivery of the Learning Programme. The second source of grant was the Emerald Foundation, also to help fund the activities of our Learning Programme. In 2021/22, the Company has benefitted substantially from CRF Grant.

Substantial grants and donations have also been received to help fund the HPPH development scheme, which has now begun in earnest with construction works commencing in May 2021. Fundraising has generated £70k from individual giving with a further £1.3m of grants from the National Heritage Lottery Fund, Leeds City Council, and grant-making organisations.

Our total expenditure for the year was £10.3m, of which £2.8m was employee-related costs. Essential building works were undertaken totalling £0.8m (see 2.5 above) of which a substantial proportion was incurred to facilitate the redevelopment of the Howard Assembly Room. This is leased to our joint tenant in the LGT estate, Opera North, and the relevant costs were reimbursed by them.

1.4 Reserves Policy

The Company's Policy is to have the minimum level of Unrestricted Funds which will mitigate against the realisation of certain major risks summarised below:

- Emergency or planned closure for an extended period of LGTc;
- Withdrawal of grant funding;
- Significant and sustained under-performance on major income-generating shows creating an in-year deficit;
- Pensions Liability (see below);
- Unidentified major repairs.

The Directors have assessed the probability and financial impact of the above risks and determined a target level of Unrestricted Funds to cover such eventualities. The target is not currently met.

Restricted Funds are held for specific purposes as defined by Directors. Levy income on theatre tickets at LGT and CVMH is used to fund enhancements and restoration works to those venues (as outlined on page 8). Further plans to utilise some of these funds are set out in section 3.1 below. The Learning Fund is used in part each year to fund our Grand Futures LLP. The HPPH Development Fund will be used to help fund development works and activity.

1.5 Pension Payments

The accounting liability is covered in section 1.1 above. In cash terms, pensions are paid out by the Pension Fund over a period of many years during which time the assets will continue to generate returns towards funding them, and the Company will continue to make employer contributions. The last actuarial review was as at 31 March 2022, at that point the fund was 106% funded and therefore a static employer contribution rate was been proposed for three years of 15.3%. The methodology for determining this includes the value of current assets and the value of known liabilities (based on actual member demographics). The liability includes a prediction of for example, future RPI rates, CPI rates, salary increases, demographics etc. and is discounted back to present day. Given the impact of the pandemic, it is anticipated this position will worsen after the next review.

Leeds City Council acts as a guarantor for the charity under the West Yorkshire Pension Fund admission agreement and has agreed to indemnify the administering authority of the fund from and against all losses and payments that may be incurred by the authority by reason of any default by the Company.

1.6 Investment Powers and Policy

The policy of the Company is to ensure that all investment and borrowing activity is valid, accurate, efficient, properly accounted for and in accordance with statutory and corporate requirements. Trustees have sole responsibility for this type of activity. There was no

borrowing undertaken during 2021/22. Interest was earned on balances comprising fixed term deposits and current accounts.

2.0 Principal Risks and Uncertainties Facing the Business

2.1 Governance Arrangements

An annual governance statement was received by Trustees in February 2022, this summarises an annual review of a suite of governance arrangements, to ensure compliance. Any risks or weaknesses identified can then be addressed by senior officers with the oversight of Trustees. No major weaknesses were identified.

2.2 Risk Register

All major risks are identified and monitored via the Company's risk register which is reviewed by the Trustees. Risks can be categorised into the broad themes of major (such as a force majeure), financial risks and operational risks. Internal systems have been implemented to mitigate risks as far as practicable by having plans and procedures in place such as Major Incident Plans, a robust framework of financial controls and financial reporting, procedures for Health & Safety, and the Safeguarding Procedure for vulnerable people.

3.0 Plans for the Future

3.1 Our Venues

The charitable Company anticipates embarking on a multi-million pound programme of restoration works to the LGT estate to sustain the longevity of the theatre. The funding strategy for this includes grant income, LGT Restoration Fund (restricted), and Unrestricted Funds.

Given the impact of Covid-19 on reserves and potential grant funding a full review of the capital programme is underway, and it is being refreshed in light of recommendations from an accessibility audit. The review will undoubtedly require some parts of the programme to be pushed back until finances are available but business critical and Health & Safety works have been and will continue to be prioritised.

Internally at LGT, planned maintenance and repairs includes fire safety enhancements, inspections to ornate plaster works and repairs if they are necessary, upgrading all Front of House lighting to LED, and substantial upgrades to critical performance-related equipment. We are also endeavouring to undertake works to reduce our carbon footprint in connection with water and energy consumption as well as consumables.

At CVMH, a smaller programme of works has been identified. Whilst the CVMH has benefited from a comprehensive refurbishment, there are periodic inspections such as inspections of rooves, internal structures and load bearing capacity. Here too, we are upgrading all Front of House lighting to LED, and substantially upgrading critical performance-related equipment. The costs of works will be met by a mixture of Restricted Funds, capitalisation and Unrestricted Funds if available.

We expect to complete the capital scheme at HPPH in 2022/23. The holistic nature of the scheme means almost every part of the building has been touched as part of the works. Particular achievements in the period spanning April to October include:

- Completion of the remaining new steelwork in the basement area and associated erection of the new foyer wall,
- Acoustic blockwork in the basement and creation of the new screen space following excavation works in 2021/22,
- Extensive roof works including re-slating, fresh lead and new guttering,
- Repair to the historic masonry and corroded steel of the parapet,
- Restoration of the historic features including revealing and repairing the terrazzo floor in the foyer, repair work to the faience façade and reinstatement of the unique gas lighting,
- Completion of the electrical and plumbing installation throughout.

A significant operational output of the scheme is a complete management and maintenance plan reflecting the works completed and the best possible path to maintaining the asset going forwards.

3.2 Strategic Planning

The Strategic Plan is updated regularly, as is the corresponding financial plan. This is used to articulate the strategic direction of the Company and to plan particular activities together with the timescales for implementation.

As part of our Culture Recovery Fund grant, we committed to an activity plan that reviewed strategy in response to our risk register and needs arising from the pandemic, which resulted in the creation of strategic working groups focusing on Business Development (including fundraising); Artistic Vision, Audience Development and Engagement; Equality, Diversity and Inclusion and Environmental Responsibilities.

It is recognised that future planning will be difficult given the impact on reserves of the Covid-19 pandemic and the likely recession that will follow. We are entering a period of uncertainty and short-term financial planning will be critical, but all decisions will be made with the longer-term prosperity of the Company in mind. Our Charitable aims remain at the centre of our decision making and we remain confident that the underlying business model is sound.

3.3 Brand Identity

Following extensive consultation, the charitable Company changed its brand name to 'Leeds Heritage Theatres'. This reflects the significant heritage aspects of our three venues and helps to tell our story as a charity and build the case for fundraising and individual giving both during the current Covid-19 uncertainty and beyond.

3.4 Fundraising

Charity Commission guidance on fundraising sets out the law and good practice principles for trustees to follow when fundraising. The charitable Company has registered with the Fundraising Regulator to demonstrate its commitment to the recognised standards.

During 2021/22 the most significant grants we were awarded were made available in response to the Covid-19 pandemic; we also received more voluntary donations from individuals compared to previous years. We continued to proactively raising funds for the HPPH development project from both individual giving and from grant-making

organisations, in particular the National Lottery Heritage Fund. This spring we have begun fundraising for other strategic priorities.

The Trustees would like to extend their sincere thanks to all donors.

4.0 Structure, Governance and Management

4.1 Structure

Leeds Grand Theatre & Opera House Ltd is a charitable company with no subsidiaries.

4.2 Governing Document

The Leeds Grand Theatre & Opera House Limited is a company limited by guarantee governed by its Memorandum and Articles of Association, dated 27 April 1970, and incorporated in the United Kingdom. There is no share capital but each member of the company undertakes to guarantee £1 in the event of the winding up of the company.

4.3 Recruitment and Appointment of Directors

The Company has a maximum of twelve people on its Board of Trustees, three of whom are nominated by Leeds City Council with the remaining nine being independent, of which one is currently vacant. The trustees make up the Board of Management. They are directors of the Company for the purposes of company law and are also charity trustees for the purposes of charity law. All trustees give their time voluntarily and received no benefit from the charity. Any expenses claimed are set out in note 13 to the accounts.

Council trustees are appointed through the Member Management Committee of Leeds City Council. Independent trustees are appointed through an interview process following advertising on the Company's website. All trustees undertake an induction process led by the Company's Chief Executive; all council trustees receive appropriate training as part of their responsibilities and all independent trustees were selected based on their relevant experience and training.

4.4 Organisation

The Board of Trustees manages the Company. The Board normally meets quarterly and there are three sub-committees: Finance, General Purposes, and HPPH Redevelopment. To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by Trustees, for operational matters.

4.5 Related Parties

Leeds City Council recognises ownership of the charitable Company under International Financial Reporting Standards, and provides funding in support of the artistic and educational programme. In addition, the City Council owns the LGT estate, which it leases to the Company for a peppercorn rent.

We are extremely grateful to the Emerald Foundation for extending their three-year grant agreement into a fourth year to support the work of the Learning & Heritage Team; during the year 2021/22 grant was received of £63,000.

4.6 Pay Policy for Senior Staff

The Directors agree that the key management personnel of the Company comprise themselves and the Senior Management Team. Trustees do not receive remuneration for their role as Board Members; details of expenses paid to Trustees are shown in note 13 to the accounts (2021/22: nil; 2020/21: nil).

Annual salary increases for all staff are paid with reference to BECTU guidelines and statutory rates of pay, other than for the Company's Chief Executive post, which is determined by the Board of Trustees.

4.7 Risk Management

The Trustees have a governance framework as per section 2.1 which assesses key internal controls. The framework includes key internal controls to manage risk including:

- A system of authority and delegation for key decisions,
- Robust financial controls and financial planning,
- Annual high quality independent audit assessment of internal controls and processes,
- The setting of and monitoring of compliance with a comprehensive suite of policies and procedures covering risk areas,
- All major risks are identified and monitored via the Company's risk register.

5.0 Preparation of the Company's Accounts

5.1 Directors' Responsibilities

In relation to the Financial Accounts the Directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial accounts comply with the Companies Act 2006. The Directors are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Company and charity law requires directors to prepare financial accounts that give a true and fair view of the state of affairs of the company at the end of the financial year and of its surplus or deficit for the financial year. In doing so the Directors have:

- Selected suitable accounting policies and then applied them consistently,
- Observed the methods and principles in the Charities SORP,
- Made judgements and estimates that were reasonable and prudent,
- Stated whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- Prepared the financial accounts on a Going Concern basis.

5.2 Statement as to Disclosure to our Auditors

In so far as the Directors are aware:

- There is no relevant audit information of which the Company's auditor is unaware; and
- The Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

5.3 Auditors

Under section 487(2) of the Companies Act 2006, Sagars Accountants Ltd will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

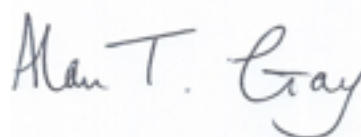
Approved by the directors on and signed on their behalf by

Mr. Paul Scholey
Chair,
Leeds Grand Theatre & Opera House
Limited

Mr. Alan T. Gay O.B.E.
Treasurer,
Leeds Grand Theatre & Opera House
Limited



Date: 3rd November 2022



Date: 3rd November 2022

Independent Auditor's Report to the Members of Leeds Grand Theatre & Opera House Limited

Opinion

We have audited the financial statements of Leeds grand Theatre & Opera House Limited ('the charitable company') for the year ended 31 March 2022 which comprise the Statement of Comprehensive Income and Retained Earnings, Statement of Financial Position, Cash Flow Statement and notes to the financial statements, including 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 charitable company's affairs as at 31 March 2022 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011

Basis for opinion

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

Material uncertainty relating to going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 26 to the financial statements regarding the charitable company's ability to continue as a going concern. Note 26 outlines the impact of the Covid-19 pandemic and the external environment and the uncertainties facing the company as a result. These conditions indicate the existence of material uncertainties, which may cast significant doubt as to the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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 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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 together with the Charities SORP (FRS102) 2019.

We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context were Charities Commission Regulations and requirements from funders.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be with regards to the timing of recognition of income, posting of unusual journals and the override of controls by management.

Our audit procedures to respond to these risks included:

- enquiries of management and the Trustees about their own identification and assessment of the risks of irregularities,
- sample testing on the posting of journals,
- reviewing accounting estimates for biases,
- reviewing funding agreements and carrying out detailed substantive testing on the completeness of income,
- reading minutes of meetings of those charged with governance; and
- obtaining confirmation from the trustees that there was no regulatory correspondence with the Charity Commission or other regulatory bodies.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the 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 company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



SUSAN C SEAMAN BA, FCA, CIOT
(Senior Statutory Auditor)
For and on behalf of
SAGARS ACCOUNTANTS LTD
Chartered Accountants & Statutory Auditor

Gresham House
5-7 St Paul's Street
Leeds
LS1 2JG

18 November 2022

STATEMENT OF COMPREHENSIVE INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 MARCH 2022

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £	Notes
INCOME					
Voluntary income	1,544,918	2,231,084	3,776,002	2,938,589	5
Investment income	15,658	0	15,658	20,609	6
Income from charitable activities	7,109,423	38,287	7,147,710	444,760	7
Other income	193,000	0	193,000	169,000	8
<i>Total Income</i>	<u>8,862,999</u>	<u>2,269,371</u>	<u>11,132,370</u>	<u>3,572,958</u>	
EXPENDITURE					
Charitable activities	(8,763,841)	(410,497)	(9,174,338)	(3,955,542)	10
Governance costs	(132,350)	0	(132,350)	(109,373)	9
Other expenditure	(961,000)	0	(961,000)	(548,000)	11
<i>Total Expenditure</i>	<u>(9,857,191)</u>	<u>(410,497)</u>	<u>(10,267,688)</u>	<u>(4,612,915)</u>	
Net Income for the Year	(994,192)	1,858,874	864,682	(1,039,957)	
OTHER RECOGNISED GAINS/LOSSES					
Actuarial gains/(losses) on Defined Benefit Pension Scheme	2,364,000	0	2,364,000	(1,563,000)	14
<i>Net movement in funds</i>	<u>1,369,808</u>	<u>1,858,874</u>	<u>3,228,682</u>	<u>(2,602,957)</u>	
RECONCILIATION OF FUNDS					
Total funds brought forward	(5,401,881)	762,871	(4,639,010)	(2,036,053)	
Total funds carried forward	<u>(4,032,073)</u>	<u>2,621,745</u>	<u>(1,410,328)</u>	<u>(4,639,010)</u>	

All of the above amounts relate to continuing activities.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

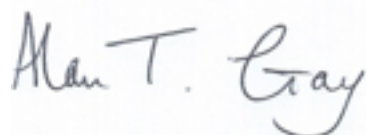
	Charity 2022	Charity 2021	Notes
	£	£	
Fixed assets			
Tangible assets	2,851,554	1,384,715	15
Investment	0	0	
	<u>2,851,554</u>	<u>1,384,715</u>	
Current assets			
Stock	31,181	5,176	
Debtors	2,199,365	327,213	16
Cash	<u>4,734,791</u>	<u>4,398,104</u>	25
	<u>6,965,337</u>	<u>4,730,492</u>	
Creditors			
Amounts falling due within one year			
- trade creditors	(1,113,481)	(311,980)	17
- other creditors	<u>(5,624,738)</u>	<u>(4,357,238)</u>	17
	<u>(6,738,219)</u>	<u>(4,669,218)</u>	
Net current assets	<u>227,117</u>	<u>61,275</u>	
Total assets less current liabilities	3,078,672	1,445,990	
Creditors			
Amounts falling due after more than one year:			
- pension liability	(4,489,000)	(6,085,000)	14
Net assets	<u>(1,410,328)</u>	<u>(4,639,010)</u>	20, 22
Represented by:			
Unrestricted funds	(4,032,073)	(5,401,881)	20, 22
Restricted funds	<u>2,621,745</u>	<u>762,871</u>	20, 22
Total Funds	<u>(1,410,328)</u>	<u>(4,639,010)</u>	

Approved by the Directors on and signed on their behalf by

Mr. Paul Scholey
Chair,
Leeds Grand Theatre & Opera House
Limited



Mr. Alan T. Gay O.B.E.
Treasurer,
Leeds Grand Theatre & Opera House
Limited



Date: 3rd November 2022

Date: 3rd November 2022

Company Registration Number – 00978161

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2022

	2022 £	2021 £	Notes
Net cash inflow from operating activities	1,965,794	(2,405,783)	24
Returns on Investments and Servicing of Finance			
Interest received	15,658	20,609	6, 24
Capital Expenditure and Financial Investment			
Payments to acquire/enhance tangible fixed assets	(1,644,764)	(238,191)	15
(Decrease) / Increase in cash	336,688	(2,623,365)	25



*On the Road at Left Bank for Heritage Open Day 2021
Photograph credit: Ollie Jenkins*

Notes

Forming part of the Financial Statements for the year ended 31 March 2022

1. Accounting Policies

a) Basis of Accounting

The financial accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (Effective 1 January 2015) – (Charities SORP (FRS102)), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

The Leeds Grand Theatre & Opera House Ltd meets the definition of a public benefit entity under FRS102.

b) Going Concern

The Trustees consider that given the current level of Unrestricted Reserves, it is appropriate to prepare the financial accounts on the going concern basis. Further detail is given at note 26 to the accounts.

c) Taxation

No provision for corporation taxation has been made, as Leeds Grand Theatre & Opera House Ltd claim for exemption from taxes under Section 505 (1) Income and Corporation Taxes Act 1988 has been confirmed by the Inland Revenue.

