NEWCASTLE THEATRE ROYAL TRUST LIMITED

England & Wales · Charity number 504473

Details

Other names	NEWCASTLE THEATRE ROYAL LIMITED, THEATRE ROYAL NEWCASTLE
Status	Registered
Legal form	Charitable company
Company number	01217427
Registered	1975-08-14
Register	View on the Charity Commission register

Contact

Address	Theatre Royal 100 Grey Street Newcastle Upon Tyne NE1 6BR
Phone	01912442500
Email	colin.johnston@theatreroyal.co.uk
Website	www.theatre.royal.co.uk

Activities

Objects: TO PROMOTE,MAINTAIN,IMPROVE AND ADVANCE EDUCATION PARTICULARLY BY THE PRODUCTION OF EDUCATIONAL PLAYS AND THE ENCOURAGEMENT OF THE ARTS,INCLUDING THE ARTS OF DRAMA,MIME,DANCE,SINGING AND MUSIC AND TO FORMULATE,PREPARE AND ESTABLISH SCHEMES THEREFORE PROVIDING THAT ALL OBJECTS OF THE COMPANY SHALL BE EXCLUSIVELY CHARITABLE.

Activities: A leading presenting theatre and music venue whose aim is to bring entertainment and inspiration to the North East through offering a programme of quality and diversity covering all major art forms.

Downloaded from opencharities.uk/ew/504473

Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services, Other Charitable Activities
- **What:** Education/training, Arts/culture/heritage/science, Recreation
- **Who:** Children/young People, The General Public/mankind

Geography

- **Area of benefit:** NOT DEFINED IN PRACTICE NEWCASTLE UPON TYNE
- Newcastle Upon Tyne City

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£16,274,466	£15,340,484	£7,636,136	229
2024-03-31	£15,996,798	£15,649,151	£6,702,155	158
2023-03-31	£17,281,991	£15,626,400	£6,354,507	188
2022-03-31	£7,338,549	£8,065,988	£1,558,916	158
2021-03-31	£4,475,821	£4,015,038	£646,355	150

Trustees

Name	Role	Appointed
NICHOLAS ROGER SWALES	Chair	2018-10-12
ANDREW ROBERTS		2023-06-05
Alison Currie		2025-09-09
Alison Jones		2023-06-05
Carolyn Sarah Jane Ramsbotham		2025-06-03
Dorothy Patricia Alexander		2025-09-03
Dr Ben Fletcher-Watson		2020-01-24
JULIE BLACKIE		2017-09-29
Lorna Edwards		2019-10-11
Raymond Mills		2017-07-25
Scott Holland		2019-12-13

Downloaded from opencharities.uk/ew/504473

NEWCASTLE THEATRE ROYAL TRUST LIMITED

England & Wales - Charity number 504473

Accounts

Docusign Envelope ID: 36E260A6-465E-4E82-9E08-DEDACA19A179

Newcastle Theatre Royal Trust Limited

(a company limited by guarantee)

Annual Report and Financial Statements

for the year ended 29 March 2025

Registered Number: 01217427

Charity Number: 504473

Docusign Envelope ID: 36E260A6-465E-4E82-9E08-DEDACA19A179

Newcastle Theatre Royal Trust Limited

Contents

Legal and administrative details 2
Trustees Report (including Strategic Report) for the year ended 29 March 2025 3
Statement of Trustees Responsibilities....13
Independent Auditors Report to the Members of Newcastle Theatre Royal Trust Ltd....14
Consolidated Statement of Financial Activities for the year ended 29 March 2025 17
Consolidated Balance Sheet as at 29 March 2025 21
Company Balance Sheet as at 29 March 2025....20
Statement of Cash Flows for the year ended 29 March 2025 23
Notes to the financial statements for the year ended 29 March 2025....24

Docusign Envelope ID: 36E260A6-465E-4E82-9E08-DEDACA19A179

Legal and administrative details

Registered charity number: 504473

Registered company number: 01217427

Trustees

Nicholas Swales, OBE, DL (Chair)
Julie Blackie
Lorna Edwards
Ben Fletcher-Watson
Scott Holland
Raymond Mills
Andrew Roberts
Alison Jones
Carolyn Ramsbotham (appointed 7th July 2025)
Patricia Alexander (appointed 8th September 2025)
Alison Currie (appointed 8th September 2025)

Chief Executive

Marianne Locatori

Management Team

Jo Kirby	Director of Audience & Communications
Siobhan Lightfoot	Director of Operations
Colin Johnston	Director of Finance

Company Secretary

Colin Johnston

Bankers

HSBC UK Bank plc
3rd Floor
Central Square South
Orchard Street
Newcastle upon Tyne
NE1 3AZ

Independent Auditors

Azets Audit Services
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Principal address and registered office

Newcastle Theatre Royal Trust Limited
100 Grey Street
Newcastle upon Tyne
NE1 6BR

Docusign Envelope ID: 36E260A6-465E-4E82-9E08-DEDACA19A179

Trustees' report for the year ended 29 March 2025

The Trustees (who are also the directors for the purpose of company law) submit their report including the Strategic Report and the audited financial statements of Newcastle Theatre Royal Trust Limited ("the Trust") for the year ended 29 March 2025.

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

Structure, governance and management

The Trust is a charitable company limited by guarantee and is a registered charity. The members have no shareholdings, but in the event of a winding up they have each undertaken to contribute to the payment of liabilities, such amount as may be required, not exceeding a total of £1.

The Trust is governed by its Articles of Association (last amended by special resolution on 13 December 2019). As stated in the Articles of Association, the Trust shall have up to eleven Trustees who shall be appointed at the Annual General Meeting. Trustees are appointed for a three-year term of service, with reappointment being permitted provided that the maximum period of service is three three-year terms.

The Board of Trustees normally meets five times per year which includes an annual away day, and all major decisions are put forward for consideration at Board Meetings. There is a Finance & General Purposes Committee, with a membership of up to five Board Members, which normally meets five times per year and is from time to time given delegated authority for certain matters, including Health & Safety. Other specific committees are created for specific purposes and projects, as necessary. The senior management team are responsible for the day-to-day running of the charity.

Where there is a vacancy for the role of Chair, Vice Chair or Trustee, the Board will appoint a recruitment committee of three of its members, to receive nominations and undertake interviews, and to make a recommendation to the Board. Nominations for Chair and Vice Chair shall be from within the membership of the Trust, nominations for Trustees may be sought by a combination of public advertisement and nominations from Trustees and the Trust's management.

New Trustees have a full induction which includes meeting with the Chair, Chief Executive and Senior Leadership team and a briefing is given on the organisation and its practices and procedures, as well as the responsibilities of Trustees. An introduction to the operational aspects of the Trust is given together with a tour of the Theatre Royal and all new Trustees receive a comprehensive induction pack. Specific training for all Trustees is also arranged as required.

The Trustees set the salary and remuneration package for the Chief Executive taking into account industry norms and the need to attract high quality candidates. The salaries of the Trust's key management personnel are set by the Chief Executive in conjunction with the Finance & General Purposes Committee. Both are benchmarked against salaries of comparable positions in the industry. Subsequently any increase is generally in line with any pay award made to all staff.

All Trustees give their time freely and receive no remuneration.

The Trustees are responsible for maintaining a sound system of internal control in order to safeguard the assets of the charity.

Docusign Envelope ID: 36E260A6-465E-4E82-9E08-DEDACA19A179

Trustees' report for the year ended 29 March 2025 (continued)

An annual budget is presented and approved by the Board in March each year, having been reviewed in advance by the Finance & General Purposes Committee. Management accounts in which actual results are compared against budgeted results are prepared and circulated to the Management Team monthly and Trustees at each board meeting. One volunteer assists the Trust as an archivist, and the Trustees and senior management team are very grateful for the contributions made by our volunteer.

Objectives and activities

The Trust's primary charitable objectives are to promote, maintain, improve, and advance education, particularly by the production of educational plays and encouragement of the arts, including the arts of drama, mime, dance, singing and music.

This is normally achieved by the presentation of a wide-ranging programme of quality drama, dance, musicals, opera, ballet, pantomime, live music and comedy performed in the 1,247 seat, Grade 1 Listed, Theatre Royal, alongside a creative engagement programme that is embedded at the heart of the overall creative programme.

The performance programme is a careful balance of creative endeavour, commercial success, and financial prudence, to ensure that a key source of income, ticket sales, makes a significant contribution to the cost of operating and maintaining the Theatre Royal building.

The Trustees have complied with the duty in the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission. In delivering its objectives, the Trust achieves its charitable purposes for the benefit of the public.

Strategic Report

The Strategic Plan for the organisation is based on the foundation of:

Our Vision: A love of theatre for everyone, that lasts a lifetime.

Our Mission: To create moments of magic on and off stage, through an ambitious creative programme for audiences and communities across the Northeast. Our landmark theatre in the heart of Newcastle is a place where everyone is welcome and a space for all to enjoy.

This vision and mission are supported by five values, which are embedded in ways of working, employment practices, performance management, and strategic planning.

Our Values:

Ambitious

We are ambitious in all that we do: excellence and quality are pre-requisites, and we endeavour to be the best that we can be.

Inclusive

We celebrate diversity: we welcome and respect difference voices and perspectives knowing that together we can achieve more.

Collaborative

We value trust: we embrace partnership working to achieve and celebrate shared success.

Creative

We nurture creativity: we recognise and celebrate imagination and originality in everyone.

Progressive

We are forward thinking: we look to the future and embrace change.

Docusign Envelope ID: 36E260A6-465E-4E82-9E08-DEDACA19A179

Trustees' report for the year ended 29 March 2025 (continued)

Underpinning the strategy are guiding principles that are the lenses through which we plan and deliver all activity. This framework continues to influence the implementation and development of key organisational strategies.

People: Our success is driven by our people. We support and develop our teams and Trustees to be a talented and diverse workforce, empowered and appropriately skilled to deliver and support our creative programme, our creative engagement programme, and commercial operations. We value our teams' health and well-being, and we look to take care of the 'people experience' at NTR.

Financial Resilience: We embrace an entrepreneurial approach to broadening our income streams, increasing trading, and developing new income generating opportunities. The areas of current financial focus are commercial operations, fundraising and development ticket income – particularly growth in customer loyalty and membership.

Place: We are a cultural hub in the city centre, welcoming audiences from across the Northeast. We reflect and are representative of our distinctive region and communities on and off stage. We want to ensure our theatre building is open and accessible for everyone to enjoy more of the time.

Process: We will embrace change and focus on continuous improvement, always looking to modernise and digitise where possible. Partnership working is inherent in all our programmes and we welcome collaboration to support growth.

Sustainability: We value and respect the environment and take responsibility to ensure our policies and actions contribute to improved sustainability.

Our key strategic objectives

- *To present a creative programme of quality and excellence*

  Our programme on stage is rooted in quality; it is ambitious and embraces diversity. We are the largest Theatre in Newcastle and draw our diverse audiences from across the Northeast and, in order to serve these communities, our programme will present a broad range of the best regional, national, and international drama, dance, musicals, opera and pantomime. We will explore collaboration to facilitate or open new musical or drama productions, and we will develop a programming strategy for our smaller studio space.

- *To produce a creative engagement programme providing pathways and opportunities for communities in Newcastle.*

  Our Creative Engagement programme sits at the heart of our overall Creative Programme, providing participants with pathways to find their own creativity, support their personal and professional development, improve well-being, and provide positive health outcomes. The work is focused on four areas: Young People, Community, Talent Development and Schools.

- *The Theatre is a public space in the city that is welcoming and accessible.*

  Our theatre building is a great asset for the city, and we are proud custodians of one of its recognisable landmarks. Noting and accepting the challenges presented by the Grade 1 listing, we will develop its earning potential whilst aiming to maximise access and provide opportunity for everyone to enjoy the building. We will endeavour to ensure our Theatre is a place to create, to connect, to feel safe in, to inspire and a place to have fun.

Docusign Envelope ID: 36E260A6-465E-4E82-9E08-DEDACA19A179

Trustees' report for the year ended 29 March 2025 (continued)

Achievements and performance

On Stage

We welcomed 317,456 audience members to see shows, presenting 64 productions and 391 performances across a range of genres. 41% of our audience came to see musical theatre, 27% for pantomime, 6% for dance, 22% for drama, and 4% for other performances such as comedy.

Building on the success of launching a new pantomime last year, we premiered another new pantomime production this year, produced by Michael Harrison (Crossroads Pantomimes) – *The Little Mermaid*. Selling 91% of occupancy we welcomed 84,000 people to see this magical production.

Musicals continued to be a key genre, generating strong audience numbers and ticket sales. Highlights include *The Wizard of Oz* (84% occupancy), *Chitty Chitty Bang Bang* (72% occupancy), *Grease* (86% occupancy), *Chicago* (93% occupancy), *Hairspray* (89% occupancy) and *Only Fools and Horses* (93% occupancy).

We are steadily building a dance audience, and this genre plays a prominent part of our on-stage programme mix. As a member of the Dance Consortium, we welcomed two world class international dance companies to Newcastle – Nigeria's Q Dance Company with *Re:Incarnation* and South Korean choreographer Eun-Me Ahn with *Dragons.* Both productions contributed to the variety of work on our stage and the diversity of our audiences.

Two of Matthew Bourne's critically acclaimed productions from New Adventures were in this financial year – *Edward Scissorhands* and Bourne's masterpiece *Swan Lake*, the latter celebrating its 30th anniversary. These productions sold over 27,000 tickets over two separate two week runs in Newcastle. We created several additional engagement and talent development opportunities, in partnership with New Adventures, aligned with both productions. These included masterclasses and a response piece performed as part of the programme; there were 22 pre-professional dancers who performed, and two local jobs were created for professional choreographers. Two week-long technical placements working with both the Matthew Bourne and Newcastle Theatre Royal technical teams and crew, supporting 4 individuals. After the show, Question & Answer sessions with dance companies welcomed over 300 people to find out more about the production they had seen.

We also welcomed Rambert with *Death Trap* - a welcome return to the Theatre Royal after a number of years, alongside Northern Ballet and Scottish Ballet.

Ensuring the shows we produce or present on stage are relevant and representative of the stories and communities in the Northeast is important, and this year we presented three productions which have not only contributed to our programme of excellence on stage but also to nurturing and celebrating local talent.

