



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

Financial Statements and Annual Report 2023/24

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

CITY VARIETIES
MUSIC HALL • LEEDS

The
GRAND
Theatre & Opera House Leeds

Leeds Heritage Theatres

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

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Reference and Administrative Information

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| Company Name | Leeds Heritage Theatres (with effect from 8 July 2024 formerly Leeds Grand Theatre & Opera House Limited) |
| Company Registration Number | 00978161 |
| Charity Registration Number | 500408 |
| VAT Number | 333 4718 09 |
| Registered Office | Leeds Heritage Theatres, 46 New Briggate, Leeds LS1 6NU |

Trustees

| | |
|----------------------------|---------------------------|
| Mr. Alan Gay O.B.E. | |
| Mr. Robert Gettings M.B.E. | |
| Mr. Neil Clephan | |
| Mr. Kris Brewster | |
| Mr. Peter Wilkinson | Resigned 31 August 2024 |
| Councillor Jane Dowson | |
| Councillor Peter Harrand | Resigned 27 April 2023 |
| Councillor Denise Ragan | Resigned 27 April 2023 |
| Ms. Anna Franks | |
| Ms. Rebecca Morgan | |
| Ms. Madeleine Robinson | |
| Councillor Ryan Stephenson | Appointed 8 August 2023 |
| Mr. Martin Farrington | Appointed 6 November 2024 |

Senior Management Team

| | | |
|------------------|---|------------------------|
| Vicky Cheetham | Chief Executive | Appointed 3 June 2024 |
| Chris Blythe | Chief Executive | Resigned 31 March 2024 |
| Anne Harrison | Head of Support Services | |
| Ian Sime | Grand Theatre and City Varieties Music Hall General Manager | |
| Anne Shaw | Head of House Management | |
| Wendy Cook | Head of Cinema | |
| Julie Wainwright | Head of Finance | |
| Amy Sanderson | Head of Communications | |
| Alan Dawson | Head of Property & Technical | |
| Rachel Lythe | Head of Learning | |

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

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

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

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

Trustees' Report for the year ended 31 March 2024

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

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102, effective 1 January 2019).

1.0 Reference and Administrative Details

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

2.0 Our Objectives and Activities

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

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

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

The over-arching aims of the Company are to:

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

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

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

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

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

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

3.0 Delivering Public Benefit

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

3.1 Advancing the Arts

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

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

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

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

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



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

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

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

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

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

3.2 Advancing Education

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

Highlights include:

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

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

3.4 Preservation and Enhancement of our Venues and Infrastructure

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

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

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

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

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

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

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

4.0 Achievements and Performance

4.1 Performance Information

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

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

4.2 Employees

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

4.3 Contribution Made by the Company's Volunteers

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

4.4 Contribution Made by the Company's Friends

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

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

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

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

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



Strategic Report

1.0 Financial Summary

1.1 Position as at 31 March 2024

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

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

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

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

1.2 Funds Position

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

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

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

1.3 Principal Funding Sources and Expenditure

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

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

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

1.4 Reserves Policy

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

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

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

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

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

1.5 Pension Payments

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

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

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

1.6 Investment Powers and Policy

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

2.0 Principal Risks and Uncertainties Facing the Business

2.1 Governance Arrangements

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

2.2 Risk Register

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

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

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

3.0 Plans for the Future

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

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

- **Extraordinary Stories**

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

- **Rooted in Leeds**

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

- **Thriving Future**

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

- **Responsible Growth**

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

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

3.1 Strategic Planning

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

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

3.2 Our Venues

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

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

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

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

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

3.3 Fundraising

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

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

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

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

4.0 Structure, Governance and Management

4.1 Structure

Leeds Heritage Theatres is a Company with no subsidiaries.

4.2 Governing Document

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

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

4.3 Recruitment and Appointment of Trustees

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

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

4.4 Organisation

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

4.5 Related Parties

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

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

4.6 Pay Policy for Senior Staff

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

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

4.7 Risk Management

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

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

5.0 Preparation of the Financial Statements

5.1 Trustees' Responsibilities

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

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

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

5.2 Statement as to Disclosure to our Auditors

In so far as the Trustees are aware:

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

5.3 Auditors

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

Approved by Trustees and signed on their behalf by



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

Date 27/11/2024



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

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

Opinion

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

In our opinion, the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report and strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report and strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report or the strategic report.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Trustees for the Financial Statements

As explained more fully in the Trustees' responsibilities statement, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Our responsibilities for the audit of the financial statements

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

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

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

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

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

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

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

Use of our report

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

Jessica Lawrence

Jessica Lawrence
Senior Statutory Auditor

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

12 King Street
Leeds
LS1 2HL

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

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

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

BALANCE SHEET AS AT 31 MARCH 2024

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

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



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

Date 27/11/2024



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

Company Registration Number – 00978161

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

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2024

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

RECONCILIATION OF NET CASH FLOW TO MOVEMENTS IN NET FUNDS

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

Notes

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

1. Charity Information

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

2. Accounting Policies

a) Basis of Accounting

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

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

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

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

b) Going Concern

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

c) Taxation

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

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

d) Income

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

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

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

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

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

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

e) Financial Instruments

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

f) Expenditure

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

g) Pension Costs

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

h) Additional Pension Disclosures

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

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

i) Depreciation

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

Depreciation rates are:

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

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

j) Stock

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

k) Cash/Cash Equivalents

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

l) Debtors

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

m) Creditors

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

n) Governance Costs

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

o) Fund Accounting

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

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

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

p) Operating Lease

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

q) Capital Commitments

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

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

r) Judgements and Estimations Policy

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

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

3. Related Party Transactions

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

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

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

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

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

4. Statement of Financial Activities for the Prior Year

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

5. Donations and Grants

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

6. Investment Income

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

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

7. Income from Charitable Activities

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

8. Other Income

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

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

9. Allocation of Support Costs

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

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

10. Analysis of Charitable Expenditure

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

11. Other Expenditure

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

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

12. Net Income for the Year

This is stated after charging:

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

13. Staff Costs

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

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

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

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

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

Average Number of Employees During the Year

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

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

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

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

Introduction

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

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

Contributions for the accounting period ending 31 March 2024

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

Assumptions

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

Principal financial assumptions (% per annum)

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

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

Mortality assumptions

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

Post retirement mortality (retirement in normal health)

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

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

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

Commutation

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

Reconciliation of Funded Status to Balance Sheet

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

Analysis of the Profit and Loss charge

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

Actuarial Gains / (Losses)

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

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

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

Changes to the present value of liabilities during the accounting period

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

* includes changes to the actuarial assumptions

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

Changes to the fair value of assets during the accounting period

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

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

Actual return on assets

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

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

Analysis of amount recognised in Statement of Financial Activities

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

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

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

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

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

15. Tangible Fixed Assets

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

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

16. Debtors

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

17. Creditors: Amounts Falling Due Within One Year

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

18. Deferred Income

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

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

19. Commitments under Operating Leases

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

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

20. Analysis of funds for Year Ending 31 March 2024

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

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

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

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

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

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

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

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

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

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

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

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

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

25. Going Concern

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

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

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

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

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

25. Going Concern (continued)

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

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

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

26. Residency Licence

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

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

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