



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

## 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 Property & Technical
Rachel Lythe	Head of Learning

<b>Treasurer</b>	Alan Gay, c/o Leeds Grand Theatre & Opera House Ltd, 46 New Briggate, Leeds LS1 6NU
<b>Auditors</b>	Sagars Accountants Ltd, Gresham House, 5-7 St Pauls Street, Leeds, LS1 2JG
<b>Bankers</b>	NatWest Bank, 8 Park Row, Leeds, LS1 6QB
<b>Solicitors</b>	Professional Legal Services, Leeds City Council, St George House, Leeds

## **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:

<b>Item</b>	<b>31 March 22 £000s</b>	<b>31 March 21 £000s</b>
Operating (Deficit) / Surplus	<b>(632)</b>	(388)
Net movement to and from Funds	<b>2,255</b>	(249)
The revaluation of the company's pension fund liability resulting in an additional cost being recognised in the Statement of Comprehensive Income	<b>1,596</b>	(1,942)
Employees accumulating compensated absences	<b>10</b>	(23)
<b>Total as per Statement of Comprehensive Income</b>	<b>3,229</b>	(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.

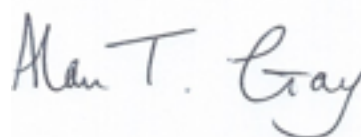
Approved by the directors on and signed on their behalf by

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: 3<sup>rd</sup> November 2022



Date: 3<sup>rd</sup> 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](http://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
<b>INCOME</b>					
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>	
<b>EXPENDITURE</b>					
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)	
<b>OTHER RECOGNISED GAINS/LOSSES</b>					
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>	
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward	(5,401,881)	762,871	(4,639,010)	(2,036,053)	
<b>Total funds carried forward</b>	<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

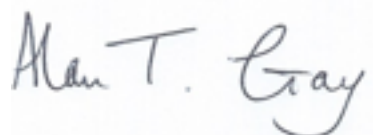
	Charity 2022 £	Charity 2021 £	Notes
Fixed assets			
Tangible assets	2,851,554	1,384,715	15
Investment	0	0	
	<u>2,851,554</u>	<u>1,384,715</u>	
Current assets			
Stock	31,181	5,176	
Debtors	2,199,365	327,213	16
Cash	<u>4,734,791</u>	<u>4,398,104</u>	25
	<u>6,965,337</u>	<u>4,730,492</u>	
Creditors			
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
<b>Net assets</b>	<u><b>(1,410,328)</b></u>	<u><b>(4,639,010)</b></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
<b>Total Funds</b>	<u><b>(1,410,328)</b></u>	<u><b>(4,639,010)</b></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: 3<sup>rd</sup> November 2022

Date: 3<sup>rd</sup> 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
<b>(Decrease) / Increase in cash</b>	<b>336,688</b>	<b>(2,623,365)</b>	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 25<sup>th</sup> 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
<b>INCOME</b>					
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>	
<b>EXPENDITURE</b>					
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)	
<b>OTHER RECOGNISED GAINS/LOSSES</b>					
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>	
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward	(3,048,257)	1,012,204	(2,036,053)	(491,589)	
<b>Total funds carried forward</b>	<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
<b>Total</b>	<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
<b>Males</b>		
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
<b>Females</b>		
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 31<sup>st</sup> 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	(5,576,382)	(4,177,250)

'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:

	<b>Land and Buildings</b>	
<b>Operating Leases which expire</b>	2022	2021
After more than 5 years	0	0

	<b>Other Assets</b>	
<b>Operating Leases which expire</b>	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 £
<b><u>Restricted Funds</u></b>					
<b>Leeds Grand Theatre &amp; Opera House:</b>					
Restoration Fund	418,058	91,982	(94,106)	0	415,934
<b>City Varieties Music Hall:</b>					
Restoration Fund	115,472	27,951	(12,661)	0	130,762
<b>Hyde Park Picture House</b>					
Development Fund	211,932	1,386,821	(26,309)	0	1,572,447
<b>Learning Department</b>					
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
<b>Company</b>					
Non-LCC Grants	0	615,598	(112,998)	0	502,600
LCC Grants	0	43,000	(43,000)	0	0
<b>Total Restricted Funds</b>	<b>762,870</b>	<b>2,269,368</b>	<b>(410,497)</b>	<b>0</b>	<b>2,621,744</b>
<b><u>Unrestricted Funds</u></b>					
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)
<b>Total Unrestricted Funds</b>	<b>(5,401,881)</b>	<b>8,862,999</b>	<b>(9,857,191)</b>	<b>2,364,000</b>	<b>(4,032,073)</b>
<b>Total Funds</b>	<b>(4,639,010)</b>	<b>11,132,370</b>	<b>(10,267,688)</b>	<b>2,364,000</b>	<b>(1,410,328)</b>

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 £
<b><u>Restricted Funds</u></b>					
<b>Leeds Grand Theatre &amp; Opera House:</b>					
Restoration Fund	631,964	0	(213,906)	0	418,058
<b>City Varieties Music Hall:</b>					
Restoration Fund	115,049	423	0	0	115,472
<b>Hyde Park Picture House</b>					
Development Fund	239,148	49,536	(76,751)	0	211,932
<b>Learning Department</b>					
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
<b>Company</b>					
Non-LCC Grants	0	0	0	0	0
LCC Grants	0	105,000	(105,000)	0	0
<b>Total Restricted Funds</b>	<b>1,012,203</b>	<b>292,944</b>	<b>(542,277)</b>	<b>0</b>	<b>762,871</b>
<b><u>Unrestricted Funds</u></b>					
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)
<b>Total Unrestricted Funds</b>	<b>(3,048,257)</b>	<b>3,280,014</b>	<b>(4,070,639)</b>	<b>(1,563,000)</b>	<b>(5,401,881)</b>
<b>Total Funds</b>	<b>(2,036,054)</b>	<b>3,572,958</b>	<b>(4,612,915)</b>	<b>(1,563,000)</b>	<b>(4,639,010)</b>

## 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 £
<b>Unrestricted Funds</b>					
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)
<b>Restricted Funds</b>					
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
<b>Total Funds</b>	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 £
<b>Unrestricted Funds</b>					
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)
<b>Restricted Funds</b>					
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
<b>Total Funds</b>	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 tenable 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 31<sup>st</sup> December 2035.