Wor Bella, written by Ed Waugh, told the incredible and important story of Blyth Spartans Ladies winning the Munitionettes Women's Football Cup during WW1, a timely production given the rising prominence of women's football today.

A further celebration of 'the national game' saw us co-produce with Eastlake Productions to upscale Gerry & Sewell, which had previously performed at Laurels Theatre, Whitley Bay and Live Theatre, Newcastle. Based on Jonathan Tulloch's novel, *The Season Ticket*, which subsequently became the cult Geordie film *Purely Belter*, the new production of *Gerry & Sewell*, produced, written and directed by Jamie Eastlake, sold 5,000 tickets, welcoming a new audience, many of whom had never been to the Theatre before. It demonstrated a collaboration of Northeast talent and creative ambition.

Docusign Envelope ID: 36E260A6-465E-4E82-9E08-DEDACA19A179

Trustees' report for the year ended 29 March 2025 (continued)

Partnering with award-winning West End producer David Pugh, alongside Cunard, we co-produced Isobel McArthur's Olivier Award winning comedy drama *Pride & Prejudice *(*sort of).* Premiering in Newcastle prior to a UK and international tour, casting sessions were held at the Theatre Royal to ensure Northeast based actors had the opportunity to audition. Two actors from the Northeast were successfully cast in the all-female ensemble from the audition held in Newcastle.

We also presented a number of leading new touring drama productions including *The Player Kings* starring Sir Ian McKellen (who unfortunately had to pull out due to injury), *The Shark Is Broken*, direct from the West End and *The Lion, The Witch and The Wardrobe,* which sold to 88% occupancy.

We welcomed 26,699 new attenders to see a production on stage and in total sold 72% occupancy across the year. Our average ticket price paid was £32.47.

Creative Engagement

At the centre of our vision and mission is our Creative Engagement programme. This year we have further developed our programmes of work to engage with our local communities, collaborate with organisations to engage with under-served groups and nurture relationships with schools in economically deprived areas. We have also continued to provide pathways and opportunities to support and nurture creative talent and the industry's future workforce here on our doorstep.

In 2024/25, we have worked directly with many individuals through practical workshop activities within the Theatre, a further 3,219 school age pupils in their school settings and over 500 adult participants in community settings. We opened the doors to our backstage areas and welcomed 690 people to participate in 23 Insight visits which enabled them to get a glimpse into how the theatre works.

We continued to develop our partnership with West End Schools Trust (WEST), a charitable company of primary schools and partner organisations located in the west end of the city of Newcastle upon Tyne. We have delivered weekly workshops at the Theatre (with free transport provided from the school) for pupils from years 3 to 5 across the nine schools, engaging with over 180 pupils across the year. In addition, we delivered 9 five-week residences in WEST schools focussing on the novel Pig Heart Boy which included gifting almost 500 young people tickets to watch the show – for many this was their first experience of live theatre.

We continued our partnership with both Twisting Ducks, a Northeast charity that aims to change the lives of people with learning difficulties and autism supporting 27 individuals across 85 events at the Theatre, and Newcastle College, working with neurodivergent young adults and those with additional learning needs, to develop confidence, social and performance skills.

We introduced our new Theatre Royal Youth (TRY) programme which included redeveloping our Youth Theatre Programme (engaging with 405 young people) and introducing a new Youth Company (15 young people) who represented the Theatre Royal in the National Theatre's Connections Festival, which was also held at the Theatre.

Our Summer School programme saw 119 young people from across the region participate in a number of week-long, performing arts projects including creating a play in a week, exploring backstage roles, a five-day film challenge and musical theatre showcase.

In total 4,901 young people participated in our creative engagement activity in 2024/25.

Docusign Envelope ID: 36E260A6-465E-4E82-9E08-DEDACA19A179

Trustees' report for the year ended 29 March 2025 (continued)

Project A - 15 young people from across the Northeast successfully auditioned to join our actor training programme for the year long course. Benefiting from insight and tuition from visiting theatre directors, producers and creative teams, they also performed in the Studio 12 times over the 12-month course, gaining valuable on-stage experience.

Over 90% of the graduates have gone on to continue their training in Drama School settings or have received professional representation, working in the industry from graduation.

We are a proud partner of Newcastle City Council's Evry programme, which seeks to make Newcastle a place where every baby, child and young person can feel happy & healthy, ready for their next steps, safe and heard. We continue to welcome young people and their families, who would have been otherwise unable to attend, to the preview performance of our pantomime, *The Little Mermaid*, with over 900 people enjoying the experience this year.

Our commitment to introducing new audiences and providing opportunities for as many people as possible to enjoy and experience live theatre continues, and the introduction of our special 'Under 30s' ticket price has resulted in 3,776 young people aged 18-30 being able to access productions for £10.

The Theatre Building

A key objective is for the Theatre to be open to more people more of the time, ensuing the building is an inclusive and accessible space that maximises its enviable position in the city centre.

As part of this objective and directly supporting better financial resilience, we opened 100 Grey Street – a new café and wine bar in the former old booking office, recently returned to the Trust after being leased to tenants for some time. The new space opened in December 2024 and whilst initial trading surplus in the first 3 months was modest, early signs are strong, and income growth is anticipated once the operation is established over the coming year.

Work started in earnest during the year to develop the feasibility, designs, and concepts for the new hospitality space in Market Street, (previously leased to tenants and operating as DatBar), with a view to opening during the 2025/26 financial year.

The trading in the new hospitality space will be carried out by the new wholly owned subsidiary NTR Green Room Limited that has carried out all commercial operations since 1st April 2025.

Financial review

The Trust's income was £16,274,466 compared to £15,996,798 the previous year (2024). The resulting surplus £933,982 is a good result in the continued challenging climate of increased costs for presenting the work on stage, staffing costs and overheads. The strong financial performance is a result of higher-than-expected attendances with higher ticket yield, strong trading revenue, an increased return on investments (cash), and the removal of one-off strategic costs compared to the previous financial year.

The income generated by the foyer bar sales resulted in £738,632 net income to support the Theatre's operation.

Due to the continued higher level of interest rates, the Trust benefited with interest received of £714,036. This income contributed significantly to the year-end surplus, but it should be noted that this income may not be sustainable mid to long term as cash balances change and will reduce, all things being equal, if interest rates fall. Therefore, a focus on generating new income streams for the Trust is essential to generate a surplus in future years.

The Trust awarded a 6% pay increase for all staff in this year. This increase recognised the levels of inflation over recent years and before 2023 a number of years of nil pay increase for staff.

Docusign Envelope ID: 36E260A6-465E-4E82-9E08-DEDACA19A179

Trustees' report for the year ended 29 March 2025 (continued)

The Trust does not normally receive any external funding, and the Trustees are grateful for all supporters and customers of the Theatre Royal who have continued to support by attending productions and continuing with their memberships and donations.

Overall expenditure on charitable activities was £15,340,484 and income generated was £16,274,466, therefore resulting in a net surplus of £933,982 for the financial year.

Pension scheme

The Trust ceased to be a member of the Tyne & Wear Pension Fund on 27th June 2024, and the subsumption agreement with Newcastle City Council also ceased on that date. The bond held by Newcastle City Council in respect of the subsumption agreement has been repaid to the Trust in full.

All the costs attributable to leaving the fund were accrued in the accounts to 31st March 2024 and there have been no costs incurred during this financial year.

The Trust have now put in place a Defined Contribution pension scheme that is administered by Smart Pension. The employer contribution paid to the new pension scheme of 10.3% remains the same as the previous years' contributions to the Tyne & Wear Pension Fund.

The Trust also provides for Death in Service insurance cover and Critical Illness insurance cover for permanently employed staff.

Reserves policy

The Trust aims to generate sufficient funds to invest in cultural/artistic activities in furtherance of its charitable objectives (education through the arts). Its aim is to hold sufficient general reserves to cover the normal operating costs for a minimum 4-month period to manage an orderly wind up of the business (if ever required) and to retain sufficient cash funds to repay any deferred income balances held in relation to advance ticket sales.

Restricted reserves represent funds that are retained for a specific purpose in accordance with the terms upon which the income was received. The designated reserve is part of the general reserve and represents reserves that have been set aside to meet specific obligations. These obligations include a provision for the planned refurbishment of the Theatre Royal building, together with commitments to fund creative engagement projects, artist partnerships, and any capital commitments. The designated reserve also includes an amount sufficient to cover the normal operating costs for a minimum 4-month period.

Unrestricted funds amounted to £6,274,271 at 29 March 2025 (2024: £6,699,573). The general reserve, excluding the designated reserve, amounted to £289,271 at 29 March 2025 (2024: £441,573). The designated reserve at 29 March 2025 amounted to £5,985,000 (2024: £6,258,000). The restricted reserve at 29 March 2025 is £1,361,865 (2024: £2,582). The large increase in the restricted reserve has arisen due to a change in terms relating to the continuing future levy on ticket sales.

Total funds held at 29 March 2025 amounted to £7,636,136 (2024: £6,702,154).

The Trustees appreciate the careful balance required in maintaining reserves whilst continuing investment in building maintenance and improvements, and ensuring funds are available to protect against fluctuations in audience numbers alongside the challenge of offering a varied artistic programme.

Docusign Envelope ID: 36E260A6-465E-4E82-9E08-DEDACA19A179

Trustees' report for the year ended 29 March 2025 (continued)

Going concern

In light of ongoing prudent management and the steps taken above, the Trustees are confident that the Trust is a going concern and as such the going concern basis has been adopted in the preparation of the financial statements.

The Trustees consider there are sufficient reserves and cash to enable the Theatre to continue in operation for the foreseeable future and the financial position of the Trust continues to be closely monitored.

Investment powers policy and performance

The Trustees have the power, as detailed in the Trust's governing document, to invest the funds of the Trust as they see fit. The investment policy is to hold the funds needed for the day-to-day operations as cash. Should surplus funds arise they are invested with a view to maximise income return whilst maintaining the liquidity requirements of the Trust.

NTR Green Room Limited

NTR Green Room Limited has carried on the commercial operations at the theatre since 1st April 2024 and any surplus is transferred to the Trust as gift aid.

Principal risks and uncertainties

In delivering the charitable objectives, the Trustees are mindful of the risk involved and have established systems and procedures for identifying, reviewing, and mitigating the key risks. A risk register is maintained which is reviewed regularly and updated as necessary by the Senior Management Team, Finance & General Purposes Committee and then annually by the Board of Trustees. The register details the significant risks to which the Trust is exposed and the steps taken to mitigate those risks. The risks are reviewed by management throughout the year.

The key risks which the charity faces are:

Economic risk – the financial success of the Trust rests on generating sufficient income from across a mix of box office sales by maintaining/increasing audience attendance rates, commercial operations sales income, prudent management of cash and investments, and development and fundraising income. This year there has been a squeeze on the margins achievable from the stage programme due to increased costs set and inflation. Ticket sales remained buoyant however costs of production and staffing costs have increased at a higher rate than inflation and ticket price increases. Ticket and commercial sales are closely monitored by management, and the achievement of financial targets are regularly reported to both the Finance & General Purposes Committee and Board. The Trust has employed The Results Group Arts (TRG) to develop strategies to sustain and increase customer loyalty, retention and manage pricing and inventory dynamically based on market demand. The Trust therefore has the flexibility and agility to respond to changes in the market.

The introduction of a new Development and Fundraising strategy focuses on loyalty and retention of audiences and growing philanthropic support. The review and update of our membership schemes and the planned introduction of new patron giving schemes aims to grow fundraising income.

The introduction of new commercial hospitality trading spaces (100 Grey St and The Green Room) will, over time, support our financial resilience by spreading the Trust's income generating activity to more than the on-stage programme.

Artistic Risk – a failure to maintain the quality, diversity and popularity of the artistic programme will directly impact box office sales. The costs of producing and presenting theatrical production continues to outpace inflation and

Docusign Envelope ID: 36E260A6-465E-4E82-9E08-DEDACA19A179

Trustees' report for the year ended 29 March 2025 (continued)

risks limiting the artistic breadth and diversity of touring productions. Actions taken to mitigate this risk include ensuring the relationships with commercial and subsidised producers are strong, maintaining close and regular contact as touring plans are developed. The Theatre's Programming Team meeting, comprised of key creative staff,

and the Senior Leadership Team contribute to the programme planning. The board receives regular updates on the status of both the current and future programme.

Pension scheme risk – On 27th June 2024, the Trust exited the Tyne & Wear Pension Fund and is now no longer exposed to the risks of a defined benefit pension scheme. The Trust now operates a defined contribution scheme with Smart Pension, and the employer contribution rate continues to be 10.3%.

Staff Recruitment and Retention risk recruitment of suitably experienced and capable staff is challenging as a result of pressure on wages and work life balance expectations continue to increase. The Theatre's minimum pay levels are aligned with the Real Living Wage Foundation wage; however, the result is that differentials between pay grades continue to be squeezed. Benefits include an Employee Assistance Scheme, mental health first aiders and a well-being group. A new People Plan has been implemented, and actions this year include increased annual leave for all teams, flexible working, revising recruitment and induction processes and the introduction of values based 'ways of working.' The new Head of Department structure has introduced more expertise and capacity to the wider leadership team. The Finance & General Purposes Committee scrutinises the annual budget in detail before it is approved by the Board and close attention is given to the level of pay awards made.

Terrorism & Cyber Security, IT Resilience Risk – the charity relies heavily on its digital IT systems. The risk of criminal cyber activity remains constant. The Trust engages specialist IT providers and has payment card industry compliance certification. All staff receive IT security training, and the Trust implements regular training updates; however, this remains an area where ongoing vigilance is required throughout the organisation and by all levels of staff at all times. Modernised, fit for purpose, cloud based, and future proofed systems have been introduced across HR, Finance, payroll, EPOS and diary management which further mitigate IT system failures and improve efficiency. The Trust monitors and endeavours to improve the Counter Terrorism procedures taking advice from CT specialists, legislative changes, to inform policy changes.

Plans for future year

The strategic priorities for the coming year will remain focused on four strategic objectives, expanding and building on the work achieved so far.

Creative Programme – the Trust will look for partnership opportunities to facilitate and launch new productions that align to our artistic vision and that are relevant and representative of the Northeast, celebrating the talent in the region.

Creative Engagement – this programme of work will expand, particularly focused on the West of the city where there is limited creative and cultural provision and significant areas of deprivation. This work will expand and build on the partnership with West End Schools Trust, to encompass community engagement in community settings. Talent Development programmes, to nurture and support creative talent in the region will also be a focus.