The Company became partially exempt from Value Added Taxation (VAT) on 25th January 2016. The cultural exemption has been applied to the sale of tickets for live performances, but other sales such as bar sales and ices remain subject to VAT.

d) Incoming Resources

All incoming resources are included in the Statement of Comprehensive Income when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income.

Voluntary income is received by way of grants and donations, and is included in full in the Statement of Comprehensive Income when receivable.

Leeds City Council provided core funding of £85k (2021: £172k) to support the operation of the charity, £95k of other grants, largely discretionary local Business Support Grant issued in response to the Covid-19 pandemic, and a £282k contribution towards the HPPH redevelopment scheme. In addition, certain donated services are provided which are explained in more detail in note 3 below.

Donated services are included in income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable. No income is recognised when there is no financial cost borne by a third party. The contribution of volunteers is therefore not included in the Statement of Comprehensive Income.

d) Incoming Resources (continued)

Investment income is included when receivable by the Company. This comprises interest earned on deposits.

Incoming resources from charitable trading activity is accounted for in the year of show, income from tickets sold in advance is shown as 'Receipts in Advance'.

e) Financial Instruments

The Company only has financial assets and financial liabilities that qualify as basic financial instruments; these are recognised at transaction value.

f) Resources Expended

Resources expended are included in the Statement of Comprehensive Income on an accruals basis. Certain expenditure is directly attributable to specific activities and has been included in those cost categories.

g) Pension Costs

Employees of the charity are entitled to join the West Yorkshire Pension Fund, which is a funded defined benefit statutory scheme administered by the City of Bradford Metropolitan Council in accordance with the Local Government Superannuation Regulations 1988. The benefits provided to the employees concerned are based on final pensionable pay. Contributions are charged to the Statement of Comprehensive Income each year so as to spread the cost of pensions over employees' working lives with the charitable Company. Leeds City Council acts as a guarantor for the Company under the admission agreement and has agreed to indemnify the administering authority of the fund from and against all losses and payments that may be incurred by the authority by reason of any default by the Company.

h) Additional Pension Disclosures

FRS102 has required the pension fund liability to be recognised in the financial statements. The effect on the current year has been to decrease the overall charge in the Statement of Comprehensive Income by £1,596k. The pension charges (gains and losses) have been allocated to the Statement of Comprehensive Income in accordance with the Charities SORP.

As a result of the Covid19 (Coronavirus) pandemic, there was a dramatic downturn in global markets in March 2020 and there was disruption to economic activity which was reflected in fluctuations in global stock markets and the investments made in these. Consequently, at 31 March 2021 it was not practicable to provide a quantitative estimate of the impact of Covid19 on the net assets of the Company.

At 31 March 2022, despite ongoing volatility in the market, the property and equity markets remain strong and are achieving strong returns on investments. Regarding liabilities, the actuarial assumptions now include the impact of Covid19: due a reduction in other types of deaths and due to the vaccine programme, overall mortality rates are similar to pre-pandemic rates, therefore the impact on liabilities is minimal.

i) Depreciation

Individual fixed assets and expenditure that enhances rather than maintains the performance of tangible fixed assets is capitalised at cost. Each capitalised asset will be considered individually to determine the length of its useful economic life, and will be depreciated accordingly on a straight line basis.

j) Stock

Stock comprises supplies for bars and kiosks, and merchandise. Stock is included in the accounts at the lower of cost or net realisable value. The closing stock on 31 March 2022 was £31,181 (£5,176 on 31 March 2021).

k) Governance Costs

Resources expended are included in the Statement of Comprehensive Income on an accruals basis. Directors who are not councillors may be reimbursed for expenses incurred in attending board meetings. Not all Directors seek reimbursement. As per the charitable Company's memorandum and articles of association, members of the board are not entitled to any remuneration for their role.

l) Fund Accounting

Unrestricted Funds are available for use at the discretion of the Directors in furtherance of the general objectives of the Company.

Restricted Funds can only be used for particular restricted purposes within the objects of the Company. Restrictions arise when specified by the donor or when funds are received for a particular purpose. The use of the Restricted Funds is limited to the restoration and preservation of our venues, grant income from Emerald Publishing is limited to Learning activities, the arts@leeds grant is limited to supporting our cultural and heritage offer, Sustainability grant from the CRF also has eligibility conditions attached to it.

m) Operating Lease

Leeds City Council has let the LGT to the charitable Company at a peppercorn rent under a 99 year lease. The Company also has four leases for operational assets, further detail is shown in Note 19.

n) Capital Commitments

On 31 March 2022, the Charitable Company had the following capital commitments:

	2022 £000s	2021 £000s
Contracted but not provided for in the Financial Statements	1,693	2,842

o) Judgements and Estimations Policy

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the date of the statement of financial position and the amounts reported for revenues and expenses during the year. However, the nature of these estimations means that actual outcomes could differ from those estimates. Details of these judgements are set out in the accounting policies.

2. Legal Status of the Company

Leeds Grand Theatre & Opera House Limited is a charitable company limited by guarantee and has no share capital. The liability of each Director in the event of winding-up is limited to £1.

3. Related Party Transactions

Leeds City Council recognises ownership of the charitable Company as per the guidelines under International Financial Reporting Standards, the theatre at 46 New Briggate, and nominates all members of the Board of Management. The City Council provides funding, enabling the Company to carry out its charitable objectives. Leeds City Council has let the LGT to the company at a peppercorn rent under a 99 year lease.

	2022	2021
<u>Leeds City Council</u>	£	£
Income:		
Revenue & capital funding	467,444	183,060

The total £467k comprises core funding of £85k (2021: £147k) to support the operation of the charity, £95k of other grants, largely discretionary local Business Support Grant issued in response to the pandemic, and a £282k contribution towards the HPPH redevelopment scheme.

The Company receives a donation in kind from Leeds City Council, for the provision of certain administrative and financial services such as payroll and financial management systems, the value of these services has not been quantified and therefore has not been included in the financial statements.

Leeds City Council processes the majority of the company's payroll, creditor payments and income through its own systems. The Company reimburses the council on a monthly basis; the outstanding indebtedness balance with Leeds City Council as at 31 March 2022 was £228,305 (2021: £-109,008).

4. Statement of Comprehensive Income and Retained Earnings for the Prior Year

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £	Notes
INCOME					
Voluntary income	2,659,344	279,245	2,938,589	807,256	5
Investment income	20,609	0	20,609	46,777	6
Income from charitable activities	431,062	13,698	444,760	13,039,902	7
Other income	169,000	0	169,000	183,000	8
<i>Total Income</i>	<u>3,280,015</u>	<u>292,943</u>	<u>3,572,958</u>	<u>14,076,935</u>	
EXPENDITURE					
Charitable activities	(3,413,265)	(542,277)	(3,955,542)	(13,745,907)	10
Governance costs	(109,373)	0	(109,373)	(142,492)	9
Other expenditure	(548,000)	0	(548,000)	(790,000)	11
<i>Total Expenditure</i>	<u>(4,070,639)</u>	<u>(542,277)</u>	<u>(4,612,915)</u>	<u>(14,678,399)</u>	
Net Income for the Year	(790,624)	(249,333)	(1,039,957)	(601,464)	
OTHER RECOGNISED GAINS/LOSSES					
Actuarial gains/(losses) on Defined Benefit Pension Scheme	(1,563,000)	0	(1,563,000)	(943,000)	14
<i>Net movement in funds</i>	<u>(2,353,624)</u>	<u>(249,333)</u>	<u>(2,602,957)</u>	<u>(1,544,464)</u>	
RECONCILIATION OF FUNDS					
Total funds brought forward	(3,048,257)	1,012,204	(2,036,053)	(491,589)	
Total funds carried forward	<u>(5,401,881)</u>	<u>762,871</u>	<u>(4,639,010)</u>	<u>(2,036,053)</u>	

5. Voluntary Income

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
Donations and Levy	12,868	183,815	196,683	49,049
Other Income	0	6,143	6,143	0
Leeds City Council Grant	140,144	327,300	467,444	183,060
Other Grants	1,391,905	1,713,826	3,105,731	2,706,480
Total	<u>1,544,918</u>	<u>2,231,084</u>	<u>3,776,002</u>	<u>2,938,589</u>

6. Investment Income

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
Income from bank deposits	9,200	0	9,200	20,609

The investment income arises from an interest-bearing deposit account and fixed term deposits.

7. Incoming resources from charitable activities

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
Films & shows	5,150,365	0	5,150,365	22,452
Bars & Front of House	552,660	0	552,660	48,793
Marketing & Box Office	871,843	0	871,843	74,626
Estate Management	471,375	0	471,375	115,394
Learning	0	38,287	38,287	13,075
Other	63,180	0	63,180	170,419
	<u>7,109,423</u>	<u>38,287</u>	<u>7,147,710</u>	<u>444,760</u>

8. Other Incoming Resources

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
FRS17 Pension Finance Changes: - expected return on assets	193,000	0	193,000	169,000
FRS17 Pension Service Changes: - contributions by employers	0	0	0	0
	<u>193,000</u>	<u>0</u>	<u>193,000</u>	<u>169,000</u>

This note along with notes 11 and 14 allocates pension changes (gains and costs) to the Statement of Comprehensive Income in accordance with the Charities SORP.

9. Allocation of Support Costs

	Charitable Activities 2022 £	Governance 2022 £	Total 2022 £	Total 2021 £
Trustee Expenses	0	0	0	0
Management & Support	0	(115,400)	(115,400)	(94,753)
Internal & External Audit Fees	0	(15,150)	(15,150)	(13,000)
LCC Interest & bank charges	(144)	0	(144)	105
H&S Consultants	(12,445)	0	(12,445)	(12,445)
Fees (refund)	0	0	0	0
Insurance	(133,975)	(1,800)	(135,775)	(83,206)
Subscriptions	(4,784)	0	(4,784)	(5,410)
Non-Domestic Rates	(10,298)	0	(10,298)	(2,875)
	<u>(161,646)</u>	<u>(132,350)</u>	<u>(293,996)</u>	<u>(211,585)</u>

Where appropriate, expenditure has been allocated directly to an activity. Management costs represent the cost of the Company's Chief Executive.

10. Analysis of Charitable Expenditure

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
Films & Shows	(4,044,345)	(57,309)	(4,101,654)	(464,060)
Bars & Front of House	(941,153)	0	(941,153)	(562,176)
Marketing & Box Office	(1,026,679)	0	(1,026,679)	(498,235)
Facilities, Technical & Housekeeping	(1,753,558)	(12,661)	(1,766,219)	(1,346,642)
Learning	(52,152)	(133,424)	(185,575)	(149,651)
Refurbishment of venues	(312,159)	(94,106)	(406,265)	(273,645)
Management & support costs	(633,796)	(112,998)	(746,793)	(661,132)
	<u>(8,763,841)</u>	<u>(410,497)</u>	<u>(9,174,338)</u>	<u>(3,955,542)</u>

11. Other Resources Expended

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
Contributions by employer	315,000	0	315,000	302,000
FRS17 Pension Finance Changes:				
- current service cost	(959,000)	0	(959,000)	(558,000)
- past service cost	0	0	0	(30,000)
- interest cost	(317,000)	0	(317,000)	(262,000)
	<u>(961,000)</u>	<u>0</u>	<u>(961,000)</u>	<u>(548,000)</u>

This note along with notes 8 and 14 allocates pension changes (gains and costs) to the Statement of Comprehensive Income in accordance with the Charities SORP (FRS102).

12. Net (Outgoing)/Incoming Resources for the Year

This is stated after charging:

	2022 £	2021 £
Employer pension contributions	(315,000)	(302,000)
Depreciation	(174,368)	(218,746)
Loss on disposal of Fixed Assets	(3,557)	0
Audit Fees	<u>(15,150)</u>	<u>(13,000)</u>

13. Staff Costs

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
Wages and salaries	2,254,245	78,694	2,332,939	2,084,081
National Insurance	174,774	0	174,774	136,820
Pension costs: employer contributions	316,419	0	316,419	294,874
Accumulating compensated absences	48,356	0	48,356	57,873
Sub-total	2,793,794	78,694	2,872,488	2,573,648
Pension costs: FRS102 adjustments (net)	768,000	0	768,000	379,000
Total	3,561,794	78,694	3,640,488	2,952,648

Trustees who are not City Councillors may be reimbursed expenses incurred in attending board meetings. Not all Trustees seek reimbursement. As per the charitable Company's memorandum and articles of association, members of the board are not entitled to any remuneration for their role. Trustees did not receive any reimbursed expenses for attending board meetings in 2021/22 (2021: £nil). No remuneration was paid to Directors during the year ended 31 March 2022 (2021: nil).

One member of the Senior Management Team received emoluments of more than £60,000 in the year ended 31 March 2022 (2021: one).

The other key management personnel of the Company comprises the Senior Management Team. Remuneration totalling £333,556 (2021: £322,005) was paid to the Senior Management Team, plus benefits were accrued under the Company's pension scheme.

It is the policy of the Company not to quantify the contribution made by volunteers, as it cannot be readily measured.

Average Number of Employees During the Year

	2022	2021
Key Management	9	9
Other Management & Administration	14	14
Marketing, Publicity & Box Office	22	27
Stage Crew & Electricians	29	35
Stage Door & House Keepers	13	17
Front of House & Bar Staff	92	118
Total	179	220

14. Actuarial Gains/ (Losses) On Defined Benefit Pension Scheme

The West Yorkshire Pension Fund is a defined benefit pension fund. The last full actuarial valuation of the Fund was carried out as at 31 March 2019 and the results are expected around January 2023.