The Theatre Building – following the end of the lease arrangements for the Theatre's demise that were previously Datbar and Nitehawks, and the opening of 100 Grey Street, attention will now be focused on developing the larger hospitality space in Market Street (The Green Room) which operates as a stalls bar for the Theatre and a general cultural café and bar for non-theatre goers.

Docusign Envelope ID: 36E260A6-465E-4E82-9E08-DEDACA19A179

Trustees' report for the year ended 29 March 2025 (continued)

People and culture – building on the work already completed on the People Plan the focus will be on ensuring the Theatre is a place where our employees thrive. A programme of leadership and management training will be introduced alongside values led employee engagement and organisation culture work.

Public benefit

Fundraising

Income generated from the Trust's core charitable activities is used to fund its day-to-day operations. Donation and legacy income usually represent a small percentage of the Trust's overall income but is an area focused for expansion. Following the relaunch of the refreshed Friends members scheme this year levels of membership have been maintained with a total of 4,189 members (across all levels) with an income generated of £225,478.

This year, for the first time, we took part in the Big Give Christmas Challenge, raising funds to directly support our Creative Engagement programme. A total of £11,789 was raised.

During the year donations totalled £50,269 (2024: £35,960) and the Trustees are extremely grateful to all donors and our loyal audiences for their support during the year.

The Trust aligns and is signed up with the Fundraisers Regular Code.

The Trust seeks to protect all members of the public (including vulnerable people) in all of its fundraising activities. The Trust's "Data Promise", which is available on the Theatre's website, outlines how the Trust treats the personal data of its customers.

The Trust did not receive any complaints about its fundraising activities during the year.

The Board regularly receives information on the level of donations received and sponsorship income generated and any activities being carried out which enables them to monitor fundraising activities.

Fixed assets

Movements in tangible fixed assets are set out in note 14 to the financial statements.

Directors' and officers' liability insurance

The Newcastle Theatre Royal Trust Limited holds liability insurance on behalf of the directors and officers.

Statement as to disclosure of information to auditors

The Trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the Trustees has confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditors.

Docusign Envelope ID: 36E260A6-465E-4E82-9E08-DEDACA19A179

Trustees' report for the year ended 29 March 2025 (continued)

Independent Auditors

Azets Audit Services have indicated their willingness to continue in office.

The Trustees' Report including the Strategic Report has been approved by the Board and is signed on its behalf of by:

Signed by:
AF60ECD410344CF...

Mr Nicholas R. Swales, OBE, DL
Chair
Date: 17 November 2025

Docusign Envelope ID: 36E260A6-465E-4E82-9E08-DEDACA19A179

Statement of Trustees' responsibilities

The Trustees (who are also directors of Newcastle Theatre Royal Trust Limited for the purposes of company law) are responsible for preparing the Trustees' Report (including the Strategic Report) and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in business.

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

The Trustees are responsible for the maintenance and integrity of the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved and signed on behalf of the Board by:

Signed by:
AF60ECD410344CF...

Mr Nicholas R. Swales, OBE, DL
Chair
Date: 17 November 2025

Docusign Envelope ID: 36E260A6-465E-4E82-9E08-DEDACA19A179

Independent auditors' report to the members of Newcastle Theatre Royal Trust Limited

Opinion

We have audited the financial statements of Newcastle Theatre Royal Trust Limited (the 'Charity parent company'), and its subsidiary (the group), for the year ended 29 March 2025, which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Company Balance Sheet, Consolidated 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 United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent Charity's affairs as at 29 March 2025 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity 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.

Going Concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements were 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 Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Docusign Envelope ID: 36E260A6-465E-4E82-9E08-DEDACA19A179

Independent auditors' report to the members of Newcastle Theatre Royal Trust Limited (continued)

Other information (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.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where 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; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustee's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

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

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

Docusign Envelope ID: 36E260A6-465E-4E82-9E08-DEDACA19A179

Independent auditors' report to the members of Newcastle Theatre Royal Trust Limited (continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiries with management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing board minutes;
- Review of legal expenses incurred by the charity;
- Challenging assumptions and judgements made by management in their significant accounting estimates;
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

Because of the field in which the client operates, we identified the following areas as those most likely to have a material impact on the financial statements and compliance with the UK Companies Act, and the Charities Act.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or recognise the non-compliance.

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.

Docusign Envelope ID: 36E260A6-465E-4E82-9E08-DEDACA19A179

Independent auditors' report to the members of Newcastle Theatre Royal Trust Limited (continued)

Use of our report

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

Initial

SB

Simon Brown BA ACA DChA (Senior Statutory Auditor)
For and on behalf of Azets Audit Services
Chartered Accountants
Statutory Auditor
Bulman House, Regent Centre, Gosforth
Newcastle upon Tyne, NE3 3LS

Date: 17 November 2025

Azets Audit Services is a trading name of Azets Audit Services Limited.

Docusign Envelope ID: 36E260A6-465E-4E82-9E08-DEDACA19A179

Consolidated Statement of Financial Activities

for the year ended 29 March 2025

	Note	Unrestricted General Funds £	Unrestricted Designated Funds £	Restricted Funds £	**Total 2025 £**	Total 2024 £
Income from						
Donations and legacies	3	50,269	-	-	50,269	35,960
Charitable activities:						
Operation of Theatre	4	15,465,512	-	-	15,465,512	15,274,208
Other income	5	-	-	44,649	44,649	59,110
Investments	6	714,036	-	-	714,036	627,520
Total income		16,229,817	-	44,649	16,274,466	15,996,798
Expenditure						
Expenditure on charitable activities:						
Operation of Theatre	7	(15,340,484)	-	-	(15,340,484)	(15,649,151)
Total expenditure		(15,340,484)	-	-	(15,340,484)	(15,649,151)
Net income/(Expenditure)		889,333	-	44,649	933,982	347,647
Transfer Between Funds	21	(1,041,634)	(273,000)	1,314,634	-	-
Net movement in funds		(152,301)	(273,000)	1,359,283	933,982	347,647

Docusign Envelope ID: 36E260A6-465E-4E82-9E08-DEDACA19A179

Consolidated Statement of Financial Activities

(continued)

for the year ended 29 March 2025

	Note	Unrestricted General Funds £	Unrestricted Designated Funds £	Restricted Funds £	**Total 2025** £	Total 2024 £
Net movement in funds		(152,301)	(273,000)	1,359,283	933,982	347,647
Reconciliation of funds:						
Total funds brought forward	21	441,572	6,258,000	2,582	6,702,154	6,354,507
Total funds carried forward	21	289,271	5,985,000	1,361,865	7,636,136	6,702,154

The statement of financial activities includes all gains and losses recognised in the year. Income and expenditure for the year covers activities at the Theatre Royal and for the year ended 29 March 2025.

Docusign Envelope ID: 36E260A6-465E-4E82-9E08-DEDACA19A179

Consolidated Balance Sheet

as at 29 March 2025

	Note	2025	2024
		£	£
Fixed assets			
Tangible assets	14	730,852	748,415
Current assets			
Stocks	16	21,393	16,751
Debtors	17	1,037,741	1,006,839
Cash	23	16,252,435	13,163,523
		17,311,569	14,187,113
Creditors:			
Amounts falling due within one year	19	(10,406,285)	(8,233,374)
Net current assets		6,905,284	5,953,739
Total assets less current liabilities		7,636,136	6,702,154
Creditors falling due after more than one year			
Defined benefit pension liability	12 (c), (k)	-	-
Net assets		7,636,136	6,702,154
The funds of the charity:			
Restricted funds	21	1,361,865	2,582
Unrestricted funds			
General funds	21	289,271	441,572
Designated funds	21	5,985,000	6,258,000
Total funds		7,636,136	6,702,154

The financial statements on pages 19 to 48 were approved for issue by the Board on 17 November 2025 and were signed on its behalf by:

Signed by:
AF60ECD410344CF...

Mr Nicholas R. Swales, OBE, DL
Chair
Date: 17 November 2025

Registered number: 01217427

Docusign Envelope ID: 36E260A6-465E-4E82-9E08-DEDACA19A179

Company Balance Sheet

as at 29 March 2025

	Note	2025	2024
		£	£
Fixed assets			
Tangible assets	14	619,822	748,415
Investments in subsidiaries	15	1	1
		619,823	748,416
Current assets			
Stocks	16	0	16,751
Debtors	17	1,087,471	1,006,838
Cash	23	16,227,510	13,163,523
		17,314,981	14,187,112
Creditors:			
Amounts falling due within one year	19	(10,298,668)	(8,233,374)
Net current assets		7,016,313	5,953,738
Total assets less current liabilities		7,636,136	6,702,154
Creditors falling due after more than one year			
Defined benefit pension liability	12 (c),(k)	-	-
Net assets		7,636,136	6,702,154
The funds of the charity:			
Restricted funds	21	1,361,865	2,582
Unrestricted funds			
General funds	21	289,271	441,572
Designated funds	21	5,985,000	6,258,000
Total funds		7,636,136	6,702,154

The financial statements on pages 19 to 48 were approved for issue by the Board on 17 November 2025 and were signed on its behalf by:

Signed by:
AF60ECD410344CF...

Mr Nicholas R. Swales, OBE, DL
Chair

Date: 17 November 2025

Registered number: 01217427

Docusign Envelope ID: 36E260A6-465E-4E82-9E08-DEDACA19A179

Consolidated Statement of Cash Flows

for the year ended 29 March 2025

	Note	2024/25 £	2023/24 £
Net cash generated in operating activities	23 (a)	2,493,832	(154,074)
Cash flows from investing activities			
Interest received		714,036	627,519
Purchase of tangible fixed assets		(118,956)	(352,066)
Disposal of tangible fixed assets		-	-
Net cash used in investing activities		595,080	275,453
Cash inflow from financing activities		-	-
Increase in cash and cash equivalents	23 (b)	3,088,912	121,380
Cash and cash equivalents at the beginning of the year		13,163,523	13,042,143
Cash and cash equivalents at the end of the year	23 (c)	16,252,435	13,163,523

The reconciliation of net cash flow to movement in funds is shown in note 23(a).

Docusign Envelope ID: 36E260A6-465E-4E82-9E08-DEDACA19A179

Notes to the financial statements for the year ended 29 March 2025

1 Principal Accounting Policies

a) Basis of preparation

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

Newcastle Theatre Royal Trust Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless stated in the relevant accounting policy note(s).

The future operations of the Trust are dependent on sufficient net income generation. The Trust is constantly looking at ways to maintain high levels of ticket sales and increase revenue streams in order to create financial security. The majority of show programming is put in place at least 12 months in advance and is monitored very carefully against targets when it goes on sale.

The Trust's forecasts and projections for the next twelve months show that the Trust should be able to continue in operational existence for that period, taking into account reasonable possible changes in trading performance. The Trust has strong positive cash balances and is forecasting for this to continue to be the case. The Trustees have stress-tested their forecasts, taking into account various scenarios, and remain confident that the uncertainties do not cast significant doubt on the company's ability to continue as a going concern.

The Trustees have considered the reserves and financial plans for the Trust and are of the view that, at the date of approval of the financial statements, the Trust has sufficient reserves to continue to operate for the foreseeable future. The Trustees consider the charitable company to be a going concern, and the financial statements have been prepared on that basis.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are set out in the following notes.

b) Basis of consolidation

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 29 March 2025. No statement of financial activities is presented for the charity as permitted by section 408 of the Companies Act 2006.

The charitable parent company made a surplus after tax for the financial year of £933,982 (2024 - £347,647).

A subsidiary is an entity controlled by the charity. Control is achieved where the charity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Inter-company transactions, balances and unrealised gains on transactions between the charity and its subsidiary, which are related parties, are eliminated in full. Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Docusign Envelope ID: 36E260A6-465E-4E82-9E08-DEDACA19A179

Notes to the financial statements for the year ended 29 March 2025 (continued)

c) Areas of judgement and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income, and expenditure. These are based on historic and other factors that are believed to be reasonable, the results of which form the basis for making judgements. The estimates and underlying assumptions are reviewed on an on-going basis.

Specific areas of estimation include depreciation and useful economic lives of assets, provisions, and impairment. The nature of the estimation means that actual outcomes could differ from those estimates. None of the judgements or estimates have a significant effect on the financial statements.

d) Income recognition

Income from government and other grants, whether 'capital' or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met and it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Docusign Envelope ID: 36E260A6-465E-4E82-9E08-DEDACA19A179

Notes to the financial statements for the year ended 29 March 2025 (continued)

c) Income recognition (continued)

Income from charitable activities, Future Levy Fund income and sponsorship and business membership income is recognised as it is earned and is deferred when it is received in advance of the performance or period to which it relates. Ticket sales income comprises of gross income receivable. No Value Added Tax ('VAT') is due on it because the activity falls within VAT exemption for cultural services.

Gift vouchers, credit notes and tickets sold in advance are included in creditors as deferred income and are recognised as income when the performance is held or when the expiry date is reached.

Interest on funds held on deposit is recognised when receivable and the amount can be measured reliably by the charity.

e) Resources expended & irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is classified under the following headings:

- Charitable activities include expenditure associated with performances and educational activities and include both direct costs and support costs relating to these activities.
- Support costs include expenses incurred for the management and administration of the Trust. These costs have been allocated to the charitable activities on the basis of time spent on activities.
- Governance costs comprise expenses relating to governance of the company and are primarily associated with constitutional and statutory requirements.
- All resources expended are classified under activity headings that aggregate all costs related to the category. Where applicable, irrecoverable VAT is apportioned to expenditure based on the total department spend.

f) Fund accounting

Unrestricted funds

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. They may be designated or undesignated.

Designated funds

The designated funds include funds set aside by the Trustees to cover the refurbishment and restoration of the building, repair and renewal of equipment, a contribution towards creative engagement projects, potential technical upgrades, and minor one-off projects.

Restricted funds

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors, or which have been raised by the charity for a particular purpose.