Since the charity is only one small unit within the West Yorkshire Superannuation Fund it is not appropriate to disclose either the current level of funding in the fund as a whole or the market value of its assets. However, copies of the accounts of the fund can be obtained from City of Bradford Metropolitan Council.

Introduction

The disclosures below relate to the funded liabilities within the West Yorkshire Pension Fund (the "Fund") which is part of the Local Government Pension Scheme (the "LGPS"). The funded nature of the LGPS requires Leeds Grand Theatre & Opera House Limited and its employees to pay contributions into the Fund, calculated at a level intended to balance the pension's liabilities with investment assets.

In accordance with Financial Reporting Standards disclosure of certain information concerning assets, liabilities, income and expenditure relating to pension schemes is required.

Contributions for the accounting period ending 31 March 2022

The Employer's regular contributions to the Fund for the accounting period ending 31 March 2022 were £315k. Additional contributions may also become due in respect of employer discretions to enhance members' benefits in the Fund over the next accounting period.

Assumptions

The latest actuarial valuation of Leeds Grand Theatre & Opera House Limited's liabilities took place as at 31 March 2019. Liabilities have been estimated by the independent qualified actuary on an actuarial basis using the projected credit method. The principal assumptions used by the independent qualified actuaries in updating the latest valuation of the Fund for FRS102 purposes were:

Principal financial assumptions (% per annum)

	31-Mar-22	31-Mar-21
Discount rate	2.7%	2.1%
CPI Inflation	2.9%	2.7%
Rate of increase to pensions in payment	2.9%	2.7%
Rate of general increase in salaries	4.15%	3.95%

14. Actuarial gains/ (losses) on Defined Benefit Pension Scheme (continued)

Mortality assumptions

The mortality assumptions are based on the recent actual mortality experience of members within the Fund and allow for expected future mortality improvements.

Post retirement mortality

(retirement in normal health)

	31-Mar-22	31-Mar-21
Males		
Year of Birth base table	Standard SAPS S2N tables	Standard SAPS S2N tables
Rating to above base table * (years)	0.00	0.00
Scaling to above base table rates	108%	105%
Improvements to base table rates	CMI Projections (SK 7.5, A 0.0) with long term rate of improvement of 1.5% p.a.	CMI Projections (SK 7.5, A 0.0) with long term rate of improvement of 1.5% p.a.
Future lifetime from age 65 (aged 65 at accounting date)	21.8	21.9
Future lifetime from age 65 (aged 45 at accounting date)	22.5	22.6
Females		
Year of Birth base table	Standard SAPS S2N tables	Standard SAPS S2N tables
Rating to above base table * (years)	0	0
Scaling to above base table rates (current pensioners)	98%	95%
Improvements to base table rates	CMI Projections (SK 7.5, A 0.0) with long term rate of improvement of 1.5% p.a.	CMI Projections (SK 7.5, A 0.0) with long term rate of improvement of 1.5% p.a.
Future lifetime from age 65 (aged 65 at accounting date)	24.6	24.7
Future lifetime from age 65 (aged 45 at accounting date)	25.7	25.8

* A rating of +1 years means that members of the Fund are assumed to follow the mortality pattern of the base table for an individual +1 years older than them. The ratings shown apply to normal health retirements.

14. Actuarial gains/ (losses) on Defined Benefit Pension Scheme (continued)

Commutation

31-Mar-22	31-Mar-21
Members assumed to surrender pension on retirement, such that the total cash received (including any accrued lump sum from pre 2008 service) is 75% of the permitted maximum.	Members assumed to surrender pension on retirement, such that the total cash received (including any accrued lump sum from pre 2008 service) is 75% of the permitted maximum.

Reconciliation of Funded Status to Balance Sheet

	Value as at 31-Mar-22 £000	Value as at 31-Mar-21 £000
Fair value of assets	10,076	9,054
Present value of funded liabilities	(14,565)	(15,139)
Pension asset/(liability) recognised on the Balance Sheet	(4,489)	(6,085)

Analysis of the Profit and Loss charge

	Period ending 31-Mar-22 £000	Period ending 31-Mar-21 £000
Current service cost	959	558
Interest cost	317	93
Expected return on assets	(193)	(169)
Expense recognised	1,083	482

Cumulative Actuarial Gains / (Losses)

	31-Mar-22 £000	31-Mar-21 £000	31-Mar-20 £000	31-Mar-19 £000	31-Mar-18 £000
Actuarial Gain / (Loss)	2,364	(1,563)	(943)	(293)	(120)

Cumulative actuarial loss as at 31st March 2022 was £1,313k (2021: £3,677k).

14. Actuarial gains/ (losses) on Defined Benefit Pension Scheme (continued)

Changes to the present value of liabilities during the accounting period

	Period ending 31-Mar-22 £000	Period ending 31-Mar-21 £000
Opening present value of liabilities	(15,139)	(11,501)
Current service cost	(959)	(558)
Interest cost	(317)	(262)
Contributions by participants	(126)	(107)
Actuarial gains/(losses) on liabilities*	1,753	(3,083)
Net benefits paid out #	223	402
Past Service cost	-	-
Curtailment Cost	-	(30)
Closing present value of liabilities	(14,565)	(15,139)

* includes changes to the actuarial assumptions

consists of net-cash-flow out of the Fund in respect of the employer, excluding contributions and any death in service lump sums paid, and including an approximate allowance for the expected cost of death in service lump sums.

Changes to the fair value of assets during the accounting period

	Period ending 31-Mar-22 £000	Period ending 31-Mar-21 £000
Opening fair value of assets	9,054	7,358
Interest income on assets	193	169
Actuarial gains/(losses) on assets	611	1,520
Contributions by employer	315	302
Contributions by participants	126	107
Net benefits paid out #	(223)	(402)
Closing fair value of assets	10,076	9,054

consists of net-cash-flow out of the Fund in respect of the employer, excluding contributions and any death in service lump sums paid, and including an approximate allowance for the expected cost of death in service lump sums.

Actual return on assets

Period ending	31-Mar-22 £000	31-Mar-21 £000	31-Mar-20 £000	31-Mar-19 £000	31-Mar-18 £000
Interest income on assets	193	169	183	165	152
Actuarial gain/(loss) on assets	611	(1,520)	(598)	746	48
Actual return on assets	804	(1,351)	(415)	911	200

14. Actuarial gains/ (losses) on Defined Benefit Pension Scheme (continued)

Analysis of amount recognised in STRGL

	31-Mar-22 £000	31-Mar-21 £000	31-Mar-20 £000	31-Mar-19 £000	31-Mar-18 £000
Total actuarial gains/(losses)	2,364	(1,563)	(943)	(293)	(120)
Total gain/(loss) in STRGL	2,364	(1,563)	(943)	(293)	(120)

History of asset values, present value of liabilities and surplus/deficit

Period ending	31-Mar-22 £000	31-Mar-21 £000	31-Mar-20 £000	31-Mar-19 £000	31-Mar-18 £000
Fair value of assets	10,076	9,054	7,358	7,435	6,160
Present value of liabilities	(14,565)	(15,139)	(11,501)	(10,028)	(8,099)
Surplus/(deficit)	(4,489)	(6,085)	(4,143)	(2,593)	(1,939)

The table below allocates pension changes (gains and costs) to the Statement of Comprehensive Income in accordance with the Charities SORP.

Description	Period ending 31-Mar-22 £000	Period ending 31-Mar-21 £000	Disclosed in:
Pension Service Changes			
<u>Liabilities</u>			
Current service cost	(959)	(558)	Other resources expended: note 11
Past service cost	-	-	
Curtailment Cost	-	(30)	
<u>Assets</u>			
Contributions by employer	315	302	Other incoming resources: note 8
Subtotal	(644)	(286)	
Pension Finance Changes			
<u>Liabilities</u>			
Interest cost	(317)	(262)	Other resources expended: note 11
<u>Assets</u>			
Expected return on assets	193	169	Other incoming resources: note 8
Subtotal	(124)	(93)	
Pension Changes total	(768)	(379)	
Analysis of amount recognised in STRGL*	2,364	(1,563)	
Change in Balance Sheet Liability	1,596	(1,942)	

15. Tangible Fixed Assets

The value of expenditure capitalised and the amounts depreciated during 2021/22 is summarised below:

	Leasehold Property Improvements £	Freehold Buildings £	Other Fittings & Equipment £	Total £
<u>Cost</u>				
At 1 April 2021	288,920	342,273	2,145,864	2,777,056
Additions	0	1,516,516	128,248	1,644,764
Disposals	0	0	(154,606)	(154,606)
At 31 March 2022	288,920	1,858,789	2,119,506	4,267,214
<u>Depreciation</u>				
At 1 April 2021	(58,231)	(331,417)	(1,002,693)	(1,392,341)
Charge for the year	(16,725)	(1,357)	(156,286)	(174,368)
On Disposals	0	0	151,049	151,049
At 31 March 2022	(74,956)	(332,774)	(1,007,930)	(1,415,660)
 Net book value				
At 1 April 2021	230,688	10,856	1,143,171	1,384,715
At 31 March 2022	213,963	1,526,015	1,111,575	2,851,554

16. Debtors

	Charity 2022 £	Charity 2021 £
Trade debtors	571,488	163,744
National Lottery Heritage Fund Grant	742,423	31,741
Culture Recovery Fund Grant	318,194	0
Leeds City Council	369,455	0
HMRC	213,701	131,803
Total - Debtors	2,215,261	327,288
 Doubtful Debt Provision	(15,896)	(75)
Net Total	2,199,365	327,213

17. Creditors: Amounts Falling Due Within One Year

	Charity 2022 £	Charity 2021 £
Trade Creditors	(1,113,481)	(311,980)
Provisions	0	0
Advance Receipts	(5,576,382)	(4,177,250)
Leeds City Council	0	(109,008)
HMRC	0	(13,107)
Employees accumulating compensated absences	(48,356)	(57,873)
Total	(6,738,219)	(4,669,218)

18. Deferred Income

	Charity 2022 £	Charity 2021 £
Balance as at 1 April	(4,177,250)	(5,729,027)
Amount released to incoming resources from charitable activities	6,731,865	10,477
Refunded to Patrons		2,828,493
Amount deferred in year	(8,130,997)	(1,287,194)
Balance as at 31 March	<u>(5,576,382)</u>	<u>(4,177,250)</u>

'Amount deferred in year' as shown above, comprises Box Office income from tickets and vouchers being sold in advance for around 90 performances and screenings.

19. Commitments under Operating Leases

At 31 March 2022 the Charitable Company's future minimum operating lease payments are as follows:

	Land and Buildings	
Operating Leases which expire	2022	2021
After more than 5 years	0	0
	Other Assets	
Operating Leases which expire	2022	2021
Within 1 year	2,080	1,379
Within 2 to 5 years	564	1,246
	<u>2,644</u>	<u>2,625</u>

20. Analysis of funds for Year Ending 31 March 2022

	At 31 March 2021 £	Income £	Expenditure £	Transfers & other recognised gains & losses £	At 31 March 2022 £
<u>Restricted Funds</u>					
Leeds Grand Theatre & Opera House:					
Restoration Fund	418,058	91,982	(94,106)	0	415,934
City Varieties Music Hall:					
Restoration Fund	115,472	27,951	(12,661)	0	130,762
Hyde Park Picture House					
Development Fund	211,932	1,386,821	(26,309)	0	1,572,447
Learning Department					
Emerald Grant	17,408	63,000	(80,408)	0	0
Other Grants	0	2,728	(2,728)	0	0
Other Income	0	38,287	(38,287)	0	0
Company					
Non-LCC Grants	0	615,598	(112,998)	0	502,600
LCC Grants	0	43,000	(43,000)	0	0
Total Restricted Funds	762,870	2,269,368	(410,497)	0	2,621,744
<u>Unrestricted Funds</u>					
Lifecycle & Planned Building Works	437,338	0	(437,338)	0	0
Charity	245,781	8,669,999	(8,458,853)	0	456,927
Pension Reserve	(6,085,000)	193,000	(961,000)	2,364,000	(4,489,000)
Total Unrestricted Funds	(5,401,881)	8,862,999	(9,857,191)	2,364,000	(4,032,073)
Total Funds	(4,639,010)	11,132,370	(10,267,688)	2,364,000	(1,410,328)

Unrestricted Funds are available for use at the discretion of the Directors in furtherance of the general objectives of the Company. The Lifecycle and Planned Building Works fund has been designated by Trustees to help fund the LGT Capital Programme.

Restricted Funds can only be used for particular restricted purposes within the objects of the Company. Restrictions arise when specified by the donor or when funds are received for a particular purpose. The use of the Restricted Funds is limited to the restoration and preservation of our venues, grant income from Emerald Publishing is limited to Learning activities, and arts@leeds grant is used to support our cultural and heritage offer.

Transfers and other recognised gains and losses represent the net actuarial gain or loss on the defined benefit pension scheme, this being the difference between the actuarial gain or loss on liabilities and the actuarial gain or loss on assets.

21. Analysis of funds for Prior Year (Ending 31 March 2021)

	At 31 March 2020 £	Income £	Expenditure £	Transfers & other recognised gains & losses £	At 31 March 2021 £
<u>Restricted Funds</u>					
Leeds Grand Theatre & Opera House:					
Restoration Fund	631,964	0	(213,906)	0	418,058
City Varieties Music Hall:					
Restoration Fund	115,049	423	0	0	115,472
Hyde Park Picture House					
Development Fund	239,148	49,536	(76,751)	0	211,932
Learning Department					
Emerald Grant	26,043	84,000	(92,635)	0	17,408
Other Grants	0	40,910	(40,910)	0	0
Other Income	0	13,075	(13,075)	0	0
Company					
Non-LCC Grants	0	0	0	0	0
LCC Grants	0	105,000	(105,000)	0	0
Total Restricted Funds	1,012,203	292,944	(542,277)	0	762,871
<u>Unrestricted Funds</u>					
Lifecycle & Planned Building	437,338	0	0	0	437,338
Charity	657,405	3,111,014	(3,522,639)	0	245,781
Pension Reserve	(4,143,000)	169,000	(548,000)	(1,563,000)	(6,085,000)
Total Unrestricted Funds	(3,048,257)	3,280,014	(4,070,639)	(1,563,000)	(5,401,881)
Total Funds	(2,036,054)	3,572,958	(4,612,915)	(1,563,000)	(4,639,010)

22. Analysis of Net Assets Between Funds for Year Ending 31 March 2022

	Tangible Fixed Assets £	Cash at Bank and In Hand £	Other Net Current Assets £	Pension Liability £	Total £
Unrestricted Funds					
Planned & Cyclical Maintenance	0	0	0	0	0
Charity Unrestricted Reserve	2,851,554	2,113,047	(4,507,675)	0	456,927
Pension Reserve	0		0	(4,489,000)	(4,489,000)
Sub-total	2,851,554	2,113,047	(4,507,675)	(4,489,000)	(4,032,072)
Restricted Funds					
Leeds Grand Theatre & Opera House: Refurbishment levy	0	415,934	0	0	415,934
City Varieties Music Hall: Preservation Levy	0	130,762	0	0	130,762
Hyde Park Picture House: Development Fund	0	1,572,447	0	0	1,572,447
Learning Department: Emerald Grant	0	0	0	0	0
Corporate: Other Grants		502,600	0	0	502,600
Sub-Total	0	2,621,744	0	0	2,621,744
Total Funds	2,851,554	4,734,791	(4,507,675)	(4,489,000)	(1,410,328)