Docusign Envelope ID: 36E260A6-465E-4E82-9E08-DEDACA19A179

Notes to the financial statements for the year ended 29 March 2025 (continued)

g) Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses. Assets with a value of below £10,000 are not capitalised. Depreciation of fixed assets is charged by equal annual instalments commencing with the period of acquisition at rates estimated to write off their cost less any residual value over the expected useful lives, which are as follows:

Computer hardware and software	3 years
Box office system	5 years
Other equipment	5 years
Buildings - fixtures & fittings	between 5 years and 10 years
Buildings - Royal House	depreciated over asset life.

h) Stock

Stock of goods for resale have been included at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs expected to be incurred to disposal.

i) Debtors

Trade and other debtors which are receivable within one year are initially recognised at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

j) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

k) Trade creditors & other liabilities

Trade creditors and other liabilities are recognised where the charity 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 estimated reliably. Trade creditors and other liabilities are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amount settled.

l) Financial instruments

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

m) Pension costs

Payments to a defined contribution retirement benefit scheme are charged as an expense as they fall due.

Docusign Envelope ID: 36E260A6-465E-4E82-9E08-DEDACA19A179

Notes to the financial statements for the year ended 29 March 2025 (continued)

n) Legal status of the Trust

The Trust is a charitable company limited by guarantee, incorporated in England. The members have no shareholdings but in the event of a winding up they have each undertaken to contribute to the payment of liabilities such amount as may be required, not exceeding a total of £1.

Docusign Envelope ID: 36E260A6-465E-4E82-9E08-DEDACA19A179

Notes to the financial statements for the year ended 29 March 2025 (continued)

2 Comparative Information – Prior Year Statement of Financial Activities

	Unrestricted General funds £	Unrestricted Designated Funds £	Restricted funds £	Total 2024 £
Income from				
Donations and legacies	35,960	-	-	35,960
Charitable activities:				
Operation of Theatre	15,274,208	-	-	15,274,208
Other including Government Grant funding	59,110	-	-	59,110
Investments	627,520	-	-	627,520
Total income	15,996,798	-	-	15,996,798
Expenditure				
Expenditure on charitable activities:				
Operation of Theatre	(15,649,151)	-	-	(15,649,151)
Total expenditure	(15,649,151)	-	-	(15,649,151)
Net income/(expenditure)	347,647	-	-	347,647
Transfer to designated funds	(5,122,000)	5,122,000	-	-
Net movement in funds	(4,774,353)	5,122,000	-	347,647

Docusign Envelope ID: 36E260A6-465E-4E82-9E08-DEDACA19A179

Notes to the financial statements for the year ended 29 March 2025 (continued)

3 Income from donations and legacies

	Unrestricted General £	Unrestricted Designated £	Restricted £	2025 £	2024 £
Individual Giving Scheme	3,817	-	-	3,817	1,558
Other donations	46,452	-	-	46,452	34,402
	50,269	-	-	50,269	35,960

4 Income from charitable activities

	2025			2024		
Unrestricted funds	Turnover £	Cost of sales £	Net income £	Turnover £	Cost of sales £	Net income £
Box office (incl. booking fee)	13,530,370	(8,210,612)	5,319,758	13,458,580	(8,299,995)	5,158,585
Ancillary	446,219	(181,039)	265,180	434,812	(180,212)	254,600
Catering & bar	996,123	(257,491)	738,632	999,146	(255,190)	743,956
Memberships	246,075	-	246,075	199,082	-	199,082
Creative Engagement	143,844	(40,959)	102,885	137,708	(77,262)	60,446
Miscellaneous	102,881	-	102,881	44,880	-	44,880
	15,465,512	(8,690,101)	6,775,411	15,274,208	(8,812,659)	6,461,549

Miscellaneous income includes postage income relating to ticket sales and member events as well as funds arising from the cancellation of expired historic gift vouchers and credit notes.

Docusign Envelope ID: 36E260A6-465E-4E82-9E08-DEDACA19A179

Notes to the financial statements for the year ended 29 March 2025 (continued)

5 Other

	2025 £	2024 £
Sponsorship	44,649	59,110

All of this Other income relates to unrestricted funds.

6 Investments

	2025 £	2024 £
Interest receivable	714,036	627,520

Interest receivable relates to interest earned on cash deposits. All investment income relates to unrestricted funds.

7 Analysis of expenditure on charitable activities

The Trust undertakes direct charitable activities only and does not make grant payments.

	Unrestricted General funds	Unrestricted Designated funds	Restricted funds	2025	2024
Cost of charitable activities:	£	£	£	£	£
Cost of sales (see note 4)	8,690,101	-	-	8,690,101	8,812,659
Marketing	881,878	-	-	881,878	890,525
Box office	539,592	-	-	539,592	487,118
Front of house management	1,144,569	-	-	1,144,569	1,115,360
Building overhead costs	1,231,668	-	-	1,231,668	1,119,351
Development	130,128	-	-	130,128	50,392
Technical	849,570	-	-	849,570	803,083
Creative Engagement	325,039	-	-	325,039	172,366
Depreciation	136,520	-	-	136,520	110,048
Support costs (see note 8)	1,382,419	-	-	1,382,419	2,070,075
Governance costs (see note 8)	29,000	-	-	29,000	18,174
Total cost of charitable activities	15,340,484	-	-	15,340,484	15,649,151

Docusign Envelope ID: 36E260A6-465E-4E82-9E08-DEDACA19A179

Notes to the financial statements for the year ended 29 March 2025 (continued)

8 Analysis of support and governance costs

The Trust allocates its support costs as shown in the table below. Support costs are allocated on a basis consistent with the use of resources.

	Support costs (Note 7)	Governance (Note 7)	**2025**	2024
	£	£	**£**	**£**
Central Office, Admin & HR	711,442	-	711,442	687,803
Finance Office	240,487		240,487	1,076,782
Information Technology	430,490	-	430,490	305,490
Internal Audit	-	5,000	5,000	5,013
External Audit	-	24,000	24,000	13,161
Total	1,382,419	29,000	1,411,419	2,088,249

9 Net income/(expenditure)

Net income/(expenditure) is stated after charging:

	2025	2024
	£	£
Depreciation of tangible fixed assets	136,520	110,048
Operating lease rentals – plant & equipment	6,572	3,476
Auditors' remuneration		
- Audit fee	26,000	12,500
- Other fees paid to auditor	1,150	-
Directors' and officers' liability insurance	2,725	2,604
Cost of stock recognised as an expense – stock write off	0	0

Docusign Envelope ID: 36E260A6-465E-4E82-9E08-DEDACA19A179

Notes to the financial statements for the year ended 29 March 2025 (continued)

10 Employee information

a) Average number of employees

The average monthly number of employees, including temporary staff, employed during the year was 229 (2024: 259) split between Theatre Royal operations 209 (2024: 240) and management and administration 20 (2024: 19).

b) The costs incurred in respect of employees were:

	2025	2024
	£	£
Wages and salaries	3,211,989	2,927,815
Social security costs	258,540	233,827
Pension charges	283,745	261,980
	3,754,274	3,423,622

Pension charges for the year include employer contributions of £283,745 (2024: £261,980) into the Smart Pension Fund in respect of employees' pension costs. The employer's contribution rate for the year was 10.3% of pensionable pay (2024: 10.3%). Employee contributions vary according to their choice with a minimum contribution of 3%. At the year end £59,229 (2024: £34,784) was owed in respect of employer and employee contributions due to the scheme which were paid across in April 2024.

The number of employees earning over £60,000, excluding pension contributions, is as follows:

	2025	2024
	Number	Number
£60,001 - £80,000	2	2
£90,001 - £100,000	0	0
£100,001 - £110,000	1	1

c) Key Management Personnel

For the purpose of this disclosure Key Management Personnel are defined as the Trustees, Chief Executive, Director of Finance, Director of Operations, and Director of Audience & Communications whose aggregate remuneration in the year, excluding employer pension and national insurance contributions, was £286,103 (2024: £295,314). Aggregate remuneration including employer pension and national insurance contributions was £360,214 (2024: £356,505):

	2025	2024
	Number	Number
£50,001 - £60,000	1	1
£60,001 - £70,000	-	-
£70,001 - £80,000	-	-
£80,001 - £90,000	2	2
£90,001 - £100,000	-	-
£120,001 - £130,000	-	-
£130,001 - £140,000	1	1

Docusign Envelope ID: 36E260A6-465E-4E82-9E08-DEDACA19A179

Notes to the financial statements for the year ended 29 March 2025 (continued)

11 Employee information (continued)

d) Trustees' emoluments

Trustees received a remuneration or expenses during the year ended 29 March 2025 for services rendered to the Trust of £367 (2024: £671). Directors normally attend a number of performances each year in order to monitor the quality of productions and maintain a Board presence at the Theatre. In 2025 the value of tickets for performances attended by the Directors was £3,237 (2024 £2,050).

11 Pensions

On 27th June 2024, the trust exited the LGPS defined benefit scheme and entered a defined contribution scheme. At 29th March 2025 there is no liability to the trust on exit of the defined benefit scheme, and the subsumption bond of £380,000 held by Newcastle City Council has been repaid in full.

The disclosures (below) relate to the funded liabilities within the Tyne and Wear Pension Fund (the "Fund") which is part of the Local Government Pension Scheme (the "LGPS"). These liabilities ceased on 27th June 2024.

The LGPS was a funded defined benefit plan with benefits earned up to 31 March 2014 being linked to final salary. Benefits after 31 March 2014 were based on a Career Average Revalued Earnings Scheme. Details of the benefits earned over the period covered by this disclosure are set out in The Local Government Pension Scheme Regulations 2013 and The Local Government Pension Scheme (Transition Provisions, Savings and Amendment) Regulations 2014.

(a) Funding / Governance Arrangements of the LGPS

The funded nature of the LGPS required participating employers and its employees to pay contributions into the Fund, calculated at the level intended to balance the pension liabilities with investment assets. Information on the framework for calculating contributions to be paid is set out in LGPS Regulations 2013 and the Fund's Funding Strategy Statement.

An actuarial valuation was carried out as at 31 March 2022. Employer contributions for this period were set at 10.3% of pensionable pay. Employer contributions continued at 10.3% until leaving the scheme on 27th June 2024. The Fund's Administering Authority, South Tyneside Council, was responsible for the governance of the Fund.

An actuarial review for accounting purposes, using the roll-forward method, was undertaken to review the funded status of the Scheme as at 31 March 2024. As a result of this review, the Trust's share of the difference between the fair value of the Scheme's assets and the present value of funded defined benefit obligations had increased from a surplus of £2.68m as at 31 March 2023 to a surplus of £3.43m as at 31 March 2024. The trust incurred no liability when leaving the fund on 27th June 2024.

In accordance with the requirements of FRS102, disclosure of certain information concerning assets, liabilities, income, and expenditure relating to the pension scheme is required and is set out below.

(b) Estimated Pension Expense for the Accounting Year Ending 31 March 2026

There is no expense in respect of the LGPS for the year ended 31st March 2026.

Docusign Envelope ID: 36E260A6-465E-4E82-9E08-DEDACA19A179

Notes to the financial statements for the year ended 29 March 2025 (continued)

(c) Changes to the Pension Liability

Pension asset value at 31st March 2024	0
Closing Pension Asset at 29 March 2025	**0**

(d) Principal Assumptions

The principal assumptions used by the Actuary in updating the latest valuation of the Fund for FRS 102 purposes were:

Assumptions	**29 March 2025 %**	31 March 2024 %	31 March 2023 %
Discount rate	0.00%	4.80%	4.70%
CPI inflation	0.00%	2.60%	2.70%
Pension accounts revaluation rate	0.00%	2.60%	2.70%
Pension increases	0.00%	2.60%	2.70%
Salary increases	0.00%	4.10%	4.20%

The mortality assumptions were based on the actual mortality experience of members within the Fund based on analysis carried out as part of the 2019 Actuarial Valuation and allowed for expected future mortality improvements.

Sample life expectancies at age 65 resulting from these mortality assumptions are shown below:

Mortality Assumptions	**29 March 2025 Years**	31 March 2024 Years
Males		
Pension member aged 65 at accounting date	0	21.0
Active member aged 45 at accounting date	0	22.3
Females		
Pensioner member aged 65 at accounting date	0	24.2
Active member aged 45 at accounting date	0	25.6

Asset Allocation	**Value at 29 March 2025**	Value at 31 March 2024
Equities	0	50.6%
Property	0	10.4%
Government bonds	0	1.3%
Corporate bonds	0	19.5%
Multi Asset Credit	0	4.6%
Cash	0	0.7%
Other	0	12.9%
Total	**0**	**100.0%**

Docusign Envelope ID: 36E260A6-465E-4E82-9E08-DEDACA19A179

Notes to the financial statements for the year ended 29 March 2025 (continued)

(e) Reconciliation of Funded Status to Balance Sheet

	Value as at 29 March 2025 £	Value as at 31 March 2024 £
Fair value of assets	0	15,990,000
Present value of funded defined benefit obligation	0	(12,560,000)
Pension asset value not recognised (as per FRS102 para 28.22)	0	(3,430,000)
Funded status – liability recognised on the balance sheet	**0**	0

(f) Amounts Recognised in Income Statement

	Year ending 29 March 2025 £	Year ending 31 March 2024 £
Operating cost		
Current service cost	0	410,000
Financing cost		
Interest on net defined benefit liability	0	(140,000)
Interest on unrecognised asset		100,000
Pension expense recognised in income statement	**0**	370,000

(g) Amounts Recognised in Other Comprehensive Income

	Year ending 29 March 2025 £	Year ending 31 March 2024 £
Liability gains/(losses) arising during the year	0	540,000
Adjustment gain/(losses) due to restriction of surplus		230,000
Total amount recognised in other comprehensive income	**0**	770,000

Docusign Envelope ID: 36E260A6-465E-4E82-9E08-DEDACA19A179

Notes to the financial statements for the year ended 29 March 2025 (continued)

(h) Changes to the Present Value of the Defined Benefit Obligation

	Year ending 29 March 2025 £	Year ending 31 March 2024 £
Opening defined benefit obligation	0	12,280,000
Current service cost	0	410,000
Interest expense on defined benefit obligation	0	570,000
Contributions attributable to the participants	0	160,000
Actuarial (gains)/losses on liabilities	0	(540,000)
Net benefits paid out	0	(320,000)
Closing present value of liabilities	**0**	12,560,000

(i) Changes to the Fair Value of Assets

	Year ending 29 March 2025 £	Year ending 31 March 2024 £
Opening fair value of assets	0	14,960,000
Interest income on assets	0	710,000
Re-measurement gains/(losses) on assets	0	230,000
Contributions attributable to the employer	0	250,000
Contributions attributable to the participants	0	160,000
Net benefits paid out	0	(320,000)
Closing fair value of assets	**0**	15,990,000

(j) Actual Return on Assets

	Year ending 29 March 2025 £	Year ending 31 March 2024 £
Interest income on assets	0	710,000
Gain/(loss) on assets	0	230,000
Actual return on assets	**0**	940,000

Docusign Envelope ID: 36E260A6-465E-4E82-9E08-DEDACA19A179

Notes to the financial statements for the year ended 29 March 2025 (continued)

(k) Unfunded Benefits

Having left the scheme on 27th June 2024 there is no liability in respect of the unfunded LGPS benefits. (2024: £70,000).

Docusign Envelope ID: 36E260A6-465E-4E82-9E08-DEDACA19A179

Notes to the financial statements for the year ended 29 March 2025 (continued)

13 Taxation

The Trust is a charity established under the Charities Act 1993 (now Charities Act 2011). It is therefore exempt from taxation in respect of income and capital gains received within categories covered by section 505 Income and Corporation Taxes Act 1988 and section 256 Taxation of Chargeable Gains Act 1992, to the extent that such income and gains are applied to charitable purposes only.

14 Tangible assets

Group

	Buildings (incl. leasehold improvements)	Other Equipment	Computer Equipment	Box Office & HR systems	Total
	£	£	£	£	£
Cost					
At 1 April 2024	1,350,364	310,371	133,065	244,741	2,038,541
Additions during the year	118,956	-	-	-	118,956
Disposals	-	-	-	-	-
At 29 March 2025	1,469,320	310,371	133,065	244,741	2,157,497
Accumulated depreciation					
At 1 April 2024	699,946	310,371	57,670	222,138	1,290,125
Charge for the year	113,071	-	12,369	11,080	136,520
Disposals	-	-	-	-	-
At 29 March 2025	813,017	310,371	70,039	233,218	1,426,645
Net book value					
At 29 March 2025	656,303	0	63,026	11,523	730,852
At 31 March 2024	650,418	0	75,394	22,603	748,415

The main Theatre Royal premises is leased from Newcastle City Council which owns the property. A new 125-year lease commenced on 1st April 2016 at a peppercorn rent. The Trustees consider the nature of the Theatre Royal's business to be such that realistic quantification of the true value of this gift in kind is impossible with any accuracy, and hence no value has been attributed to it within the financial statements.

Docusign Envelope ID: 36E260A6-465E-4E82-9E08-DEDACA19A179

Notes to the financial statements for the year ended 29 March 2025 (continued)

14 Tangible assets (continued)

Prior year note (Group)

	Buildings (incl. leasehold improvements)	Other Equipment	Computer Equipment	Box Office & HR systems	Total
	£	£	£	£	£
Cost					
At 1 April 2023	1,079,163	310,371	52,200	244,741	1,686,475
Additions during the year	271,201	-	80,864	-	352,065
Disposals	-	-	-	-	-
At 31 March 2024	1,350,364	310,371	133,064	244,741	2,038,540
Accumulated depreciation					
At 1 April 2023	607,656	309,163	52,200	211,058	1,180,077
Charge for the year	92,290	1,208	5,470	11,080	110,048
Disposals	-	-	-	-	-
At 31 March 2024	699,946	310,371	57,670	222,138	1,290,125
Net book value					
At 31 March 2024	650,418	-	75,394	22,603	748,415
At 31 March 2023	471,508	1,208	-	33,683	506,399

Docusign Envelope ID: 36E260A6-465E-4E82-9E08-DEDACA19A179

Notes to the financial statements for the year ended 29 March 2025 (continued)

14 Tangible assets (continued)

Company

	Buildings (incl. leasehold improvements)	Other Equipment	Computer Equipment	Box Office & HR systems	Total
	£	£	£	£	£
Cost					
At 1 April 2024	1,350,364	310,371	133,064	244,741	2,038,540
Additions during the year	-	-	-	-	-
Disposals	-	-	-	-	-
At 29 March 2025	1,350,364	310,371	133,064	244,741	2,038,540
Accumulated depreciation					
At 1 April 2024	699,946	310,371	57,670	222,138	1,290,125
Charge for the year	105,144	-	12,369	11,080	128,593
Disposals	-	-	-	-	-
At 29 March 2025	805,090	310,371	70,039	233,218	1,418,718
Net book value					
At 29 March 2025	545,274	0	63,025	11,523	619,822
At 31 March 2024	650,418	0	75,394	22,603	748,415

The main Theatre Royal premises is leased from Newcastle City Council which owns the property. A new 125-year lease commenced on 1st April 2016 at a peppercorn rent. The Trustees consider the nature of the Theatre Royal's business to be such that realistic quantification of the true value of this gift in kind is impossible with any accuracy, and hence no value has been attributed to it within the financial statements.

Docusign Envelope ID: 36E260A6-465E-4E82-9E08-DEDACA19A179

Notes to the financial statements for the year ended 29 March 2025 (continued)

15 Investments in subsidiaries

On 27 October 2017 NTRT Trading Ltd was incorporated. This company was a wholly owned subsidiary of the Trust and had yet to commence trading. The company was limited by guarantee and the Trust, as the parent charity, guaranteed to pay up to one pound towards the costs of dissolution and the debts and liabilities of the company. NTRT Trading Ltd was incorporated in England, registration number 11036273 and its registered office was 100 Grey Street, Newcastle upon Tyne, NE1 6BR. This company was dissolved on 9th July 2024.

On 30th January 2024 NTR Green Room Trading Limited was incorporated. NTR Green Room Limited is incorporated in England, registration number 1545690 and its registered office is 100 Grey Street, Newcastle upon Tyne, NE1 6BR. One ordinary share has been issued and is held by the Newcastle Theatre Royal Trust Limited. NTR Green Room Limited is therefore a wholly owned subsidiary of the Trust and has carried out all commercial operations of the Trust since 1st April 2024.

Docusign Envelope ID: 36E260A6-465E-4E82-9E08-DEDACA19A179

Notes to the financial statements for the year ended 29 March 2025 (continued)

16 Stock

	2025 Company £	2025 Group £	2024 Company £	2024 Group £
Goods for resale	-	21,393	16,751	16,751

17 Debtors

	2025 Company £	2025 Group £	2024 Company £	2024 Group £
Trade debtors	21,066	35,550	113,982	113,982
Subsumption security monies held by NCC	-	-	380,000	380,000
Other debtors	134,218	7,614	67,182	67,183
Prepayments and accrued income	932,187	994,577	445,674	445,674
	1,087,471	1,037,741	1,006,838	1,006,839

18 Amounts due from Subsidiary Undertaking

At the balance sheet date, the charity was owed £126,604 by its trading subsidiary, NTR Green Room Limited, in respect of services recharged during the year. The amount is unsecured, interest-free, and repayable on demand and is included within other debtors above.

Docusign Envelope ID: 36E260A6-465E-4E82-9E08-DEDACA19A179

Notes to the financial statements for the year ended 29 March 2025 (continued)

19 Creditors: amounts falling due within one year

	2025 Company £	**2025 Group £**	2024 Company £	2024 Group £
Trade creditors	1,620,003	1,660,159	1,622,643	1,622,643
Taxation and social security	128,867	195,229	161,122	161,122
Other creditors	267,925	267,925	19,084	19,084
Accruals	884,941	886,040	1,237,464	1,237,464
Deferred income (note 20)	7,396,932	7,396,932	5,193,061	5,193,061
	10,298,668	10,406,285	8,233,374	8,233,374

20 Deferred incomes

Deferred income comprises advance ticket sales, booking fees and heritage fund income for performances after 29 March 2025.

Group and Charity	£
Balance as at 1 April 2024	5,193,061
Amount released to income earned from charitable activities	(11,840,287)
Amounts refunded net of show transfers	(468,985)
Amount of advanced receipts at year end	14,513,143
Balance as at 29 March 2025	7,396,932

	£
Balance as at 1 April 2023	5,853,353
Amount released to income earned from charitable activities	(12,060,176)
Amounts refunded net of show transfers	(355,462)
Amount of advanced receipts at year end	11,755,346
Balance as at 31 March 2024	5,193,061

Docusign Envelope ID: 36E260A6-465E-4E82-9E08-DEDACA19A179

Notes to the financial statements for the year ended 29 March 2025 (continued)

21 Funds

Group

	Revenue funds	Designated funds	Unrestricted Funds	Restricted Funds	Total
	£	£	£	£	£
At 1 April 2024	441,572	6,258,000	6,699,572	2,582	6,702,154
Net incoming/ (outgoing) resources for the year	889,333	-	889,333	44,649	933,982
Transfers	(1,041,634)	(273,000)	(1,314,634)	1,314,634	-
At 29 March 2025	**289,271**	**5,985,000**	**6,274,271**	**1,361,865**	**7,636,136**

Previous year

	Revenue funds	Designated funds	Unrestricted Funds	Restricted Funds	Total
	£	£	£	£	£
At 1 April 2023	5,215,925	1,136,000	6,351,925	2,582	6,354,507
Net incoming/ (outgoing) resources for the year	347,647	-	347,647	-	347,647
Transfers	(5,122,000)	5,122,000	-	-	-
Actuarial Gain/Loss	-	-	-	-	-
At 31 March 2024	441,572	6,258,000	6,699,572	2,582	6,702,154

Unrestricted funds The designated funds include funds set aside by the Trustees to cover the refurbishment and restoration of the building, repair and renewal of equipment, a contribution towards Creative Engagement projects, potential technical upgrades, and minor one-off projects.

Restricted funds

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors, or which have been raised by the charity for a particular purpose.

Transfers

During the year £1,314,634 was transferred from designated reserves to restricted reserves. This amount relates to income from the future levy which is now restricted for investment in the Theatre Royal building and to support our creative programmes.

Docusign Envelope ID: 36E260A6-465E-4E82-9E08-DEDACA19A179

Notes to the financial statements for the year ended 29 March 2025 (continued)

22 Analysis of net assets between funds

Group	Unrestricted funds	Designated funds	Restricted funds	Total 2025
	£	£	£	£
Tangible fixed assets	730,852	-	-	730,852
Current assets & long-term debtor	9,964,704	5,985,000	1,361,865	17,311,569
Current liabilities	(10,406,285)			(10,406,285)
Total net assets as at 29 March 2025	289,271	5,985,000	1,361,865	7,636,136

Previous year	Unrestricted funds	Designated funds	Restricted funds	Total 2024
	£	£	£	£
Tangible fixed assets	748,415	-	-	748,415
Current assets & long-term debtor	7,926,531	6,258,000	2,582	14,187,113
Current liabilities	(8,233,374)	-	-	(8,233,374)
Total net assets as at 31 March 2024	441,572	6,258,000	2,582	6,702,154

Docusign Envelope ID: 36E260A6-465E-4E82-9E08-DEDACA19A179

Notes to the financial statements for the year ended 29 March 2025 (continued)

23 Notes to the consolidated cash flow statement

(a) Reconciliation of net outgoing resources to net cash used in operating activities

	2025	2024
	£	£
Net outgoing resources	933,982	347,647
Depreciation	136,520	110,048
Interest receivable	(714,036)	(627,519)
(Increase)/Decrease in stocks and work in progress	(4,643)	(304)
Decrease/(Increase) in debtors	(30,902)	(125,249)
Increase/(Decrease) in creditors	2,172,911	141,303
Net cash (used in)/generated from operating activities	2,493,832	(154,074)

(b) Analysis of changes in net cash & net debt

	At 1 April 2024	Change in year	**At 29 March 2025**
	£	£	**£**
Cash at bank and in hand	13,163,523	3,088,912	16,252,435
Net cash	13,163,523	3,088,912	16,252,435

(c) Reconciliation of net cash flow to movement in net cash

	£
Increase in cash in the year	3,088,912
Net cash as at 1 April 2024	13,163,523
Net cash as at 29 March 2025	16,252,435

Docusign Envelope ID: 36E260A6-465E-4E82-9E08-DEDACA19A179

Notes to the financial statements for the year ended 29 March 2025 (continued)

24 Lease and other financial commitments

Group operating leases

Total future minimum lease payments under operating leases are given in the table below:

	At 29 March 2025			At 31 March 2024		
	£	**£**	**£**	£	£	£
	Other equipment	Office equipment	**Total**	Other equipment	Office equipment	Total
Not later than 1 year	3,419	4,140	7,559	1,876	1,055	2,932
Later than 1 year and not later than 5 years	3,629	13,585	17,214	0	0	0
	7,048	17,725	24,773	1,876	1,055	2,932

25 Ultimate controlling party

The company is limited by guarantee and there is no ultimate controlling party.

NEWCASTLE THEATRE ROYAL TRUST LIMITED

England & Wales - Charity number 504473

Accounts

Newcastle Theatre Royal Trust Limited

(a company limited by guarantee)

Annual Report and Financial Statements

for the year ended 31 March 2024

Registered Number: 01217427

Charity Number: 504473

Contents

Legal and administrative details 1

Trustees' report (including Strategic report) for the year ended 31 March 2024 2

Statement of Trustees' responsibilities 12

Independent auditors' report to the members of Newcastle Theatre Royal Trust Limited 13

Statement of Financial Activities (including income and expenditure account) for the year ended 31 March 2024 16

Balance Sheet as at 31 March 2024 18

Statement of Cash Flows for the year ended 31 March 2024 19

Notes to the financial statements for the year ended 31 March 2024 20

Legal and administrative details

Registered charity number: 504473

Registered company number: 01217427

Trustees

Nicholas Swales, OBE, DL (Chair)
John Carver (Vice-Chair) (resigned 29th September 2023)
Raymond Mills (Vice-Chair) (appointed 16th October 2023)
Julie Blackie
Lorna Edwards
Ben Fletcher-Watson
Scott Holland
Andrew Roberts (appointed 5th June 2023)
Alison Jones (appointed 5th June 2023)

Chief Executive

Marianne Locatori

Management Team

Jo Kirby	Director of Audience & Commuications
Siobhan Lightfoot	Director of Operations
Colin Johnston	Director of Finance

Company Secretary

Colin Johnston

Bankers

HSBC UK Bank plc
3rd Floor
Central Square South
Orchard Street
Newcastle upon Tyne
NE1 3AZ

Independent Auditors

Azets Audit Services
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Principal address and registered office

Newcastle Theatre Royal Trust Limited
100 Grey Street
Newcastle upon Tyne
NE1 6BR

Trustees' report for the year ended 31 March 2024

The Trustees (who are also the directors for the purpose of company law) submit their report including the Strategic Report and the audited financial statements of the Newcastle Theatre Royal Trust Limited ("the Trust") for the year ended 31 March 2024.