23. Analysis of Net Assets Between Funds for Prior Year (Ending 31 March 2021)

	Tangible Fixed Assets £	Cash at Bank and In Hand £	Other Net Current Assets £	Pension Liability £	Total £
Unrestricted Funds					
Planned & Cyclical Maintenance	0	437,338	0	0	437,338
Charity Unrestricted Reserve	1,384,715	3,197,895	(4,336,828)	0	245,781
Pension Reserve	0		0	(6,085,000)	(6,085,000)
Sub-total	1,384,715	3,635,233	(4,336,828)	(6,085,000)	(5,401,881)
Restricted Funds					
Leeds Grand Theatre & Opera House: Refurbishment levy	0	418,058	0	0	418,058
City Varieties Music Hall: Preservation Levy	0	115,472	0	0	115,472
Hyde Park Picture House: Development Fund	0	211,932	0	0	211,932
Learning Department: Emerald Grant	0	17,408	0	0	17,408
Sub-Total	0	762,871	0	0	762,871
Total Funds	1,384,715	4,398,104	(4,336,828)	(6,085,000)	(4,639,010)

24. Reconciliation of Operating Profit to Net Cash Inflow from Operating Activities

	2022 £	2021 £
Net Outgoing Resources	864,682	(1,039,957)
less: interest received	(15,658)	(20,609)
Operating Profit/(Loss)	849,024	(1,060,567)
(Decrease)/Increase in pension costs (FRS102)	768,000	379,000
Depreciation charge	174,368	218,746
Net disposal of fixed assets	3,557	0
Decrease/(Increase) in stocks	(26,005)	31,925
Decrease/(Increase) in debtors	(1,872,152)	302,753
(Decrease)/Increase in creditors	2,069,002	(2,277,640)
Net Cash Inflow from Operating Activities	1,965,794	(2,405,783)

25. Reconciliation of Net Cash Flow to Movements in Net Funds

	2022 £	2021 £
Increase/(Decrease) in cash in the year	336,687	(2,623,365)
Net funds at beginning of year	4,398,104	7,021,469
Net funds at end of year	4,734,791	4,398,104

26. Going Concern

The Directors consider the charitable Company to be a going concern and the financial statements have been prepared on that basis. In reaching this conclusion the Directors have taken into account a number of factors, including the ongoing impact of the Covid19 pandemic. The Company benefitted from the various support mechanisms provided by the UK government during the year, in particular the CRF Round 2 & 3 Grants. Additionally, CRF Round 3 Sustainability Grant has been awarded and partly used in-year with a significant sum remaining to support eligible spend in 2022/23. The Directors are aware of the implications of further restrictions being imposed and the impact of a change in demand.

Forecasts have been prepared to March 2024 based on the Programmes as they stand at each venue; modelling assumes a number of scenarios which feed into sensitivity analysis. One of the key variables currently is the increasing cost of energy; the impact of further potential price increases have therefore also been quantified and the impact on the charitable Company considered.

The redevelopment works to the Hyde Park Picture House will be complete by Spring 2023, and the overall operating position will benefit from the additional revenue generated by the enhanced facilities and offer.

26. Going Concern (continued)

Excluding the pension fund liability, the Company now has Unrestricted Funds of £457k and Restricted Funds of £2,622K, this positive position would not have been possible without support from grant funding.

Emerald Publishing have extended our grant agreement for a further period of three years, until July 2026.

It is recognised that under the terms of the Leeds Grand Theatre lease, the Company is responsible for ensuring that the whole of the premises is kept in good and tenantable repair and condition. The Company has a capital programme of works, and is working closely with the City Council in order to ensure compliance with these lease obligations, in particular in their capacity as landlord.

The Board also has regard to the pension liability disclosed in the financial statements. Under the terms of the Guarantee Agreement between Leeds City Council and the Administering Authority of the West Yorkshire Pension Fund dated 1978, Leeds City Council acts as guarantor to the Company in respect of its pension liabilities. If the Company ceased to operate, the pension liability would revert to Leeds City Council.

With consideration of the points described above, the Directors have concluded that the charitable Company can continue to operate as a going concern basis.

27. Residency Licence

Leeds Grand Theatre & Opera House Limited has a residency licence with Opera North Limited. For the purposes of this note, Leeds Grand Theatre & Opera House Limited is the licensor and Opera North Limited the licensee.

Under the terms of this licence, Leeds Grand Theatre & Opera House permits Opera North Limited to use the LGT premises for a maximum of 23 residency weeks per year. Opera North Limited are entitled to have first call on booking its residency weeks but no part of a residency week may fall within the Company's priority window.

The weekly licence fee from 2010/11 was £30,300, rising in line each year with RPI. The licence is due to terminate on the 31st December 2035.

Accounts



Leeds Grand Theatre
and Opera House Ltd

Financial Statements
and Annual Report 2020/21

Company Registration Number – 00978161
Charity Registration Number – 500408

Leeds Grand Theatre & Opera House Ltd T/a Leeds Heritage Theatres

Trustees' Annual Report and Financial Statements for the year ended 31 March 2021

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Reference and Administrative Information

Company Name	Leeds Grand Theatre & Opera House Ltd T/a Leeds Heritage Theatres
Company Registration Number	00978161
Charity Registration Number	500408
VAT Number	333 4718 09
Registered Office	Leeds Grand Theatre & Opera House Ltd, 46 New Briggate, Leeds LS1 6NU

Trustees

Ms. Lucinda Yeadon
Mr. Robert Gettings
Alderman Gerry Harper
Councillor Jane Dowson
Councillor Peter Harrand
Mr. Paul Scholey
Mr. Neil Clephan
Mr. Alan Gay
Mr. Kris Brewster
Mr. Peter Wilkinson
Councillor Denise Ragan

Senior Management Team

Chris Blythe	Chief Executive
Anne Harrison	Head of Support Services
Ian Sime	Grand Theatre and City Varieties Music Hall General Manager
Anne Shaw	Head of House Management
Wendy Cook	Head of Cinema
Julie Wainwright	Head of Finance
Amy Sanderson	Head of Communications
Alan Dawson	Head of Technical
Rachel Lythe	Head of Learning

Treasurer Alan Gay, c/o Leeds Grand Theatre & Opera House Ltd,
46 New Briggate, Leeds LS1 6NU

Auditors Sagars Accountants Ltd, Gresham House, 5-7 St Pauls Street,
Leeds, LS1 2JG

Bankers NatWest Bank, 8 Park Row, Leeds, LS1 6QB

Solicitors Professional Legal Services, Leeds City Council, St George
House, Leeds

Trustees' Report for the year ended 31 March 2021

The Trustees are pleased to present their annual report together with the financial statements of the charity for the year ending 31 March 2021, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and 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).

1.0 Our Charitable Purposes

Our purpose as set out in the Company's Memorandum of Association is to promote knowledge, education and appreciation of the arts. We achieve our charitable aims by providing a theatre, music hall and picture house to stage productions and host film screenings, and provide educational programmes and heritage activity to encourage participation in the arts by the general public.

The Learning Programme engages participants with activities across our three venues, working with both young people and communities in the city and region. Inclusive skills-based training, workshops and educational tours are delivered, alongside introductory activities to connect people who may not ordinarily engage with the arts, with our live performances and films. This helps to make our programme and theatre buildings more accessible to wider audiences.

The over-arching **aims** of the Company are to:

1. Engage with as many members of the public as possible to raise awareness of and access to the arts and our educational offer;
2. To be a financially sustainable and robust organisation in the long term;
3. To provide access to, and suitably well maintained facilities for our high quality live performance and film programme

In order to achieve these aims, the Company has the following **objectives**:

1. Maximise attendances at our theatre productions and cinema screenings, and to encourage community involvement in our Learning Programme: awareness and accessibility are key to these aspirations;
2. Offer variety by providing a broad range of cultural experiences to be enjoyed by all tastes, ages and backgrounds;
3. Offer a Learning programme;
4. To be financially efficient and business-like in our activities;
5. Maintain and where possible improve the condition of our buildings and infrastructure.

The **strategies** employed to achieve the charitable Company's aims and objectives are:

- To achieve as broad an appeal as possible by presenting a wide range of theatre productions and cinema screenings, from younger children's activities and screenings, family productions such as pantomime, productions aimed at older audiences, operatic and balletic productions, plus those with a general appeal: dramatic, musical and comedic performances;

- To offer inclusivity by hosting accessible performances and screenings for people who are visually or hearing impaired, or otherwise vulnerable;
- To offer opportunities for a young people to get involved in arts activity exploring their own creative powers through workshops, training, a Youth Theatre, summer school and feeding into planning and decision making;
- To celebrate the heritage element of our historic buildings through tours, open days and exhibitions;
- To be financially successful by maximising income and controlling expenditure in order to be an efficient and effective organisation which achieves good value for money and obtains maximum value from its assets;
- To continue enhancing our reputation, and maintain or enhance relationships with our visiting companies; this will ensure the Company has a choice of high quality productions to host at our venues, and the ability to secure these in the medium term;
- To continue the planned approach to identifying and scheduling works to our venues.

2.0 Delivering Public Benefit

In shaping our objectives for the year and planning our activities, the Trustees have considered the Charity Commission's guidance on public benefit. Our principal activities for the public benefit would normally be live performances, film screenings and an educational programme delivered by our in-house Learning Team.

Due to the pandemic relating to Covid-19, no live performances took place at our venues in 2020/21. However, we were able to screen some films and provide a programme of remote educational activity using digital methods.

2.1 Screenings

Going into the 2020/21 financial year our plan had been for the Picture House building to close to allow the commencement of our ambitious National Lottery Heritage Fund supported refurbishment project. To mitigate the risks of the venue being closed for an extended period we developed the 'On the Road' programme which would allow us to continue to bring a diverse range of classic, independent, experimental and world cinema to Leeds using a range of off-site venues instead of the Picture House itself.

The pandemic caused extensive delays to our capital project but the lifting of some Covid-19 restrictions between July and November 2020 meant we were able to organise some On the Road events at the City Varieties Music Hall, Leeds University (outdoor screenings) and HEART Centre. These screenings included director Q&As (live and pre-recorded) and partnership work with London Film Festival, Leeds International Film Festival, the University of Leeds Students Union and Birds Eye View. We also curated work to respond to Black History Month and Pride in the same way we would normally try to make our screening activity relevant and an opportunity for learning.



We also adapted our activity where possible to online delivery where we either facilitated or helped with the promotion of extensive online film screening events with partners like Leeds International Film Festival, Birds Eye View, Scalarama Leeds, Pavilion, etc. We also curated an ongoing series of Hyde Park Picks which over the 2020/21 year allowed us to work with our team at the Picture House and external partners to make film recommendations for our audience to continue to use film to engage with people in a thoughtful and creative way throughout the extended lock down periods.

2.2 Education and Heritage

In 2020/21, throughout the pandemic and venue closures, we moved the Learning Programme online to continue engaging children and young people with our regular creative activities, focusing on wellbeing and skills development. Our core Creative Engagement Programme included Leeds Grand Youth Theatre (LGYT) and Leeds Actors in Training (LAIT), providing skills workshops for 8-25yr olds. Sessions were delivered via live streamed workshops and artist-led master classes, supported by live celebration screenings, when restrictions allowed. Members of the public were also able to access frequent live streamed and pre-recorded events including talks, q&as, film screening discussions, online and in person exhibitions and interactions with the creative work our young people produced. Resources, including artist led creative challenges, were produced for schools to further support wellbeing, reconnect young people and support the transition back into the classroom.



Digital provision via zoom

The Picture House's refurbishment project includes extensive audience facing activity related to telling, and facilitating engagement with, the Picture House's story and throughout the past year we also managed to move swathes of this work online. Key outputs included the launch of a new interactive website www.lostcinemas.co.uk and an associated exhibition of prints and postcards at Colours May Vary. The Website is a living resource, documenting all the historic cinemas of Leeds including many which are no longer standing. It brings together geographic information, archival photographs and people's memories of these cinemas. The work has been adapted into a book and an audio tour which will both be released in 2021/22. To encourage engagement with the project we ran extensive activity on social media, worked with the press to gain exposure and delivered two digital screening events as part of Scalarama 2020.

The Charity continues to be committed to training and the employment of apprentices and supports a Level 3 apprentice in Cultural Learning & Participation, due for completion in January 2022 (extended due to the pandemic and venue closure). Regular support was provided over the year and connections were maintained with the accrediting college.

In 2020/21, in total, including in person and virtual Learning activities we engaged **22,400** people through 291 sessions, introducing children, young people, families and members of the public, to arts activities and the story of our venues. This is an increase on previous years due to the greater reach and engagement via online activities.

2.3 Inclusivity

Whilst touring shows proved unviable for visiting producers with social distancing, we adapted our programme of activity and drew on our expertise of live streaming at CVMH and other partner venues, providing in person film screenings, celebration events and exhibitions as restrictions allowed. Flexibility to adapt our programme, work across our venues and move activities online welcomed new audiences and built on our existing audience for film and live streamed theatre (pre-pandemic). In person activities engaged a total of **10,829 people** in 2020/21. Whilst this was a significant reduction from previous averages of 350,000 people/year, we focused on increasing our online presence through

pre-recorded creative challenges and online artist led workshops for LGYT and LAIT, public digital exhibitions, podcasts and live online q&as. In total, including in person and virtual screenings and learning activities we engaged **24,856 people through 344 sessions**.

Increasing our reach further we nurtured regular engagement with the public via social media posts which shared stories, history, suggested films to watch and posted video clips and updates from activities taking place. As an example, over the year social media posts specifically focused on learning activities resulted in **21,445 interactions** (comments, likes, shares) with a reach of **579,328** people.

The activities we deliver as part of the Company's Learning Programme aim to engage a diverse range of participants with our venues and the arts, many for the first time. Activities are developed to help decrease social, financial and cultural barriers through a range of affordable creative projects and workshops.

In response to the pandemic and financial uncertainty families were faced with, fees were removed for the summer term of our youth theatre provision and ten bursary places were maintained for the remainder of the year. Focus continued to be on the development of skills, creativity, confidence, resilience and wellbeing, which became more important as further lockdowns and necessary home schooling resulted in isolations, loneliness, anxiety and low mood. Engaging young people from a range of Leeds postcodes, 34% of LGYT members (aged 8-17yrs) live in areas of multiple deprivation with low progression to higher education. LGYT workshops provided continuity, a creative outlet and a chance to develop new skills, with many members stated the sessions provided a lifeline during lockdown.

We adapted our LAIT provision as an intensive online master class series for 18-25 year olds, providing accessible but in-depth vocal, movement and actor training. Master classes focused on the development of transferrable skills and how to adapt practice for online auditions during the pandemic, for those keen to progress within the industry. 20% of the participants that took part in our LAIT course live in areas of multiple deprivation with low progression to higher education and 75% of those who signed up had not previously engaged with us before. Access to a range of industry experts was facilitated online, alongside providing vital commissions for our core creative team Lizi Patch, Pete Rosser and Dawn Holgate and guest artists including Sam Kenyon, Dermot Daly, James Lewis-Knight, Nickie Miles-Wildin, Robin Simpson and Testament.

We continued to reach out into local neighbourhoods, where restrictions allowed, through our On the Road programme. Engaging with families in Headingley and surrounding areas and young adults at Leeds University, On the Road screenings provided vital opportunities to bring people together safely to share a collective experience once again. Working online to support film releases and host or support on Q&A events with makers presented a rare opportunity to be bolder with our approach to access and by the end of the twelve-month period most of the events we presented were captioned as standard for hard of hearing audiences. Returning into venues we tried to mirror this with the provision of captioned screenings for all titles where possible.