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

Structure, governance and management

The Trust is a charitable company limited by guarantee and is a registered charity. The members have no shareholdings, but in the event of a winding up they have each undertaken to contribute to the payment of liabilities, such amount as may be required, not exceeding a total of £1.

The Trust is governed by its Articles of Association (last amended by special resolution on 13 December 2019). As stated in the Articles of Association, the Trust shall have up to eleven trustees who shall be appointed at the Annual General Meeting. Trustees are appointed for a three-year term of service, with reappointment being permitted provided that the maximum period of service is 3 x three-year terms.

The Board of Trustees normally meets five times per year which includes an annual away day and all major decisions are put forward for consideration at Board Meetings. There is a Finance & General Purposes Committee, which also has responsibilities for Heath and Safety, with a membership of up to five Board Members, which normally meets five times per year and is from time to time given delegated authority for certain matters. Other specific committees are created for specific purposes and projects as necessary. The senior management team are responsible for the day-to-day running of the charity.

New Trustees have a full induction which includes meeting with the Chair, Chief Executive and Senior Leadership team and a briefing is given on the organisation and its practices and procedures, as well as the responsibilities of Trustees. An introduction to the operational aspects of the Trust is given together with a tour of the Theatre Royal and all new Trustees receive a comprehensive induction pack. Specific training for all Trustees is also arranged as required.

The Trustees set the salary and remuneration package for the Chief Executive taking into account industry norms and the need to attract high quality candidates. The salaries of the Trust's key management personnel are set by the Chief Executive in conjunction with the Finance & General Purposes Committee. Both are benchmarked against salaries of comparable positions in the industry. Subsequently any increase is generally in line with any pay award made to all staff.

Trustees' report for the year ended 31 March 2024 (continued)

All Trustees give their time freely and receive no remuneration.

The Trustees are responsible for maintaining a sound system of internal control in order to safeguard the assets of the charity.

An annual budget is presented and approved by the Board in March each year, having been reviewed in advance by the Finance & General Purposes Committee. Management accounts in which actual results are compared against budgeted results are prepared and circulated to the Management Team monthly and Trustees at each board meeting. One volunteer assists the Trust as an archivist, and the Trustees and senior management team are very grateful for the contributions made by our volunteer.

Objectives and activities

The Trust's primary charitable objectives are to promote, maintain, improve and advance education, particularly by the production of educational plays and encouragement of the arts, including the arts of drama, mime, dance, singing and music.

This is normally achieved by the presentation of a wide ranging and programme of quality drama, dance, musicals, opera, ballet, pantomime, live music and comedy performed in the 1,247 seat, Grade 1 Listed, Theatre Royal, alongside a creative engagement programme that is embedded at the heart of the overall creative programme.

The performance programme is a careful balance of creative endeavour, commercial success and financial prudence, to ensure that a key source of income, ticket sales, makes a significant contribution to the cost of operating and maintaining the Theatre Royal building.

The Trustees have complied with the duty in the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission. In delivering its objectives, the Trust achieves its charitable purposes for the benefit of the public.

Trustees' report for the year ended 31 March 2024 (continued)

Strategic Report

In May the Trustees agreed and approved a new strategic plan with a new vision, mission, values and guiding Principles for the charity. This work was the result of a 6 month programme of consultation and input from all members of staff and Trustees and facilitated by Theatre sector consultants. The resulting strategy as detailed below is in the process of being put in place:

Our Vision: A love of theatre for everyone, that lasts a lifetime.

Our Mission: To create moments of magic on and off stage, through an ambitious creative programme for audiences and communities across the North East. Our landmark theatre in the heart of Newcastle is a place where everyone is welcome and a space for all to enjoy.

Our Values:
Ambitious: We are ambitious in all that we do: excellence and quality are pre-requisites and we endeavour to be the best that we can be.
Inclusive: We celebrate diversity: we welcome and respect difference voices and perspectives knowing that together we can achieve more.
Collaborative: We value trust: we embrace partnership working to achieve and celebrate shared success.
Creative: We nurture creativity; we recognise and celebrate imagination and originality in everyone.
Progressive: We are forward thinking; we look to the future and embrace change.

Underpinning the strategy are **guiding principles** that are the lenses through which we plan and deliver all activity. This framework has informed the development of key organisational strategies over the last year, with more development required in the year to come.

People: Our success is driven by our people. We support and develop our teams and Trustees to be a talented and diverse workforce, empowered and appropriately skilled to deliver and support our creative programme, our creative engagement programme and commercial operations. We value our teams' health and well-being and we look to take care of the 'people experience' at NTR.

Financial Resilience: We embrace an entrepreneurial approach to broadening our income streams, increasing trading and developing new income generating opportunities. The areas of current financial focus are commercial operations, fundraising and development ticket income – particularly growth in customer loyalty and membership.

Place: We are a cultural hub in the city centre, welcoming audiences from across the North East. We reflect, and are representative of, our distinctive region and communities on and off stage. We want to ensure our theatre building is open and accessible for everyone to enjoy more of the time.

Process: We will embrace change and focus on continuous improvement, always looking to modernise and digitise where possible. Partnership working is inherent in all our programmes and welcome collaboration to support growth.

Sustainability: We value and respect the environment and take responsibility to ensure our policies and actions contribute to improved sustainability.

Trustees' report for the year ended 31 March 2024 (continued)

Our key strategic objectives

- *To Present a creative programme of quality and excellence*

Our programme on stage is rooted in quality; it is ambitious and embraces diversity. We are the largest Theatre in Newcastle and draw our diverse audiences from across the North East and, in order to serve these communities, our programme will present a broad range of the best regional, national and international drama, dance, musicals, opera and pantomime. We will explore collaboration to facilitate or open new musical or drama productions and we will develop a programming strategy for our smaller studio space.

- *Produce a creative engagement programme providing pathways and opportunities for communities in Newcastle*

Our Creative Engagement programme sits at the heart of our overall Creative Programme, providing participants with pathways to find their own creativity, support their personal and professional development, improve well-being and provide positive health outcomes. The work is focused in three areas: Young People, Community and Talent Development.

- *The Theatre is a public space in the city that is welcoming and accessible*

Our theatre building is a great asset for the city and we are proud custodians of one of its recognisable landmarks. Whilst recognising the challenges presented by the Grade 1 listing, we will develop its earning potential whilst aiming to maximise access and provide opportunity for everyone to enjoy the building. We will endeavour to ensure our Theatre is a place to create, to connect, to feel safe in, to inspire and a place to have fun.

Achievements and performance

We welcomed nearly 330,000 audience members to see shows, presenting 61 productions and 410 performances across a range of genres. 39% of our audience came to see musical theatre, 22% for pantomime, 15% for dance, 7% for drama. The remaining 17% comprised audiences for family shows, opera and comedy.

We launched the premiere of Michael Harrison's new pantomime *Pinocchio* (Crossroads pantomimes) welcoming 85,000 to a nearly sell out 7 week run (94% occupancy). Musicals were an important part of the creative programme, driving audiences and ticket sales – highlights included Six (98.5% occupancy), Sister Act (89% occupancy), 42nd Street (80% occupancy), Jesus Christ Superstar (86% occupancy), The Drifters Girl (67% occupancy), Everybody's Talking About Jamie (89% occupancy) and The Bodyguard (93% occpauncy).

Whilst drama is proving challenging for many venues, we presented a number of nationally acclaimed productions: the National Theatre's Ocean At The End Of The Lane, West-End hit 2:22 A Ghost Story, James Grahams' Quiz and partner company the Royal Shakespeare Company's Julius Caesar. Working in collaboration with the RSC we created a community chorus of 6 female identifying community members to develop their vocal and performance skills in regular workshops with the RSC before performing with the professional company on stage for the run of Julius Caesar in Newcastle.

Diverse national and international Dance Companies have presented a range of classical and contemporary dance on our stage this year, including three Dance Consoritum productions – Dada Masilo's Sacrifice (South Africa), Ailey 2 Alivn Ailey American Dance Theatre's second company (USA), Sao Paolo Dance Company (Brazil). From the UK we welcomed partner company Matthew Bourne's New Adventure's Sleeping Beauty, Northern Ballet's Beauty & The Beast and Scottish Ballet's Cinders! Further enrichement for dance audiences has included 900 attenders at pre-post show talks, 110 attenders to observe company classes and the opportunity for 5 adult dancers in training to participate in a master class with Ailey 2.

Trustees' report for the year ended 31 March 2024 (continued)

We welcomed 7,536 new attenders to see a production on stage and in total sold 71% occupancy across the year. Our average ticket price paid was £32.20 and average number of times an audience member attended in the year was 2.27.

At the centre of our vision and mission is our Creative Engagement programme. This work has provided pathways for people in Newcastle and the North East to discover and experience live theatre as well as develop the abundance of creative talent and the industry's future workforce here on our doorstep. The past 12 months have seen us reach out further into the community, collaborate with organisations representing under-served groups and nurture relationships with schools in economically deprived areas.

In 2023/24, we have worked directly with over 1,300 individuals through practical workshop activities within the Theatre, a further 327 school age pupils in their school settings and over 130 adult participants in community settings. We also opened the doors to our backstage areas and welcomed 178 people to participate in Insight visits which enabled them to get a glimpse into how the theatre works.

We have formed a partnership arrangement with West End Schools Trust (WEST), a charitable company of primary schools and partner organisations located in the west end of the city of Newcastle upon Tyne. In January we officially became a partner organisation of WEST and with them developed a 3 year plan to deliver creative engagement activity to the schools in the Trust over the coming 3 years. We launched a weekly after school club, delivered on site at Theatre Royal, as well as starting to deliver our Oracy and Literacy work in school.

We continued our partnership with both Twisting Ducks, a North East charity that aims to change the lives of people with learning difficulties and autism, and Newcastle College, working with neurodivergent young adults and those with additional learning needs, supporting 53 individuals develop confidence, social and performance skills.

On stage, we developed two large scale main auditorium productions, eight full scale Studio productions and a further 27 show back and sharing events across our Studio and Rehearsal Room spaces, welcoming 1,480 audience members.

Our Youth Theatre continues to grow with 572 young people developing performance skills and creating small scale devised projects. Our popular Summer School programme saw 286 youngsters from across the region participate in a number of week-long, performing arts projects including creating a play in a week, exploring backstage roles, a five-day film challenge and musical theatre showcase.

In total, 4901 young people participated in our creative engagement activity this year.

As a longstanding flagship Creative Engagement programme, Project A – our actor training programm,-welcomed 18 young people from across the North East in our 23/24 cohort. Visiting Directors worked with the group to create two new pieces of work. With the permission of the Julia Darling estate, one of the pieces was further developed and performed as epilogue to a sell-out, weeklong run of Darling's A Manifesto for a New City. Over 90% of the graduates have gone on to continue their training in Drama School settings or have received professional representation, working in the industry from graduation.

Evry is the city wide strategic plan, led by Newcastle City Council, which seeks to make Newcastle a place where every baby, child and young person can feel happy & healthy, ready for their next steps, safe and heard. As one of the first organisations to join the partnership, over 800 young people and their families, who would have been otherwise unable, attended the preview performance of our pantomime, Pinocchio.

Our continued commitment to introducing new audiences and providing opportunities for as many people as possible to enjoy and experience live theatre enabled us to forge and grow valuable relationships with a number of community and outreach partners.

Trustees' report for the year ended 31 March 2024 (continued)

Through Gem Arts – a diverse arts development organisation committed to delivering a culturally eclectic programme of work – we welcomed members of the South East Asian community to experience Opera North's *Orpheus.* A collaboration with Newcastle City of Sanctuary enabled a group of migrant and asylum seekers to experience opera for the first time.

Financial review

The Trust's income was £15,996,798, compared to £17,281,991 the previous year (2023). The reduction was as a result of a less commercially focused programme on stage but one that presented a wider breadth of genres and artistic innovation.

The income generated by the foyer bar sales resulted in £743,956 net income to support the Theatre operation.

Due to the continued higher level of interest rates, the Trust benefited with interest received of £627,520. This income contributed signficinatly to the year-end surplus but it should be noted that this income is not sustainable mid to long term and will reduce as interest rates fall. Therefore a focus on generating new income streams for the Trust is essential to generate a surplus in future years.

The Trust awarded a 4% pay increase for all staff in this year. This increase recognised the levels of inflation over recent years and a number of years of nil pay increase for staff.

The Trust does not normally receive any external funding in the form of Government (national or Local) Grants. The Trustees are, however, grateful for all supporters and customers of the Theatre Royal who have continued to support by attending productions and continuing with their memberships and donations.

Overall expenditure on charitable activities was £15,649,151 and income generated was £15,996,798, therefore resulting in a net surplus of £347,647 for the financial year.

The Trustees regard the resulting surplus as a good result in the continuing challenging climate of increased costs for presenting the work on stage, staffing and overheads.

Pension scheme

The last full triennial actuarial valuation was at 31 March 2022. The Trust continued to benefit from lower employer contributions following the new subsumption agreement with Newcastle City Council and the Tyne & Wear Pension Fund. The contribution rate during the year ended 31st March 2024 was 10.3% (2023: 14%).

The accounting valuation of the Balance Sheet pension scheme for LGPS funded benefits improved from a surplus of £2,680,000 as at 31 March 2023 to a surplus of £3,430,000 (although this was capped at £nil on the Balance Sheet) and for LGPS unfunded benefits, made on a discretionary basis upon early retirement, the liability remained at £70,000 (2023: £70,000) (which was offset against the above surplus, with no surplus nor liability for the pension scheme being included in the Balance Sheet). The increased surplus reflects changes in the financial assumptions used to value the assets and liabilities from an accounting perspective, these are different to the assumptions used by the actuaries in determining the employer contribution rates. Further details on this decrease are given in note 12.

In accordance with FRS 102 the net surplus of the LGPS scheme is not recognised on the Balance Sheet.

Trustees' report for the year ended 31 March 2024 (continued)

An actuarial gain of £1,030,000 has been recognised on the LGPS benefits (2023: £6,490,000). There is no change to the unfunded LGPS benefits in the year, which reflects the movement on the net defined benefit pension scheme obligations following the actuary's annual review of this liability for accounting purposes. As a result of this actuarial gain, and the accounting treatment to limit the surplus to £nil, the overall net movement in funds (shown on the Balance Sheet) for the year is an increase of £nil (2023: increase of £3,140,000).

The pension surplus represents a snapshot of the pension scheme at the year end, however, it should be noted that the average duration for the LGPS funded scheme liability is 19.5 years (as calculated by the actuarial advisors to the Tyne and Wear Pension Fund) and the surplus for this scheme of £3,430,000 (capped at £nil on the Balance Sheet) should be assessed in this context.

It is important to note that on 27th June 2024 trust left the Tyne & Wear Pension Fund. The guarantee in place at 31st March 2024 between Newcastle City Council and South Tyneside Council (as Administering Authority for the Tyne and Wear Pension Fund) in relation to the Trust's admission to the Fund, was subsequently released and the bond repaid.

Reserves policy and going concern

The Trust aims to generate sufficient funds to invest in cultural/artistic activities in furtherance of its charitable objectives (education through the arts). Its aim is to hold sufficient general reserves to cover the normal operating costs for a minimum 3 month period in order to manage an orderly wind up of the business (if ever required) and to retain sufficient cash funds to repay any deferred income balances held in relation to advance ticket sales.

Restricted reserves represent funds that are retained for a specific purpose in accordance with the terms upon which the income was received. The designated reserve is part of the general reserve and represents reserves that have been set aside to meet specific obligations. These obligations include the 3 year cost for planned restoration and refurbishment of the Theatre Royal building, together with commitments to fund creative engagement projects, artistic partnerships, and any capital commitments. The designated reserve also includes an amount sufficient to cover the normal operating costs for a minimum 3 month period.

Unrestricted funds amounted to £6,699,573 at 31 March 2024 (2023: £6,351,925). The general reserve, excluding the designated reserve, amounted to £441,573 at 31 March 2024 (2023: £5,215,925). The designated reserve at 31 March 2024 amounted to £6,258,000 (2023: £1,136,000). The restricted reserve at 31 March 2024 is unchanged and amounted to £2,582.

Total funds held at 31 March 2024 amounted to £6,702,155 (2023: £6,354,507).

The Trustees appreciate the careful balance required in maintaining reserves whilst continuing investment in building maintenance and improvements, and ensuring funds are available to protect against fluctuations in audience numbers alongside the challenge of offering a varied artistic programme.

Going concern

In light of ongoing prudent management and the steps taken above, the Trustees are confident that the Trust is a going concern and as such the going concern basis has been adopted in the preparation of the financial statements. The Trustees consider there are sufficient reserves and cash to enable the Theatre to continue in operation for the foreseeable future and the financial position of the Trust continues to be closely monitored.

Trustees' report for the year ended 31 March 2024 (continued)

Investment powers policy and performance

The Trustees have the power, as detailed in the Trust's governing document, to invest the funds of the Trust as they see fit. The investment policy is to hold the funds needed for the day-to-day operations as cash. Should surplus funds arise they are invested with a view to maximise income return whilst maintaining the liquidity requirements of the Trust.

NTRT Trading Ltd (Non-trading)

NTRT Trading Ltd is incorporated in England, registration number 11036273 and its registered office is 100 Grey Street, Newcastle upon Tyne, NE1 6BR. This company was dissolved on 9th July 2024.

NTR Green Room Limited (Non-trading)

On 11th March 2024 the trust ended the leases in respect of the demises trading as Datbar and Nitehawks. NTR Green Room Limited was incorporated on 30th January 2024 to carry on commercial operations at the theatre when the areas previously occupied by Datbar and Nitehawks reopen. We are currently engaged in a process of consultation to consider the design and use of those spaces.

Principal risks and uncertainties

In delivering the charitable objectives, the Trustees are mindful of the risk involved and have established systems and procedures for identifying, reviewing and mitigating the key risks. A risk register is maintained which is reviewed regularly and updated as necessary by the Senior Management Team, Finance & General Purposes Committee and then annually by the Board of Trustees. The register details the significant risks to which the Trust is exposed and the steps taken to mitigate those risks. The risks are reviewed by management throughout the year.

The key risks which the charity faces are:

Economic risk – The financial success of the Trust rests on generating sufficient income from across a mix of box office sales by maintaining/increasing audience attendance rates, commercial operations' sales income and development, and fundraising income. This year there has been a squeeze on the margins achievable from the stage programme due to increased costs set against challenging customer confidence due to the cost of living crisis, inflation and continued economic uncertainty meaning ticket price increases remained modest. Ticket and commercial sales are closely monitored by management and the achievement of financial targets are regularly reported to both the Finance & General Purposes Committee and Board.

Artistic Risk – A failure to maintain the quality, diversity and popularity of the artistic programme will directly impact box office sales. A level of confidence has returned to some Theatre producers who tour work nationally, however increased costs mean that the breadth of their artistic risk is somewhat impacted. Actions taken to mitigate this risk include ensuring the relationships with commercial and subsidised producers are strong, maintaining close and regular contact as touring plans are developed. The Theatre's Programming Team meeting, comprised of key creative staff and the Senior Leadership Team contribute to the programme planning. The board receives regular updates on the status of both the current and future programme.

Pension scheme risk – The Trust used to participate in the Tyne & Wear Pension Fund, which is a defined benefit local government pension scheme, which exposed the Trust to increases in the required employer contribution rate, over which the Trust has no control. Following the actuarial valuation and entering of a new subsumption

Trustees' report for the year ended 31 March 2024 (continued)

agreement with Newcastle City Council and the Tyne and Wear Pension Fund, the Trust's employer contribution rate was set at 10.3% for the year ended 31st March 2024. On 27th June 2024 the Trust exited the Tyne & Wear Pension Fund and is now no longer exposed to the risks of a defined benefit pension scheme. The Trust now operates a defined contribution scheme with Smart Pension and the employer contribution rate continues to be 10.3%.

Staff Recruitment and Retention risk - Recruitment of staff across all sectors, including Theatre, has been difficult as pressure on wages and work life balance expectations continue to increase. The Theatre's minimum pay levels are, however, aligned with the Real Living Wage Foundation wage. Benefits include an Employee Assistance Scheme, mental health first aiders and a well-being group. A new role of Head of People has been introduced this year along with a newly developed People Plan, which includes a review of employment terms and benefits being undertaken. The new Senior Leadership and Head of Deptarment structure has introduced more expertise and capacity to the wider leadership team. The Finance & General Purposes Committee scrutinises the annual budget in detail before it is approved by the Board and close attention is given to the level of pay awards made.

Terrorism & Cyber Security, IT resilience risk – The charity relies heavily on its computerised booking systems and other supporting IT systems. The risk of criminal cyber activity remains constant. The Trust engages specialist IT providers and has payment card industry compliance certification. All staff receive IT security training and the Trust implements regular training updates; however, this remains an area where ongoing vigilance is required throughout the organisation and by all levels of staff at all times. The introduction of a new role of Head of Business Support has resulted in the introduction of modernised, fit for purpose, cloud based and future proofed systems across HR and Finance which further mitigate IT system failures. The Trust monitors and endeavours to improve the Counter Terrorism procedures taking advice from CT specialists, legislative changes, to inform policy changes.

Plans for future years

The three strategic objectives will be the focus of the coming year and the Trust will expand on the work initiated this year in each of these areas.

Creative Programme – the Trust will look for partnership opportunities to faciliate and launch new productions that align to our artistic vision and that are relevant and representative of the North East, celebrating the talent in the region.

Creative Engagement – this programme of work will grow, particularly focused on the West of the city where there is limited creative and cultural provision and significant areas of deprivation. This work will expand and build on the partnership with West End Schools Trust, to ecompass community engagement in community settings. Talent Development programmes, to nuture and support creative talent in the region will also be a focus.

The Theatre Building – following the end of the lease arrangements for the Theatre's demise that were previously Datbar and Nitehawks, considerations will be given to how those spaces can be best used to create a building and cultural hub in the city that is open more of the time to more people.

Trustees' report for the year ended 31 March 2024 (continued)

Public benefit

Fundraising

Income generated from the Trust's core charitable activities is used to fund its day to day operations. Donation and legacy income usually represents a small percentage of the Trust's overall income, but is an area for exapansion with the introduction of a new Head of Development role. Income from the Friends scheme generates £155,433 and with over 6,600 members these supporters are a core audience base for the Theatre.

During the year donations totalled £35,960 (2023: £84,211) and the Trustees are extremely grateful to all donors and our loyal audiences for their support during the year.

The Trust engaged a Head of Development on 4th March 2024 to manage its fundraising activities and to increase external support for our creative engagement programme and improvements to the building.

The Trust seeks to protect all members of the public (including vulnerable people) in all of its fundraising activities. The Trust's "Data Promise", which is available on the Theatre's website, outlines how the Trust treats the personal data of its customers.

The Trust did not receive any complaints about its fundraising activities during the year.

The Board regularly receives information on the level of donations received and sponsorship income generated and any activities being carried out which enables them to monitor fundraising activities.

Fixed assets

Movements in tangible fixed assets are set out in note 14 to the financial statements.

Directors' and officers' liability insurance

The Newcastle Theatre Royal Trust Limited holds liability insurance on behalf of the directors and officers.

Statement as to disclosure of information to auditors

The Trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the Trustees has confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditors.

Independent Auditors

Azets Audit Services have indicated their willingness to continue in office.
The Trustees' Report including the Strategic Report has been approved by the Board and is signed on its behalf of by:



Mr Nicholas R. Swales, OBE, DL
Chair

Date: 14 October 2024

Statement of Trustees' responsibilities

The Trustees (who are also directors of Newcastle Theatre Royal Trust Limited for the purposes of company law) are responsible for preparing the Trustees' Report (including the Strategic Report) and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for the maintenance and integrity of the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved and signed on behalf of the Board by:



Mr Nicholas R. Swales, OBE, DL
Chair
Date: 14 October 2024

Independent auditors' report to the members of Newcastle Theatre Royal Trust Limited

Opinion

We have audited the financial statements of Newcastle Theatre Royal Trust Limited (the 'Charity') for the year ended 31 March 2024, which comprise the Statement of Financial Activities, Balance Sheet, 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 United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity 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.

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 charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements were 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 Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

Independent auditors' report to the members of Newcastle Theatre Royal Trust Limited (continued)

Other information (continued)

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.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where 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; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 12, 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 the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or

Independent auditors' report to the members of Newcastle Theatre Royal Trust Limited (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiries with management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing board minutes;
- Review of legal expenses incurred by the charity;
- Challenging assumptions and judgements made by management in their significant accounting estimates;
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

Because of the field in which the client operates, we identified the following areas as those most likely to have a material impact on the financial statements and compliance with the UK Companies Act, and the Charities Act.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or recognise the non-compliance.

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.

Use of our report

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

Simon Brown

Simon Brown BA ACA DChA (Senior Statutory Auditor)
For and on behalf of Azets Audit Services
Chartered Accountants
Statutory Auditor
Bulman House, Regent Centre, Gosforth
Newcastle upon Tyne, NE3 3LS

Date: 16th October 2024

Azets Audit Services is a trading name of Azets Audit Services Limited.

Statement of Financial Activities

for the year ended 31 March 2024

	Note	Unrestricted General funds £	Unrestricted Designated Funds £	Restricted funds £	**Total 2024 £**	Total 2023 £
Income from						
Donations and legacies	4	35,960	-	-	35,960	170,179
Charitable activities:						
Operation of Theatre	5	15,274,208	-	-	15,274,208	16,837,125
Other including Government Grant funding	6	59,110	-	-	59,110	37,724
Investments	7	627,520	-	-	627,520	236,963
Total income		15,996,798	-	-	15,996,798	17,281,991
Expenditure						
Expenditure on charitable activities:						
Operation of Theatre	8	(15,649,151)	-	-	(15,649,151)	(15,626,400)
Total expenditure		(15,649,151)	-	-	(15,649,151)	(15,626,400)
Net income/(Expenditure)		347,647	-	-	347,647	1,655,591
Actuarial gains/(losses) on defined benefit pension schemes	13 (g) & (k)	-	-	-	-	3,140,000
Transfer to designated funds		(5,122,000)	5,122,000	0	-	-
Transfer to restricted funds		-	-	-	-	-
Net movement in funds		(4,774,353)	5,122,000	-	347,647	4,795,591

Statement of Financial Activities (continued)

for the year ended 31 March 2024

	Note	Unrestricted General funds £	Unrestricted Designated Funds £	Restricted funds £	**Total 2024** £	Total 2023 £
Net movement in funds		(4,774,353)	5,122,000	-	347,647	4,795,591
Reconciliation of funds:						
Total funds brought forward	21	5,215,925	1,136,000	2,582	6,354,507	1,558,916
Total funds carried forward	21	441,572	6,258,000	2,582	6,702,154	6,354,507

The statement of financial activities includes all gains and losses recognised in the year. Income and expenditure for the year covers activities at the Theatre Royal and for the year ended 31 March 2024.

Balance Sheet

as at 31 March 2024

	Note	2024	2023
		£	£
Fixed assets			
Tangible assets	14	748,415	506,398
Investments in subsidiaries	15	1	1
		748,416	506,399
Current assets			
Stocks	16	16,751	16,446
Debtors	17	1,006,838	881,589
Cash	23	13,163,523	13,042,143
		14,187,112	13,940,178
Creditors:			
Amounts falling due within one year	19	(8,233,373)	(8,092,070)
Net current assets		5,953,739	5,848,108
Total assets less current liabilities		6,702,155	6,354,507
Creditors falling due after more than one year			
Defined benefit pension liability	12 (c), (k)	-	-
Net assets		6,702,155	6,354,507
The funds of the charity:			
Restricted funds	21	2,582	2,582
Unrestricted funds			
Revenue funds	21	441,573	5,215,925
Pension reserve	21	-	-
General		441,573	5,215,925
Designated funds	21	6,258,000	1,136,000
Total funds		6,702,155	6,354,507

The financial statements on pages 16 to 41 were approved for issue by the Board on 14th October 2024 and were signed on its behalf by:

Mr Nicholas R. Swales, OBE, DL
Chair

Date: 14th October 2024

Registered number: 01217427

Statement of Cash Flows

for the year ended 31 March 2024

	Note	2023/24 £	2022/23 £
Net cash generated in operating activities	23 (a)	(154,074)	1,132,847
Cash flows from investing activities			
Interest received		627,519	236,963
Purchase of tangible fixed assets		(352,066)	-
Disposal of tangible fixed assets		-	-
Net cash used in investing activities		275,453	236,963
Cash flows from financing activities			
Government grant – Culture Recovery Fund		-	-
Government grant – Coronavirus Job Retention Scheme		-	-
Cash inflow from financing activities		-	-
Increase in cash and cash equivalents	23 (b)	121,380	1,369,810
Cash and cash equivalents at the beginning of the year		13,042,143	11,672,333
Cash and cash equivalents at the end of the year	23 (c)	13,163,523	13,042,143

The reconciliation of net cash flow to movement in funds is shown in note 23(a).