With our film programme we have also tried to keep inclusivity at the fore of our mind by supporting new and archival works by a diverse range of filmmakers exploring a wide array of stories. We have tried to keep at the fore the voices of artists typically underrepresented in mainstream cinema. This has included putting titles like Ammonite, Mogul Mowgli, White

Riot, etc. front and centre in our programme as well as continuing to partners with national organisations like Birds Eye View who are working in a joined-up way to facilitate systemic change.

In recognition of the work still needed to improve Equality, Diversity and Inclusion within the Charity, we formed a senior working group to develop a comprehensive strategy to identify both short and long-term aspirations in this area including informing more inclusive recruitment practices, Workforce Development Plans, training and internal culture.



Celebration event at CVMH Sept 2020

2.4 Financial Position

In the last few years, the charitable Company achieved a momentous turnaround from having historically operated at a deficit, to achieving operating surpluses for the prior five consecutive years. This success allowed us to build up reserves to manage business risk and to help us survive the devastating impact of the Covid-19 pandemic.

In the context of an almost complete loss of earned income, the charitable Company has survived by controlling costs, utilising the existing reserves, and the receipt of considerable levels of grant income.

In particular, the charitable Company has received £1.1m of grant income from the Government's Job Retention Scheme, and £1.3m of Culture Recovery Fund grant. This considerably strengthens the financial sustainability of the Company during this period of uncertainty.

The charitable Company has made an operating deficit of £388k in 2020/21 (£137k surplus in 2019/20).

2.5 Preservation and Enhancement of our Venues and Infrastructure

Leeds Grand Theatre (LGT) is a Grade II* listed Victorian theatre (1878), City Varieties Music Hall (CVMH) is one of the few surviving Victorian music halls (1865), also with a Grade II* listed status, and Hyde Park Picture House (HPPH) is an early surviving cinema (1914) with a Grade II listing. Our venues are recognised nationally as significant heritage venues and are a renowned part of the cultural infrastructure of the city of Leeds.

A planned programme of works at LGT had been devised for a ten year period, together with a funding strategy. In light of the Covid-19 restrictions, urgent works have been prioritised. The programme will be reviewed, works prioritised, and timescales lengthened to meet the new financial reality of the post Covid-19 environment. The ability to fund the business-critical works going forward is key.

During the year, a number of urgent works have been completed in the LGT estate, costing £0.3m. These were funded by a mixture of capitalisation and by the levy on ticket sales, collected for that purpose and held in a dedicated Restricted Fund.

- We have completed a major scheme to replace distribution boards and electrical wiring,
- We continue to repair and restore the Grade 2* listed ornate plaster work in the auditorium,
- We have undertaken lighting upgrades to LED (part of a large programme of upgrades),
- We have replaced and repositioned our Stage Perches, which are working at height facilities allowing us to rig up lighting and sound equipment on the stage,
- We have completed a number of urgent repairs to rooves and made good damage caused by the ingress of water,
- We have made improvements to fire doors as part of a programme of improving Health & Safety infrastructure.

During the year, no major works have been required at City Varieties, nor at the Picture House.

Section 3 of the Strategic Report outlines significant planned works at our venues for 2021/22 and beyond.

3.0 Achievements and Performance

3.1 Performance Information

During the year 2020/21 the Covid-19 restrictions have prevented live performances in our theatres and allowed only a limited number of film screenings. We are delighted however that we were able to continue delivering our Learning Programme digitally and have been able to achieve the following:

- City Varieties: 25 screenings and attendance levels of 927 (230 performances and screenings and 69,000 attendances in 2019/20).
- On the Road Programme at Leeds University and HEART: 28 screenings and attendance levels of 1,529.

- Learning and Engagement Programme across our three venues: 291 sessions and 22,400 attendances – virtual and in person (392 sessions and 11,030 attendances in 2019/20).
- A total of **344** screenings, sessions and events have been staged and hosted during the year, with attendances of **24,856** people (virtual and in person).

3.2 Employees

Our Company is a major provider of employment within the arts, entertainment and cultural sectors in Leeds. The Company currently employs 78 permanent staff and 142 non-permanent staff (casual staff and an apprentice) across our three venues, a total of 220 individuals.

The majority of our employees were furloughed or part-furloughed for the year 2020/21. A skeleton team of senior managers and Box Office staff have been working throughout the year to secure the survival of the charitable Company, and to refund tickets to our patrons for cancelled shows, or to reschedule where this was possible.

3.3 Contribution Made by the Company's Volunteers

Volunteers are an integral element of the Front of House function at our venues, and archiving activity for the Company. This has been a long running and successful arrangement and the Company remains very grateful for the commitment and expertise of our 92 volunteers. We currently have the support of 8 archivists, 24 volunteers at Hyde Park Picture House, and 60 at the City Varieties Music Hall; although we were unable to facilitate in person volunteering throughout the pandemic, we kept in touch with them during closure and re-engaged with them as our venues reopened.

3.4 Contribution Made by the Company's Friends

The Friends of City Varieties Music Hall number around 140, they are a fundraising body with registered charity status. Their charitable aim is to 'promote the public appreciation and understanding of the arts by the support maintenance and advancement of the charitable work of the music hall'.

The Friends of Hyde Park Picture House are an independent charity (no. 1168835) with 899 members. They act in an ambassadorial role to champion the cause of the Picture House. As part of the ongoing development of the Picture House the Friends are re-assessing their relationship with the cinema and how best to support the company going forwards. As part of this process new memberships have been on hold since January 2020 and the cinema team are working with the Friends Trustees on a new approach to memberships ready for the cinema re-opening in 2022.

Strategic Report

1.0 Financial Summary

1.1 Position as at 31 March 2021

For the year ended 31 March 2021 the charitable Company registered a deficit of £2,603k compared to last year's deficit of £1,544k. This result reflects a number of factors which are summarised below:

Item	31 March 21 £000s	31 March 20 £000s
Operating (Deficit) / Surplus	(388)	137
Net movement to and from Funds	(249)	(115)
The revaluation of the company's pension fund liability resulting in an additional cost being recognised in the Statement of Comprehensive Income	(1,942)	(1,550)
Employees accumulating compensated absences	(23)	(17)
Total as per Statement of Comprehensive Income	(2,603)	(1,544)

The in-year deficit of £2.6m reflects a year in which our ability to generate earned income was almost completely eradicated. The charitable Company has survived the year by utilising reserves, cutting costs wherever possible, and a reliance on substantial grant funding.

Net cost in the movements to and from Restricted Funds of £(249)k represents £293k of income transferred into Restricted Funds, offset by utilising £(542)k of Restricted Funds to pay for specific items.

The Company's overall pension liability has increased by £1,942k and now stands at £6,085k compared to £4,143k in 2019/20. Financial Reporting Standard 102 'Pension Obligations' (FRS102) states that this deficit must be recognised in the balance sheet. The deficit is based on actuarial valuations and represents the difference between the value of the Company's pension fund assets at 31 March 2021 and the estimated present value of the future pension payments to which the Company was committed at that date.

During 2020/21, the fair value of assets has decreased and the present value of the future obligation has increased substantially, creating the overall increase in the liability of £1,942k. This loss is mainly due to re-measurement losses arising from unfavourable investment returns in year, market volatility, and future market uncertainty due to the current pandemic.

1.2 Funds Position

The Company has overall negative Unrestricted Funds of £(5,402)k. This is made up of two elements:

- £(6,085)k relates to the pension fund liability – pension payments are underwritten by LCC in the unlikely event of default by the Company,
- £683k of positive funds as replenished from CRF Grant Round 1.

The Company has overall Restricted Funds of £763k. Restricted Funds have various sources: income generated from a modest levy on ticket sales at our theatres; grant income from the Emerald Foundation and arts@Leeds grant from LCC; contributions towards the development scheme at HPPH have been received from LCC and a variety of grant making bodies.

The negative Unrestricted Funds of £(5,402)k together with positive Restricted Funds of £763k gives a net total of £(4,639)k, as at 31 March 2021, as shown in the Statement of Comprehensive Income and Statement of Financial Position.

Excluding the pension fund liability, the charitable Company has funds of £1.4m. The majority of this will be spent on the restoration and development of the Company's three historic venues. Further detail is given in Section 3.1 below. The remaining unrestricted funds will be held to mitigate against the realisation of certain major risks as outlined in Section 1.4 below.

1.3 Principal Funding Sources and Expenditure

The Company has received £2.4m of grant from the Government's Job Retention Scheme and Culture Recovery Fund (CRF) Scheme. This has been utilised to support the fixed costs and furlough wages of the Company during the period of closure. CRF Grant was also used to replenish Free Reserves as permitted by the grant conditions.

Our operating income for the year was £29k net of payments to film distributors for our screenings. More than half of this net income comprises Booking Fee for advance ticket sales for shows in the new financial year. Other income of £392k was received, mainly comprising reimbursements from third parties to cover costs incurred on their behalf. Donations of £49k were received from patrons and supporters and Trustees would like to express their thanks to everyone who gave so generously.

Operational grants are receivable from two main sources: Leeds City Council to help fund the provision of the artistic programme at our three venues, and delivery of the Learning Programme. The second source of grant was the Emerald Foundation, also to help fund the activities of our Learning Programme. Grants have also been received to help fund the HPPH development scheme.

Our total expenditure for the year was £4m, of which £2.6m was employee-related costs. Essential building works were undertaken totalling £0.9m (see 2.5 above) of which a substantial proportion was incurred to facilitate the redevelopment of the Howard Assembly Room. This is leased to our joint tenant in the LGT estate, Opera North, and the relevant costs were reimbursed by them.

1.4 Reserves Policy

The Company's Policy is to have the minimum level of Unrestricted Funds which will mitigate against the realisation of certain major risks summarised below:

- Emergency or planned closure for an extended period of Leeds Grand Theatre;
- Withdrawal of grant funding;
- Significant and sustained under-performance on major income-generating shows creating an in-year deficit;

- Pensions Liability (see below);
- Unidentified major repairs.

The Directors have assessed the probability and financial impact of the above risks and determined a target level of Unrestricted Funds to cover such eventualities. The target is currently met.

Restricted Funds are held for specific purposes as defined by Directors. Levy income on theatre tickets at LGT and CVMH is used to fund enhancements and restoration works to those venues (as outlined on page 8). Further plans to utilise some of these funds are set out in section 3.1 below. The Learning Fund is used in part each year to fund our Grand Futures LLP. The HPPH Development Fund will be used to help fund development works and activity.

1.5 Pension Payments

The accounting liability is covered in section 1.1 above. In cash terms, pensions are paid out by the Pension Fund over a period of many years during which time the assets will continue to generate returns towards funding them, and the Company will continue to make employer contributions. The last actuarial review was as at 31 March 2019, at that point the fund was 106% funded and therefore a static employer contribution rate was been proposed for three years of 15.3%. The methodology for determining this includes the value of current assets and the value of known liabilities (based on actual member demographics). The liability includes a prediction of for example, future RPI rates, CPI rates, salary increases, demographics etc. and is discounted back to present day. Given the impact of the pandemic, it is anticipated this position will worsen after the next review.

Leeds City Council acts as a guarantor for the charity under the West Yorkshire Pension Fund admission agreement and has agreed to indemnify the administering authority of the fund from and against all losses and payments that may be incurred by the authority by reason of any default by the Company.

1.6 Investment Powers and Policy

The policy of the Company is to ensure that all investment and borrowing activity is valid, accurate, efficient, properly accounted for and in accordance with statutory and corporate requirements. Trustees have sole responsibility for this type of activity. There was no borrowing undertaken during 2020/21. Interest was earned on balances comprising fixed term deposits and current accounts.

2.0 Principal Risks and Uncertainties Facing the Business

2.1 Governance Arrangements

An annual governance statement was received by Trustees in February 2021, this summarises an annual review of a suite of governance arrangements, to ensure compliance. Any risks or weaknesses identified can then be addressed by senior officers with the oversight of Trustees. No major weaknesses were identified.

2.2 Risk Register

All major risks are identified and monitored via the Company's risk register which is reviewed by the Trustees. Risks can be categorised into the broad themes of major (such as a force majeure), financial risks and operational risks. Internal systems have been implemented to mitigate risks as far as practicable by having plans and procedures in place such as Major Incident Plans, a robust framework of financial controls and financial reporting, procedures for Health & Safety, and the Safeguarding Procedure for vulnerable people.

3.0 Plans for the Future

3.1 Our Venues

The charitable Company anticipates embarking on a multi-million pound programme of restoration works to the LGT estate to sustain the longevity of the theatre. The funding strategy for this includes grant income, LGT Restoration Fund (restricted), and Designated Funds (identified from Unrestricted Funds).

Given the impact of Covid-19 on reserves and potential grant funding a full review of the capital programme is planned. The review will undoubtedly require some parts of the programme to be pushed back until finances are available but business critical and Health & Safety works have been and will continue to be prioritised.

Internally at LGT, planned maintenance and repairs includes fire safety enhancements, inspections to ornate plaster works and repairs if they are necessary, and upgrades to critical performance-related equipment.

At CVMH, a smaller programme of works has been identified. Whilst the CVMH has benefited from a comprehensive refurbishment, there are periodic inspections such as inspections of rooves, internal structures and load bearing capacity. The costs of any remedial works will be met by a mixture of Restricted Funds, capitalisation and Unrestricted Funds if available.

The refurbishment project for substantial improvements to Hyde Park Picture House includes;

- The restoration of important heritage features such as original screen mouldings, foyer terrazzo floors, and decorative plasterwork;
- Bringing key services such as electrics, heating and ventilation up to a high standard to improve the experience of patrons and improve environmental performance;
- Improving and future proofing technical infrastructure;
- Extending the spaces for box office, foyer and creating a café/bar area;
- Comprehensively addressing accessibility issues including level access to the venue, a lift to access facilities in the basement and new accessible washrooms;
- The construction of a second auditorium and break out area in the basement, to accommodate smaller scale screenings and learning & community activities.

The preferred contractor (Triton Construction Ltd.) has been appointed and the site was handed over to them in May 2021. Ahead of that, key enabling works were completed such as major services diversions, installation of temporary site electrics and a pre-start

archaeological report and additional surveys. Asbestos removal began in May and below ground excavation began in June.

3.2 Strategic Planning

The Strategic Plan is updated regularly, as is the corresponding financial plan. This is used to articulate the strategic direction of the Company and to plan particular activities together with the timescales for implementation.

As part of our Culture Recovery Fund grant, we committed to an activity plan that reviewed strategy in response to our risk register and needs arising from the pandemic, which resulted in the creation of strategic working groups focusing on Business Development (including fundraising); Artistic Vision, Audience Development and Engagement; Equality, Diversity and Inclusion and Environmental Responsibilities.

It is recognised that future planning will be difficult given the impact on reserves of the Covid-19 pandemic and the likely recession that will follow. We are entering a period of uncertainty and short-term financial planning will be critical, but all decisions will be made with the longer-term prosperity of the Company in mind. Our Charitable aims remain at the centre of our decision making and we remain confident that the underlying business model is sound.

3.3 Brand Identity and Website

Following extensive consultation, the charitable Company changed its trading name to 'Leeds Heritage Theatres' on 26 August 2020. A new brand identity has been developed in conjunction with consultants and stakeholders. This gives increased opportunity for cross venue promotion and increased ticket sales as well as telling our story as a charity and building the case for fundraising and individual giving both during the current Covid-19 uncertainty and beyond.

The re-opening of our venues will give us the proper opportunity to embed our values and strategic objectives across our team and ensure that we are ready to face the post COVID challenges.

3.4 Fundraising

Charity Commission guidance on fundraising sets out the law and good practice principles for trustees to follow when fundraising. Whilst traditionally there has been minimal audience focused fundraising activity, this will change during 2021/22 in order to raise the necessary funding required for the Hyde Park Picture House development project and other strategic priorities. The charitable Company has registered with the Fundraising Regulator to demonstrate its commitment to the recognised standards.

4.0 Structure, Governance and Management

4.1 Structure

Leeds Grand Theatre & Opera House Ltd is a charitable company with no subsidiaries.

4.2 Governing Document

The Leeds Grand Theatre & Opera House Limited is a company limited by guarantee governed by its Memorandum and Articles of Association, dated 27 April 1970, and incorporated in the United Kingdom. There is no share capital but each member of the company undertakes to guarantee £1 in the event of the winding up of the company.

4.3 Recruitment and Appointment of Directors

As per its Memorandum of Association, the company can have a maximum of nine people on its Board of Governors, all of whom are nominated by Leeds City Council. Five of these are elected members of Leeds City Council with the remaining four being independent. The directors make up the Board of Management. They are directors of the Company for the purposes of company law and are also charity trustees for the purposes of charity law. All trustees give their time voluntarily and received no benefit from the charity. Any expenses claimed are set out in note 13 to the accounts.

Council Directors are appointed through the Member Management Committee of Leeds City Council. Independent Directors are appointed through an interview process following advertising on the Company's website. All Directors undertake an induction process led by the Company's Chief Executive and Head of Support Services. All council members of the Board receive appropriate training as part of their responsibilities. All independent Board members were selected based on their relevant experience and training.

4.4 Organisation

The Board of Directors manages the Company. The Board normally meets quarterly and there are three sub-committees: Finance, General Purposes, and Hyde Park Picture House. To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by the Directors, for operational matters.

4.5 Related Parties

Leeds City Council recognises ownership of the charitable Company under International Financial Reporting Standards, and provides funding in support of the artistic and educational programme. In addition, the City Council owns the Leeds Grand Theatre, which it leases to the Company for a peppercorn rent.

We are extremely grateful to the Emerald Foundation for their three-year grant agreement with the Company to support the work of the Learning & Heritage Team; during the year 2020/21 grant was received of £84,000.

4.6 Pay Policy for Senior Staff

The Directors agree that the key management personnel of the Company comprise themselves and the Senior Management Team. Directors do not receive remuneration for their role as Board Members; details of expenses paid to Directors are shown in note 13 to the accounts (2020/21: nil; 2019/20: nil).

Annual salary increases for all staff are paid in accordance with BECTU guidelines, other than for the Company's Chief Executive post, which is determined by the Board of Trustees.

4.7 Risk Management

The Directors have a governance framework as per section 2.1 which assesses key internal controls. The framework includes key internal controls to manage risk including:

- A system of authority and delegation for key decisions,
- Robust financial controls and financial planning,
- Annual high quality independent audit assessment of internal controls and processes,
- The setting of and monitoring of compliance with a comprehensive suite of policies and procedures covering risk areas,
- All major risks are identified and monitored via the Company's risk register.

It is recognised that a review of risks will need to be undertaken after the Covid-19 crisis and this will need to take into account the likely reduced level of reserves available.

5.0 Preparation of the Company's Accounts

5.1 Directors' Responsibilities

In relation to the Financial Accounts the Directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial accounts comply with the Companies Act 2006. The Directors are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Company and charity law requires directors to prepare financial accounts that give a true and fair view of the state of affairs of the company at the end of the financial year and of its surplus or deficit for the financial year. In doing so the Directors have:

- Selected suitable accounting policies and then applied them consistently,
- Observed the methods and principles in the Charities SORP,
- Made judgements and estimates that were reasonable and prudent,
- Stated whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- Prepared the financial accounts on a Going Concern basis.

5.2 Statement as to Disclosure to our Auditors

In so far as the Directors are aware:

- There is no relevant audit information of which the Company's auditor is unaware; and
- The Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

5.3 Auditors

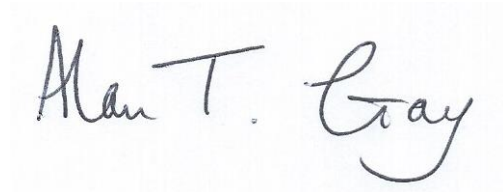
Under section 487(2) of the Companies Act 2006, Sagars Accountants Ltd will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

Approved by the directors on and signed on their behalf by



Mr. Paul Scholey
Chair,
Leeds Grand Theatre & Opera House
Limited

Date 11th November 2021



Mr. Alan T. Gay O.B.E.
Treasurer,
Leeds Grand Theatre & Opera House
Limited

Date 11th November 2021

Independent Auditor's Report to the Members of Leeds Grand Theatre & Opera House Limited

Opinion

We have audited the financial statements of Leeds grand Theatre & Opera House Limited ('the charitable company') for the year ended 31 March 2021 which comprise the Statement of Comprehensive Income and Retained Earnings, Statement of Financial Position, Cash Flow Statement and notes to the financial statements, including 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 charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011

Basis for opinion

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

Material uncertainty relating to going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 26 to the financial statements regarding the charitable company's ability to continue as a going concern. Note 26 outlines the impact of the Covid-19 pandemic and the uncertainties facing the company, specifically with regard to potential further restrictions. These conditions indicate the existence of material uncertainties, which may cast significant doubt as to the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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 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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 together with the Charities SORP (FRS102) 2019.

We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context were Charities Commission Regulations and requirements from funders.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be with regards to the timing of recognition of income, posting of unusual journals and the override of controls by management.

Our audit procedures to respond to these risks included:

- enquiries of management and the Trustees about their own identification and assessment of the risks of irregularities,
- sample testing on the posting of journals,
- reviewing accounting estimates for biases,
- reviewing funding agreements and carrying out detailed substantive testing on the completeness of income,
- reading minutes of meetings of those charged with governance; and
- obtaining confirmation from the trustees that there was no regulatory correspondence with the Charity Commission or other regulatory bodies.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the 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 company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



SUSAN C SEAMAN BA, FCA, CIOT
(Senior Statutory Auditor)
For and on behalf of
SAGARS ACCOUNTANTS LTD
Chartered Accountants & Statutory Auditor

Gresham House
5-7 St Paul's Street
Leeds
LS1 2JG

15 November 2021

STATEMENT OF COMPREHENSIVE INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 MARCH 2021

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £	Notes
INCOME					
Voluntary income	2,659,344	279,245	2,938,589	807,256	5
Investment income	20,609	0	20,609	46,777	6
Income from charitable activities	431,062	13,698	444,760	13,039,902	7
Other income	169,000	0	169,000	183,000	8
<i>Total Income</i>	<u>3,280,015</u>	<u>292,943</u>	<u>3,572,958</u>	<u>14,076,935</u>	
EXPENDITURE					
Charitable activities	(3,413,265)	(542,277)	(3,955,542)	(13,745,907)	10
Governance costs	(109,373)	0	(109,373)	(142,492)	9
Other expenditure	(548,000)	0	(548,000)	(790,000)	11
<i>Total Expenditure</i>	<u>(4,070,639)</u>	<u>(542,277)</u>	<u>(4,612,915)</u>	<u>(14,678,399)</u>	
Net Income for the Year	(790,624)	(249,333)	(1,039,957)	(601,464)	
OTHER RECOGNISED GAINS/LOSSES					
Actuarial gains/(losses) on Defined Benefit Pension Scheme	(1,563,000)	0	(1,563,000)	(943,000)	14
<i>Net movement in funds</i>	<u>(2,353,624)</u>	<u>(249,333)</u>	<u>(2,602,957)</u>	<u>(1,544,464)</u>	
RECONCILIATION OF FUNDS					
Total funds brought forward	(3,048,257)	1,012,204	(2,036,053)	(491,589)	
Total funds carried forward	<u>(5,401,881)</u>	<u>762,871</u>	<u>(4,639,010)</u>	<u>(2,036,053)</u>	

All of the above amounts relate to continuing activities.

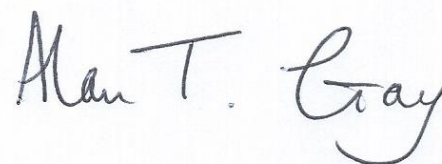
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

	Charity 2021 £	Charity 2020 £	Notes
Fixed assets			
Tangible assets	1,384,715	1,365,270	15
Investment	0	0	
	<u>1,384,715</u>	<u>1,365,270</u>	
Current assets			
Stock	5,176	37,100	
Debtors	327,213	629,965	16
Cash	4,398,104	7,021,468	25
	<u>4,730,492</u>	<u>7,688,534</u>	
Creditors			
Amounts falling due within one year			
- trade creditors	(311,980)	(634,850)	17
- other creditors	(4,357,238)	(6,312,008)	17
	<u>(4,669,218)</u>	<u>(6,946,858)</u>	
Net current assets	<u>61,275</u>	<u>741,676</u>	
Total assets less current liabilities	1,445,990	2,106,947	
Creditors			
Amounts falling due after more than one year:			
- pension liability	(6,085,000)	(4,143,000)	14
Net assets	<u>(4,639,010)</u>	<u>(2,036,053)</u>	20, 22
Represented by:			
Unrestricted funds	(5,401,881)	(3,048,257)	20, 22
Restricted funds	762,871	1,012,204	20, 22
Total Funds	<u>(4,639,010)</u>	<u>(2,036,053)</u>	

Approved by the Directors on and signed on their behalf by



Mr. Paul Scholey
Chair,
Leeds Grand Theatre & Opera House
Limited
Date 11th November 2021



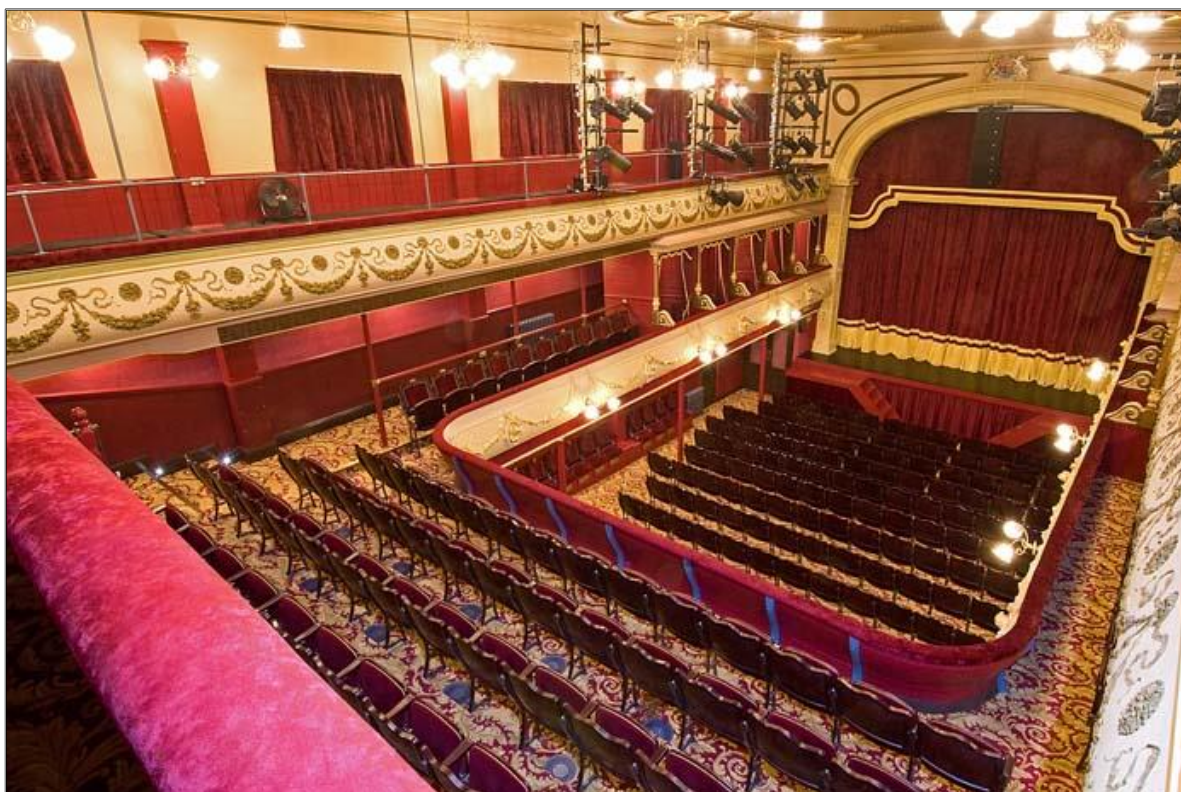
Mr. Alan T. Gay O.B.E.
Treasurer,
Leeds Grand Theatre & Opera House
Limited
Date 11th November 2021

Company Registration Number – 00978161

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

	2021 £	2020 £	Notes
Net cash inflow from operating activities	(2,405,783)	1,967,465	24
Returns on Investments and Servicing of Finance			
Interest received	20,609	46,777	7, 24
Capital Expenditure and Financial Investment			
Payments to acquire/enhance tangible fixed assets	(238,191)	(735,569)	16
(Decrease) / Increase in cash	(2,623,365)	1,278,673	25

City Varieties Music Hall: Auditorium



Notes

Forming part of the Financial Statements for the year ended 31 March 2021

1. Accounting Policies

a) Basis of Accounting

The financial accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (Effective 1 January 2015) – (Charities SORP (FRS102)), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

The Leeds Grand Theatre & Opera House Ltd meets the definition of a public benefit entity under FRS102.

b) Going Concern

The Trustees consider that given the current level of Unrestricted Reserves, it is appropriate to prepare the financial accounts on the going concern basis. Further detail is given at note 26 to the accounts.

c) Taxation

No provision for corporation taxation has been made, as Leeds Grand Theatre & Opera House claim for exemption from taxes under Section 505 (1) Income and Corporation Taxes Act 1988 has been confirmed by the Inland Revenue.

The Company became partially exempt from Value Added Taxation (VAT) on 25th January 2016. The cultural exemption has been applied to the sale of tickets for live performances, but other sales such as bar sales and ices remain subject to VAT.

d) Incoming Resources

All incoming resources are included in the Statement of Comprehensive Income when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income.

Voluntary income is received by way of grants and donations, and is included in full in the Statement of Comprehensive Income when receivable.

Leeds City Council provided core funding of £172k (2020: £172k) to support the operation of the charity, plus certain donated services which are explained in more detail in note 3 below.

Donated services are included in income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable. No income is recognised when there is no financial cost borne by a third party. The contribution of volunteers is therefore not included in the Statement of Comprehensive Income.

Investment income is included when receivable by the Company. This comprises interest earned on deposits.

Incoming resources from charitable trading activity is accounted for in the year of show, income from tickets sold in advance is shown as 'Receipts in Advance'.

e) Financial Instruments

The Company only has financial assets and financial liabilities that qualify as basic financial instruments; these are recognised at transaction value.

f) Resources Expended

Resources expended are included in the Statement of Comprehensive Income on an accruals basis. Certain expenditure is directly attributable to specific activities and has been included in those cost categories.

g) Pension Costs

Employees of the charity are entitled to join the West Yorkshire Pension Fund, which is a funded defined benefit statutory scheme administered by the City of Bradford Metropolitan Council in accordance with the Local Government Superannuation Regulations 1988. The benefits provided to the employees concerned are based on final pensionable pay. Contributions are charged to the Statement of Comprehensive Income each year so as to spread the cost of pensions over employees' working lives with the charitable Company. Leeds City Council acts as a guarantor for the Company under the admission agreement and has agreed to indemnify the administering authority of the fund from and against all losses and payments that may be incurred by the authority by reason of any default by the Company.

h) Additional Pension Disclosures

FRS102 has required the pension fund liability to be recognised in the financial statements. The effect on the current year has been to increase the overall charge in the Statement of Comprehensive Income by £1,942k. The pension charges (gains and losses) have been allocated to the Statement of Comprehensive Income in accordance with the Charities SORP.

As a result of the Covid-19 (Coronavirus) pandemic, there was a dramatic downturn in global markets in March 2020 and there has been disruption to economic activity which has been reflected in fluctuations in global stock markets and investments made in these. There has been no immediate impact on contribution rates for the charitable company and given the inherent uncertainties with the investment movements it is not practicable at this time to provide a quantitative estimate of the impact of Covid-19 on the net assets of the company. The impact of the pandemic will be assessed by the actuary in the next valuation to be prepared (31 March 2021).

i) Depreciation

Individual fixed assets and expenditure that enhances rather than maintains the performance of tangible fixed assets is capitalised at cost. Each capitalised asset will be considered individually to determine the length of its useful economic life, and will be depreciated accordingly on a straight line basis.

j) Stock

Stock comprises supplies for bars and kiosks, and merchandise for our annual pantomime and for Hyde Park Picture House. Stock is included in the accounts at the lower of cost or net realisable value. The opening stock on 1 April 2020 was £37,100, all of this inventory was

disposed of during the course of the year in the most economical manner possible as covid restrictions continued. The closing stock on 31 March 2021 was £5,176.

k) Governance Costs

Resources expended are included in the Statement of Comprehensive Income on an accruals basis. Directors who are not councillors may be reimbursed for expenses incurred in attending board meetings. Not all Directors seek reimbursement. As per the charitable Company's memorandum and articles of association, members of the board are not entitled to any remuneration for their role.

l) Fund Accounting

Unrestricted Funds are available for use at the discretion of the Directors in furtherance of the general objectives of the Company.

Restricted Funds can only be used for particular restricted purposes within the objects of the Company. Restrictions arise when specified by the donor or when funds are received for a particular purpose. The use of the Restricted Funds is limited to the restoration and preservation of our venues, grant income from Emerald Publishing is limited to Learning activities, and the arts@leeds grant is limited to supporting our cultural and heritage offer.

m) Operating Lease

Leeds City Council has let the Grand Theatre & Opera House to the charitable Company at a peppercorn rent under a 99 year lease. The Company also has four leases for operational assets, further detail is shown in Note 19.

n) Capital Commitments

On 31 March 2021, the Charitable Company had the following capital commitments:

	2021 £000s	2020 £000s
Contracted but not provided for in the Financial Statements	2,842	0

o) Judgements and Estimations Policy

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the date of the statement of financial position and the amounts reported for revenues and expenses during the year. However, the nature of these estimations means that actual outcomes could differ from those estimates. Details of these judgements are set out in the accounting policies.

2. Legal Status of the Company

Leeds Grand Theatre & Opera House Limited is a charitable company limited by guarantee and has no share capital. The liability of each Director in the event of winding-up is limited to £1.

3. Related Party Transactions

Leeds City Council recognises ownership of the charitable Company as per the guidelines under International Financial Reporting Standards, the theatre at 46 New Briggate, and nominates all members of the Board of Management. The City Council provides funding, enabling the Company to carry out its charitable objectives. Leeds City Council has let the Grand Theatre & Opera House to the company at a peppercorn rent under a 99 year lease.

	2021	2020
	£	£
<u>Leeds City Council</u>		
Income:		
Revenue & capital funding	183,060	172,000

This comprises core funding of £147k (2020: £172k) to support the operation of the charity, and £36k of other grants, largely local Business Support Grant issued in response to the pandemic.

The Company receives a donation in kind from Leeds City Council, for the provision of certain administrative and financial services such as payroll and financial management systems, the value of these services has not been quantified and therefore has not been included in the financial statements.

Leeds City Council processes the majority of the company's payroll, creditor payments and income through its own systems. The Company reimburses the council on a monthly basis; the outstanding balance with Leeds City Council as at 31 March 2021 was £-109,008 (2020: £-414,283).

4. Statement of Comprehensive Income and Retained Earnings for the Prior Year

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £
INCOME			
Voluntary income	59,341	747,915	807,256
Investment income	46,777	0	46,777
Income from charitable activities	12,980,626	59,276	13,039,902
Other income	183,000	0	183,000
Total Income	13,269,744	807,191	14,076,935
EXPENDITURE			
Charitable activities	(12,959,752)	(786,155)	(13,745,907)
Governance costs	(142,492)	0	(142,492)
Other expenditure	(790,000)	0	(790,000)
Total Expenditure	(13,892,244)	(786,155)	(14,678,399)
Net Income for the Year	(622,500)	21,036	(601,464)
OTHER RECOGNISED GAINS/LOSSES			
Actuarial gains/(losses) on Defined Benefit Pension Scheme	(943,000)	0	(943,000)
Net movement in funds	(1,565,500)	21,036	(1,544,464)
RECONCILIATION OF FUNDS			
Total funds brought forward	(1,482,757)	991,168	(491,589)
Total funds carried forward	(3,048,257)	1,012,204	(2,036,053)

5. Voluntary Income

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
Donations and Levy	46,004	3,045	49,049	273,900
Leeds City Council Grant	76,860	106,200	183,060	172,000
Other Grants	2,536,480	170,000	2,706,480	361,357
Total	2,659,344	279,245	2,938,589	807,256

6. Investment Income

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
Income from bank deposits	20,609	0	20,609	46,777

The investment income arises from an interest-bearing deposit account and fixed term deposits.

7. Incoming resources from charitable activities

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
Films & shows	21,828	623	22,452	9,571,343
Bars & Front of House	48,793	0	48,793	1,048,443
Marketing & Box Office	74,626	0	74,626	1,547,595
Estate Management	115,394	0	115,394	635,045
Learning	0	13,075	13,075	59,276
Other	170,419	0	170,419	178,198
	<u>431,062</u>	<u>13,698</u>	<u>444,760</u>	<u>13,039,902</u>

8. Other Incoming Resources

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
FRS17 Pension Finance Changes: - expected return on assets	169,000	0	169,000	183,000
FRS17 Pension Service Changes: - contributions by employers	0	0	0	0
	<u>169,000</u>	<u>0</u>	<u>169,000</u>	<u>183,000</u>

This note along with notes 11 and 14 allocates pension changes (gains and costs) to the Statement of Comprehensive Income in accordance with the Charities SORP.

9. Allocation of Support Costs

	Charitable Activities 2021 £	Governance 2021 £	Total 2021 £	Total 2020 £
Trustee Expenses	0	0	0	0
Management & Support	0	(94,753)	(94,753)	(126,807)
Internal & External Audit Fees	0	(13,000)	(13,000)	(14,065)
LCC Interest & bank charges	105	0	105	(5,293)
H&S Consultants	(12,445)	0	(12,445)	(12,445)
Fees (refund)	0	0	0	0
Insurance	(81,586)	(1,620)	(83,206)	(132,315)
Subscriptions	(5,410)	0	(5,410)	(6,742)
Non-Domestic Rates	(2,875)	0	(2,875)	(31,235)
	<u>(102,211)</u>	<u>(109,373)</u>	<u>(211,584)</u>	<u>(328,902)</u>

Where appropriate, expenditure has been allocated directly to an activity. Management costs represent the cost of the Company's Chief Executive.

10. Analysis of Charitable Expenditure

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
Films & Shows	(294,309)	(169,751)	(464,060)	(8,027,233)
Bars & Front of House	(562,176)	0	(562,176)	(1,072,654)
Marketing & Box Office	(498,235)	0	(498,235)	(1,219,815)
Facilities, Technical & Housekeeping	(1,346,642)	0	(1,346,642)	(2,161,969)
Learning	8,968	(158,620)	(149,651)	(198,613)
Refurbishment of venues	(59,739)	(213,906)	(273,645)	(145,180)
Management & support costs	(661,132)	0	(661,132)	(920,442)
	<u>(3,413,265)</u>	<u>(542,277)</u>	<u>(3,955,542)</u>	<u>(13,745,907)</u>

11. Other Resources Expended

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
Contributions by employer	302,000	0	302,000	367,000
FRS17 Pension Finance Changes:				
- current service cost	(558,000)	0	(558,000)	(818,000)
- past service cost	(30,000)	0	(30,000)	(99,000)
- interest cost	(262,000)	0	(262,000)	(240,000)
	<u>(548,000)</u>	<u>0</u>	<u>(548,000)</u>	<u>(790,000)</u>

This note along with notes 8 and 14 allocates pension changes (gains and costs) to the Statement of Comprehensive Income in accordance with the Charities SORP (FRS102).

12. Net (Outgoing)/Incoming Resources for the Year

This is stated after charging:

	2021 £	2020 £
Employer pension contributions	(302,000)	(367,000)
Depreciation	(218,746)	(195,065)
Loss on disposal of Fixed Assets	0	(1,625)
Audit Fees	<u>(13,000)</u>	<u>(14,065)</u>

13. Staff Costs

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
Wages and salaries	1,993,889	90,192	2,084,081	2,730,277
National Insurance	136,820	0	136,820	194,540
Pension costs: employer contributions	294,874	0	294,874	360,770
Accumulating compensated absences	57,873	0	57,873	34,738
Sub-total	2,483,456	90,192	2,573,648	3,320,325
Pension costs: FRS102 adjustments (net)	379,000	0	379,000	607,000
Total	2,862,456	90,192	2,952,648	3,927,325

Trustees who are not City Councillors may be reimbursed expenses incurred in attending board meetings. Not all Trustees seek reimbursement. As per the charitable Company's memorandum and articles of association, members of the board are not entitled to any remuneration for their role. Trustees did not receive any reimbursed expenses for attending board meetings in 2020/21 (2020 £nil). No remuneration was paid to Directors during the year ended 31 March 2021 (2020: nil).

One member of the Senior Management Team received emoluments of more than £60,000 in the year ended 31 March 2021 (2020: one).

The other key management personnel of the Company comprises the Senior Management Team. Remuneration totalling £322,005 (2020: £316,717) was paid to the Senior Management Team, plus benefits were accrued under the Company's pension scheme.

It is the policy of the Company not to quantify the contribution made by volunteers, as it cannot be readily measured.

Average Number of Employees During the Year

	2021	2020
Key Management	9	9
Other Management & Administration	14	16
Marketing, Publicity & Box Office	27	30
Stage Crew & Electricians	35	40
Stage Door & House Keepers	17	22
Front of House & Bar Staff	118	129
Total	220	246

14. Actuarial Gains/ (Losses) On Defined Benefit Pension Scheme

The West Yorkshire Pension Fund is a defined benefit pension fund. The last full actuarial valuation of the Fund was carried out as at 31 March 2019.

Since the charity is only one small unit within the West Yorkshire Superannuation Fund it is not appropriate to disclose either the current level of funding in the fund as a whole or the market value of its assets. However, copies of the accounts of the fund can be obtained from City of Bradford Metropolitan Council.

Introduction

The disclosures below relate to the funded liabilities within the West Yorkshire Pension Fund (the "Fund") which is part of the Local Government Pension Scheme (the "LGPS"). The funded nature of the LGPS requires Leeds Grand Theatre & Opera House Limited and its employees to pay contributions into the Fund, calculated at a level intended to balance the pension's liabilities with investment assets.

In accordance with Financial Reporting Standards disclosure of certain information concerning assets, liabilities, income and expenditure relating to pension schemes is required.

Contributions for the accounting period ending 31 March 2021

The Employer's regular contributions to the Fund for the accounting period ending 31 March 2021 were £302k. Additional contributions may also become due in respect of employer discretions to enhance members' benefits in the Fund over the next accounting period.

Assumptions

The latest actuarial valuation of Leeds Grand Theatre & Opera House Limited's liabilities took place as at 31 March 2021. Liabilities have been estimated by the independent qualified actuary on an actuarial basis using the projected credit method. The principal assumptions used by the independent qualified actuaries in updating the latest valuation of the Fund for FRS102 purposes were:

Principal financial assumptions (% per annum)

	31-Mar-21	31-Mar-20
Discount rate	2.1%	2.3%
RPI Inflation	-	-
CPI Inflation	2.7%	1.9%
Rate of increase to pensions in payment	2.7%	1.9%
Rate of general increase in salaries	3.95%	3.15%

14. Actuarial gains/ (losses) on Defined Benefit Pension Scheme (continued)

Mortality assumptions

The mortality assumptions are based on the recent actual mortality experience of members within the Fund and allow for expected future mortality improvements.

Post retirement mortality

(retirement in normal health)

	31-Mar-21	31-Mar-20
Males		
Year of Birth base table	Standard SAPS S2N tables	Standard SAPS S2N tables
Rating to above base table * (years)	0.00	0.00
Scaling to above base table rates	105%	105%
Improvements to base table rates	CMI Projections (SK 7.5, A 0.0) with long term rate of improvement of 1.5% p.a.	The CMI Mortality Projections Model released with Working Paper 91 with core assumptions together with a long term rate of improvement of 1.5% p.a.
Future lifetime from age 65 (aged 65 at accounting date)	21.9	21.8
Future lifetime from age 65 (aged 45 at accounting date)	22.6	22.5
Females		
Year of Birth base table	Standard SAPS S2N tables	Standard SAPS S2P tables
Rating to above base table * (years)	0	0
Scaling to above base table rates (current pensioners)	95%	90%
Improvements to base table rates	CMI Projections (SK 7.5, A 0.0) with long term rate of improvement of 1.5% p.a.	The CMI Mortality Projections Model released with Working Paper 91 with core assumptions together with a long term rate of improvement of 1.5% p.a.
Future lifetime from age 65 (aged 65 at accounting date)	24.7	24.6
Future lifetime from age 65 (aged 45 at accounting date)	25.8	25.7

* A rating of +1 years means that members of the Fund are assumed to follow the mortality pattern of the base table for an individual +1 years older than them. The ratings shown apply to normal health retirements.

14. Actuarial gains/ (losses) on Defined Benefit Pension Scheme (continued)

Commutation

31-Mar-21	31-Mar-20
Members assumed to surrender pension on retirement, such that the total cash received (including any accrued lump sum from pre 2008 service) is 75% of the permitted maximum.	Members assumed to surrender pension on retirement, such that the total cash received (including any accrued lump sum from pre 2008 service) is 75% of the permitted maximum.

Reconciliation of funded status to balance sheet

	Value as at 31-Mar-21 £000	Value as at 31-Mar-20 £000
Fair value of assets	9,054	7,358
Present value of funded liabilities	(15,139)	(11,501)
Pension asset/(liability) recognised on the Balance Sheet	(6,085)	(4,143)

Analysis of the Profit and Loss charge

	Period ending 31-Mar-21 £000	Period ending 31-Mar-20 £000
Current service cost	558	818
Interest cost	93	240
Expected return on assets	(169)	(183)
Expense recognised	482	875

Cumulative Actuarial Gains / (Losses)

	31-Mar-21 £000	31-Mar-20 £000	31-Mar-19 £000	31-Mar-18 £000	31-Mar-17 £000
Actuarial Gain / (Loss)	(1,563)	(943)	(293)	(120)	(216)

Cumulative actuarial loss as at 31st March 2021 was £3,677k (2020: £2,114k).

14. Actuarial gains/ (losses) on Defined Benefit Pension Scheme (continued)

Changes to the present value of liabilities during the accounting period

	Period ending 31-Mar-21 £000	Period ending 31-Mar-20 £000
Opening present value of liabilities	(11,501)	(10,028)
Current service cost	(558)	(818)
Interest cost	(262)	(240)
Contributions by participants	(107)	(141)
Actuarial gains/(losses) on liabilities*	(3,083)	(345)
Net benefits paid out #	402	170
Past Service cost	-	(99)
Curtailment Cost	(30)	-
Closing present value of liabilities	(15,139)	(11,501)

* includes changes to the actuarial assumptions

consists of net-cash-flow out of the Fund in respect of the employer, excluding contributions and any death in service lump sums paid, and including an approximate allowance for the expected cost of death in service lump sums.

Changes to the fair value of assets during the accounting period

	Period ending 31-Mar-21 £000	Period ending 31-Mar-20 £000
Opening fair value of assets	7,358	7,435
Interest income on assets	169	183
Actuarial gains/(losses) on assets	1,520	(598)
Contributions by employer	302	367
Contributions by participants	107	141
Net benefits paid out #	(402)	(170)
Closing fair value of assets	9,054	7,358

consists of net-cash-flow out of the Fund in respect of the employer, excluding contributions and any death in service lump sums paid, and including an approximate allowance for the expected cost of death in service lump sums.

Actual return on assets

Period ending	31-Mar-21 £000	31-Mar-20 £000	31-Mar-19 £000	31-Mar-18 £000	31-Mar-17 £000
Interest income on assets	169	183	165	152	164
Actuarial gain/(loss) on assets	(1,520)	(598)	746	48	726
Actual return on assets	(1,351)	(415)	911	200	890

14. Actuarial gains/ (losses) on Defined Benefit Pension Scheme (continued)

Analysis of amount recognised in STRGL

	31-Mar-21 £000	31-Mar-20 £000	31-Mar-19 £000	31-Mar-18 £000	31-Mar-17 £000
Total actuarial gains/(losses)	(1,563)	(943)	(293)	(120)	(216)
Total gain/(loss) in STRGL	(1,563)	(943)	(293)	(120)	(216)

History of asset values, present value of liabilities and surplus/deficit

Period ending	31-Mar-21 £000	31-Mar-20 £000	31-Mar-19 £000	31-Mar-18 £000	31-Mar-17 £000
Fair value of assets	9,054	7,358	7,435	6,160	5,697
Present value of liabilities	(15,139)	(11,501)	(10,028)	(8,099)	(7,245)
Surplus/(deficit)	(6,085)	(4,143)	(2,593)	(1,939)	(1,548)

The table below allocates pension changes (gains and costs) to the Statement of Comprehensive Income in accordance with the Charities SORP.

Description	Period ending 31-Mar-21 £000	Period ending 31-Mar-20 £000	Disclosed in:
Pension Service Changes			
<u>Liabilities</u>			
Current service cost	(558)	(818)	Other resources expended: note 11
Past service cost	-	(99)	
Curtailment Cost	(30)	-	
<u>Assets</u>			
Contributions by employer	302	367	Other incoming resources: note 8
Subtotal	(286)	(550)	
Pension Finance Changes			
<u>Liabilities</u>			
Interest cost	(262)	(240)	Other resources expended: note 11
<u>Assets</u>			
Expected return on assets	169	183	Other incoming resources: note 8
Subtotal	(93)	(57)	
Pension Changes total	(379)	(607)	
Analysis of amount recognised in STRGL*	(1,563)	(943)	
Change in Balance Sheet Liability	(1,942)	(1,550)	

15. Tangible Fixed Assets

The value of expenditure capitalised and the amounts depreciated during 2020/21 is summarised below:

	Leasehold Property Improvements £	Freehold Buildings £	Other Fittings & Equipment £	Total £
Cost				
At 1 April 2020	205,575	425,618	1,908,558	2,539,751
Transfer	83,345	(83,345)		0
Additions	0	0	238,191	238,191
Disposals	0	0	(885)	(885)
At 31 March 2021	288,920	342,273	2,145,864	2,777,057
Depreciation				
At 1 April 2020	(41,506)	(330,060)	(802,913)	(1,174,480)
Charge for the year	(16,725)	(1,357)	(200,664)	(218,746)
On Disposals	0	0	885	885
At 31 March 2021	(58,231)	(331,417)	(1,002,693)	(1,392,341)
Net book value				
At 1 April 2020	164,068	95,558	1,105,644	1,365,270
At 31 March 2021	230,688	10,856	1,143,171	1,384,715

16. Debtors

	Charity 2021 £	Charity 2020 £
Trade debtors	195,485	523,322
Leeds City Council	0	13,000
HMRC	131,803	96,554
Total - Debtors	327,288	632,876
Doubtful Debt Provision	(75)	(2,911)
Net Total	327,213	629,965

17. Creditors: Amounts Falling Due Within One Year

	Charity 2021 £	Charity 2020 £
Trade Creditors	(311,980)	(634,850)
Provisions	0	(9,821)
Advance Receipts	(4,177,250)	(5,729,027)
Leeds City Council	(109,008)	(414,283)
HMRC	(13,107)	(124,138)
Employees accumulating compensated absences	(57,873)	(34,738)
Total	(4,669,218)	(6,946,858)

18. Deferred Income

	Charity 2021 £	Charity 2020 £
Balance as at 1 April	(5,729,027)	(4,143,567)
incoming resources from charitable activities	10,477	8,848,988
Refunded to Patrons	2,828,493	0
Amount deferred in year	(1,287,194)	(10,434,448)
Balance as at 31 March	<u>(4,177,250)</u>	<u>(5,729,027)</u>

'Amount deferred in year' as shown above, comprises Box Office income from tickets and vouchers being sold in advance for around 90 performances and screenings.

19. Commitments under Operating Leases

At 31 March 2021 the Charitable Company's future minimum operating lease payments are as follows:

	Land and Buildings	
	2021	2020
Operating Leases which expire		
After more than 5 years	0	0
	Other Assets	
	2021	2020
Operating Leases which expire		
Within 1 year	1,379	654
Within 2 to 5 years	1,246	3,474
	<u>2,625</u>	<u>4,129</u>

20. Analysis of funds for Year Ending 31 March 2021

	At 31 March 2020 £	Income £	Expenditure £	Transfers & other recognised gains & losses £	At 31 March 2021 £
<u>Restricted Funds</u>					
Leeds Grand Theatre & Opera House:					
Restoration Fund	631,964	0	(213,906)	0	418,058
City Varieties Music Hall:					
Restoration Fund	115,049	423	0	0	115,472
Hyde Park Picture House					
Development Fund	239,148	49,536	(76,751)	0	211,932
Learning Department					
Emerald Grant	26,043	84,000	(92,635)	0	17,408
Other Grants	0	40,910	(40,910)	0	0
Other Income	0	13,075	(13,075)	0	0
Company					
Non-LCC Grants	0	0	0	0	0
LCC Grants	0	105,000	(105,000)	0	0
Total Restricted Funds	1,012,203	292,944	(542,277)	0	762,871
<u>Unrestricted Funds</u>					
Lifecycle & Planned Building	437,338	0	0	0	437,338
Charity	657,405	3,111,014	(3,522,639)	0	245,781
Pension Reserve	(4,143,000)	169,000	(548,000)	(1,563,000)	(6,085,000)
Total Unrestricted Funds	(3,048,257)	3,280,014	(4,070,639)	(1,563,000)	(5,401,881)
Total Funds	(2,036,054)	3,572,958	(4,612,915)	(1,563,000)	(4,639,010)

Unrestricted Funds are available for use at the discretion of the Directors in furtherance of the general objectives of the Company. The Lifecycle and Planned Building Works fund has been designated by Trustees to help fund the LGT Capital Programme.

Restricted Funds can only be used for particular restricted purposes within the objects of the Company. Restrictions arise when specified by the donor or when funds are received for a particular purpose. The use of the Restricted Funds is limited to the restoration and preservation of our venues, grant income from Emerald Publishing is limited to Learning activities, and arts@leeds grant is used to support our cultural and heritage offer.

Transfers and other recognised gains and losses represent the net actuarial gain or loss on the defined benefit pension scheme, this being the difference between the actuarial gain or loss on liabilities and the actuarial gain or loss on assets.

21. Analysis of funds for Prior Year (Ending 31 March 2020)

	At 31 March 2019 £	Income £	Expenditure £	Transfers & other recognised gains & losses £	At 31 March 2020 £
<u>Restricted Funds</u>					
Leeds Grand Theatre & Opera House:					
Restoration Fund	498,281	219,552	(85,868)	0	631,965
City Varieties Music Hall:					
Restoration Fund	119,061	37,514	(41,527)	0	115,049
Hyde Park Picture House					
Development Fund	330,057	233,275	(324,185)	0	239,148
Learning Department					
Emerald Grant	43,768	83,000	(100,725)	0	26,043
Other Grants	0	0	0	0	0
Other Income	0	59,276	(59,276)	0	0
Company					
Non-LCC Grants	0	44,574	(44,574)	0	0
LCC Grants	0	130,000	(130,000)	0	0
Total Restricted Funds	991,167	807,191	(786,155)	0	1,012,204
<u>Unrestricted Funds</u>					
Lifecycle & Planned	500,000	0	(62,662)	0	437,338
Charity	610,244	13,086,744	(13,039,583)	0	657,405
Pension Reserve	(2,593,000)	183,000	(790,000)	(943,000)	(4,143,000)
Total Unrestricted Funds	(1,482,756)	13,269,744	(13,892,244)	(943,000)	(3,048,256)
Total Funds	(491,589)	14,076,935	(14,678,399)	(943,000)	(2,036,052)

22. Analysis of Net Assets Between Funds for Year Ending 31 March 2021

	Tangible Fixed Assets £	Cash at Bank and In Hand £	Other Net Current Assets £	Pension Liability £	Total £
Unrestricted Funds					
Planned & Cyclical Maintenance	0	437,338	0	0	437,338
Charity Unrestricted Reserve	1,384,715	3,197,895	(4,336,828)	0	245,781
Pension Reserve	0		0	(6,085,000)	(6,085,000)
Sub-total	1,384,715	3,635,233	(4,336,828)	(6,085,000)	(5,401,881)
Restricted Funds					
Leeds Grand Theatre & Opera House: Refurbishment levy	0	418,058	0	0	418,058
City Varieties Music Hall: Preservation Levy	0	115,472	0	0	115,472
Hyde Park Picture House: Development Fund	0	211,932	0	0	211,932
Learning Department: Emerald Grant	0	17,408	0	0	17,408
Sub-Total	0	762,871	0	0	762,871
Total Funds	1,384,715	4,398,104	(4,336,828)	(6,085,000)	(4,639,010)

23. Analysis of Net Assets Between Funds for Prior Year (Ending 31 March 2020)

	Tangible Fixed Assets £	Cash at Bank and In Hand £	Other Net Current Assets £	Pension Liability £	Total £
Unrestricted Funds					
Planned & Cyclical Maintenance	0	437,338	0	0	437,338
Charity Unrestricted Reserve	1,365,270	5,571,926	(6,279,792)	0	657,404
Pension Reserve	0		0	(4,143,000)	(4,143,000)
Sub-total	1,365,270	6,009,264	(6,279,792)	(4,143,000)	(3,048,258)
Restricted Funds					
Leeds Grand Theatre & Opera House: Refurbishment levy	0	631,965	0	0	631,965
City Varieties Music Hall: Preservation Levy	0	115,049	0	0	115,049
Hyde Park Picture House: Development Fund	0	239,148	0	0	239,148
Learning Department: Emerald Grant	0	26,043	0	0	26,043
Sub-Total	0	1,012,204	0	0	1,012,204
Total Funds	1,365,270	7,021,468	(6,279,792)	(4,143,000)	(2,036,053)

24. Reconciliation of Operating Profit to Net Cash Inflow from Operating Activities

	2021 £	2020 £
Net Outgoing Resources	(1,039,957)	(601,464)
less: interest received	(20,609)	(46,777)
Operating Profit/(Loss)	(1,060,567)	(648,241)
(Decrease)/Increase in pension costs (FRS102)	379,000	607,000
Depreciation charge	218,746	195,065
Net disposal of fixed assets	0	1,625
Decrease/(Increase) in stocks	31,925	(2,176)
Decrease/(Increase) in debtors	302,753	(16,311)
(Decrease)/Increase in creditors	(2,277,640)	1,830,502
Net Cash Inflow from Operating Activities	(2,405,783)	1,967,465

25. Reconciliation of Net Cash Flow to Movements in Net Funds

	2021 £	2020 £
Increase/(Decrease) in cash in the year	(2,623,365)	1,278,672
Net funds at beginning of year	7,021,469	5,742,797
Net funds at end of year	4,398,104	7,021,469

26. Going Concern

The Directors consider the charitable Company to be a going concern and the financial statements have been prepared on that basis. In reaching this conclusion the Directors have taken into account a number of factors, including the current uncertainties facing the Company due to the Covid 19 pandemic. The Company is in dialogue with key stakeholders to arrange appropriate additional support and has also utilised, and continues to benefit from, the various support mechanisms provided by the UK government, in particular the Job Retention Scheme Grant and CRF Round 1 Grants. In addition CRF Round 2 has been awarded and utilised for the period April to June 2021 with a further significant sum from CRF Round 3 relating to the period November 2021 onwards.

The re-opening strategy for our theatres was successfully implemented in May and June, ensuring the safety of staff and patrons as far as possible, whilst maintaining the financial sustainability of the Company. Forecasts have been prepared to March 2023 modelling a number of scenarios which show that, with cost control measures in place, and the level of reserves, the Company can continue to operate as a going concern.

The Directors have also considered the impact on the business and the ongoing support measures in their forecasts and are aware that if further restrictions are introduced, the level of impact may change, but have determined that Unrestricted Funds are sufficient to see the Company through a period of economic downturn.

26. Going Concern (continued)

Excluding the pension fund liability, the Company now has Unrestricted Funds of £684k and Restricted Funds of £790k, this exceeds the target levels set by Directors and is regarded as a considerable success.

It is recognised that under the terms of the Leeds Grand Theatre lease, the Company is responsible for ensuring that the whole of the premises is kept in good and tenable repair and condition. The Company has an effective capital programme of works, and is working closely with the City Council in order to ensure compliance with these lease obligations.

The Directors have received confirmation from the City Council that it will continue to grant fund the Company in accordance with the terms of the four-year grant funding agreement (April 2018 to March 2022).

Emerald Publishing have awarded the Company a grant agreement for a period of three years, until July 2023.

The Board also has regard to the pension liability disclosed in the financial statements. Under the terms of the Guarantee Agreement between Leeds City Council and the Administering Authority of the West Yorkshire Pension Fund dated 1978, Leeds City Council acts as guarantor to the Company in respect of its pension liabilities. If the Company ceased to operate, the pension liability would revert to Leeds City Council.

With consideration of the points described above, the Directors have concluded that the charitable Company can continue to operate as a going concern basis.

27. Residency Licence

Leeds Grand Theatre & Opera House Limited has a residency licence with Opera North Limited. For the purposes of this note, Leeds Grand Theatre & Opera House Limited is the licensor and Opera North Limited the licensee.

Under the terms of this licence, Leeds Grand Theatre & Opera House permits Opera North Limited to use the Grand Theatre premises for a maximum of 23 residency weeks per year. Opera North Limited are entitled to have first call on booking its residency weeks but no part of a residency week may fall within the Company's priority window.

The weekly licence fee from 2010/11 was £30,300, rising in line each year with RPI. The licence is due to terminate on the 31st December 2035.