Notes to the financial statements for the year ended 31 March 2024

1 Principal Accounting Policies

a) Basis of preparation

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

Newcastle Theatre Royal Trust Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless stated in the relevant accounting policy note(s).

The future operations of the Trust are dependent on sufficient net income generation. The Trust is constantly looking at ways to maintain high levels of ticket sales and increase revenue streams in order to create financial security. The majority of show programming is put in place at least 12 months in advance and is monitored very carefully against targets when it goes on sale.

The Trust's forecasts and projections for the next twelve months show that the Trust should be able to continue in operational existence for that period, taking into account reasonable possible changes in trading performance and the potential impact on the Trust of possible future scenarios arising from the on-going impact of Covid-19. The Trust has strong positive cash balances and is forecasting for this to continue to be the case. The Trustees have stress-tested their forecasts, taking into account various scenarios, and remain confident that the uncertainties do not cast significant doubt on the company's ability to continue as a going concern.

The Trustees have considered the reserves and financial plans for the Trust and are of the view that, at the date of approval of the financial statements, the Trust has sufficient reserves to continue to operate for the foreseeable future. The Trustees consider the charitable company to be a going concern and the financial statements have been prepared on that basis.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are set out in the following notes.

b) Areas of judgement and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenditure. These are based on historic and other factors that are believed to be reasonable, the results of which form the basis for making judgements. The estimates and underlying assumptions are reviewed on an on-going basis.

Specific areas of estimation include depreciation and useful economic lives of assets, provisions and impairment. The nature of the estimation means that actual outcomes could differ from those estimates. None of the judgements or estimates have a significant effect on the financial statements.

c) Income recognition

Income from government and other grants, whether 'capital' or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met and it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Notes to the financial statements for the year ended 31 March 2024 (continued)

c) Income recognition (continued)

Income from charitable activities, Future Levy Fund income and sponsorship and business membership income is recognised as it is earned and is deferred when it is received in advance of the performance or period to which it relates. Ticket sales income comprises of gross income receivable. No Value Added Tax ('VAT') is due on it because the activity falls within VAT exemption for cultural services.

Gift vouchers, credit notes and tickets sold in advance are included in creditors as deferred income and are recognised as income when the performance is held or when the expiry date is reached.

Interest on funds held on deposit is recognised when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank or Newcastle City Council.

d) Resources expended & irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following headings:

- Charitable activities include expenditure associated with performances and educational activities and include both direct costs and support costs relating to these activities.
- Support costs include expenses incurred for the management and administration of the Trust. These costs have been allocated to the charitable activities on the basis of time spent on activities.
- Governance costs comprise expenses relating to governance of the company and are primarily associated with constitutional and statutory requirements.
- All resources expended are classified under activity headings that aggregate all costs related to the category. Where applicable, irrecoverable VAT is apportioned to expenditure based on the total department spend.

e) Fund accounting

Unrestricted funds

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. They may be designated or undesignated.

Designated funds

The designated funds include funds set aside by the Trustees to cover the refurbishment and restoration of the building, repair and renewal of equipment, a contribution towards creative engagement projects, potential technical upgrades and minor one-off projects.

Restricted funds

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for a particular purpose.

Notes to the financial statements for the year ended 31 March 2024 (continued)

f) Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses. Assets with a value of below £10,000 are not capitalised. Depreciation of fixed assets is charged by equal annual instalments commencing with the period of acquisition at rates estimated to write off their cost less any residual value over the expected useful lives, which are as follows:

Computer hardware and software	3 years
Box office system	5 years
Other equipment	5 years
Buildings - fixtures & fittings	between 5 years and 10 years
Buildings - Royal House	depreciated over asset life

g) Stock

Stock of goods for resale have been included at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs expected to be incurred to disposal.

h) Debtors

Trade and other debtors which are receivable within one year are initially recognised at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

i) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

j) Trade creditors & other liabilities

Trade creditors and other liabilities are recognised where the charity 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 estimated reliably. Trade creditors and other liabilities are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amount settled.

k) Financial instruments

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

l) Pension costs

Employees are entitled to join the Tyne and Wear Pension Fund which operates a Local Government Pension Scheme (LGPS). The LGPS is one of the largest public sector pension schemes in the UK. It is a nationwide pension scheme for people working in local government or working for other types of employer participating in the Scheme. Newcastle Theatre Royal Trust Limited has admitted body status in the scheme. Contributions are paid by the Trust and by its employees.

Notes to the financial statements for the year ended 31 March 2024 (continued)

l) Pension costs (continued)

The LGPS is a defined benefit plan with benefits earned up to 31 March 2014 being linked to final salary. Benefits after 31 March 2014 are based on a Career Average Revalued Earnings scheme. Members of the LGPS may also contribute towards added years or join the Additional Voluntary Contribution Scheme, each of which is funded by the employee alone. Members also have the flexibility to join the 50/50 part of the scheme whereby they will pay half of the normal contribution but their benefits will also be reduced.

Benefits in the LGPS built up before 1 April 2014 are based on the final pay of the member when they leave the Scheme. New employees are automatically enrolled into the LGPS scheme unless they have exercised their right to opt out of scheme membership.

All benefits built up in the LGPS for membership after 31 March 2014 are calculated under the rules of the new career average scheme. Pension is built up at a rate of 1/49th of the amount of pensionable pay received in that Scheme year, or at a rate of 1/98th if in the 50/50 section of the Scheme.

An actuarial review on 31 March 2024 valued the Newcastle Theatre Royal Trust Limited's share of the scheme's net pension surplus as £2,680,000 (2023: deficit £3,060,000). The surplus in relation to funded benefits is not shown on the balance sheet in accordance with the requirements of Financial Reporting Standard FRS 102. Further information is given in note 13.

2 Legal status of the Trust

The Trust is a charitable company limited by guarantee, incorporated in England. The members have no shareholdings but in the event of a winding up they have each undertaken to contribute to the payment of liabilities such amount as may be required, not exceeding a total of £1.

Notes to the financial statements for the year ended 31 March 2024 (continued)

3 Comparative Information – Prior Year Statement of Financial Activities

	Unrestricted General funds £	Unrestricted Designated Funds £	Restricted funds £	Total 2023 £
Income from				
Donations and legacies	159,280	-	10,899	170,179
Charitable activities:				
Operation of Theatre	16,837,125	-	-	16,837,125
Other including Government Grant funding	37,724	-	-	37,724
Investments	236,963	-	-	236,963
Misc. income	-	-	-	-
Total income	17,271,092	-	10,899	17,281,991
Expenditure				
Expenditure on charitable activities:				
Operation of Theatre	(15,615,501)	-	(10,899)	(15,626,400)
Total expenditure	(15,615,501)	-	(10,899)	(15,626,400)
Net income/(expenditure)	1,655,591	-	-	1,655,591
Actuarial gains/(losses) on defined benefit pension schemes	3,140,000	-	-	3,140,000
Transfer to designated funds	(577,000)	577,000	0	-
Net movement in funds	4,218,591	577,000	-	4,795,591

Notes to the financial statements for the year ended 31 March 2024 (continued)

4 Income from donations and legacies

	Unrestricted General £	Unrestricted Designated £	Restricted £	2024 £	2023 £
Individual Giving Scheme	1,558	-	-	1,558	1,571
Other donations	34,402	-	-	34,402	168,608
	35,960	-	-	35,960	170,179

5 Income from charitable activities

	2024			2023		
Unrestricted funds	Turnover £	Cost of sales £	Net income £	Turnover £	Cost of sales £	Net income £
Box office (incl. booking fee)	13,458,580	(8,299,995)	5,158,585	14,872,108	(9,330,598)	5,541,510
Ancillary	434,812	(180,212)	254,600	568,153	(262,798)	305,355
Catering & bar	999,146	(255,190)	743,956	1,025,777	(264,923)	760,854
Memberships	199,082	-	199,082	215,033	-	215,033
Creative Engagement	137,708	(77,262)	60,446	105,948	(64,812)	41,136
Miscellaneous	44,880	-	44,880	50,106	-	50,106
	15,274,208	(8,812,659)	6,461,549	16,837,125	(9,923,131)	6,913,994

Miscellaneous income includes postage income relating to ticket sales and member events as well as funds arising from the cancellation of expired historic gift vouchers and credit notes.

Notes to the financial statements for the year ended 31 March 2024 (continued)

6 Other

	2024	2023
	£	£
Sponsorship	59,110	37,724

All of this Other income relates to unrestricted funds.

7 Investments

	2024	2023
	£	£
Interest receivable	627,520	236,963

Interest receivable relates to interest earned on cash deposits. All investment income relates to unrestricted funds.

8 Analysis of expenditure on charitable activities

The Trust undertakes direct charitable activities only and does not make grant payments.

	Unrestricted General funds	Unrestricted Designated funds	Restricted funds	2024	2023
Cost of charitable activities:	£	£	£	£	£
Cost of sales (see note 5)	8,812,659	-	-	8,812,659	9,923,131
Marketing	890,525	-	-	890,525	695,002
Box office	487,118	-	-	487,118	493,872
Front of house management	1,115,360	-	-	1,115,360	1,052,848
Building overhead costs	1,119,351	-	-	1,119,351	1,128,732
Development	50,392	-	-	50,392	49,842
Technical	803,083	-	-	803,083	940,026
Creative Engagement	172,366	-	-	172,366	127,645
Depreciation	110,048	-	-	110,048	98,248
Support costs (see note 9)	2,070,075	-	-	2,070,075	1,103,511
Governance costs (see note 9)	18,174	-	-	18,174	13,543
Total cost of charitable activities	15,649,151	-	-	15,649,151	15,626,400

Notes to the financial statements for the year ended 31 March 2024 (continued)

9 Analysis of support and governance costs

The Trust allocates its support costs as shown in the table below. Support costs are allocated on a basis consistent with the use of resources.

	Support costs (Note 8)	Governance (Note 8)	**2024**	2023
	£	£	£	£
Central Office, Admin & HR	687,803	-	687,803	646,872
Finance Office	1,076,782	-	1,076,782	250,512
Information Technology	305,490	-	305,490	206,127
Internal Audit	-	5,013	5,013	3,043
External Audit	-	13,161	13,161	10,500
Total	2,070,075	18,174	2,088,249	1,117,054

10 Net income/(expenditure)

Net income/(expenditure) is stated after charging:

	2024	2023
	£	£
Depreciation of tangible fixed assets	110,048	98,248
Operating lease rentals – plant & equipment	-	-
Auditors' remuneration		
- Audit fee	12,800	10,500
Directors' and officers' liability insurance	2,604	2,604
Cost of stock recognised as an expense – stock write off	0	0

Notes to the financial statements for the year ended 31 March 2024 (continued)

11 Employee information

a) Average number of employees

The average monthly number of employees, including temporary staff, employed during the year was 259 (2023: 188) split between Theatre Royal operations 240 (2023: 170) and management and administration 19 (2023: 18).

b) The costs incurred in respect of employees were:

	2024	2023
	£	£
Wages and salaries	2,927,815	2,656,864
Social security costs	233,827	210,039
Pension charges	261,980	333,439
	3,423,622	3,200,342

Pension charges for the year include employer contributions of £261,980 (2023: £333,439) into the Tyne and Wear Pension Fund in respect of employees' pension costs. The employer's contribution rate for the year was 10.3% of pensionable pay (2023: 14%). Employee contributions vary according to their annual pay. At the year end £34,784 (2023: £40,554) was owed in respect of employer and employee contributions due to the scheme which were paid across in April 2024.

The number of employees earning over £60,000, excluding pension contributions, is as follows:

	2024	2023
	Number	Number
£60,001 - £70,000	2	1
£90,001 - £100,000	0	1
£100,001 - £110,000	1	0

c) Key Management Personnel

For the purpose of this disclosure Key Management Personnel are defined as the Trustees, Chief Executive, Director of Finance, Director of Operations, and Director of Audience & Communications whose aggregate remuneration in the year, excluding employer pension and national insurance contributions, was £295,314 (2023: £249,023). Aggregate remuneration including employer pension and national insurance contributions was £356,505 (2023:£310,750):

	2024	2023
	Number	Number
£50,001 - £60,000	1	2
£60,001 - £70,000	-	-
£70,001 - £80,000	-	-
£80,001 - £90,000	2	1
£90,001 - £100,000	-	-
£120,001 - £130,000	-	1
£130,001 - £140,000	1	-

Notes to the financial statements for the year ended 31 March 2024 (continued)

11 Employee information (continued)

d) Trustees' emoluments

Trustees received a remuneration or expenses during the year ended 31 March 2024 for services rendered to the Trust of £671.25 (2023: £73). Directors normally attend a number of performances each year in order to monitor the quality of productions and maintain a Board presence at the Theatre. In 2024 the value of tickets for performances attended by the Directors was £2,050 (2023 £1,889).

12 Pensions

The disclosures (below) relate to the funded liabilities within the Tyne and Wear Pension Fund (the "Fund") which is part of the Local Government Pension Scheme (the "LGPS").

The LGPS is a funded defined benefit plan with benefits earned up to 31 March 2014 being linked to final salary. Benefits after 31 March 2014 are based on a Career Average Revalued Earnings Scheme. Details of the benefits earned over the period covered by this disclosure are set out in The Local Government Pension Scheme Regulations 2013 and The Local Government Pension Scheme (Transition Provisions, Savings and Amendment) Regulations 2014.

(a) Funding / Governance Arrangements of the LGPS

The funded nature of the LGPS requires participating employers and its employees to pay contributions into the Fund, calculated at the level intended to balance the pension liabilities with investment assets. Information on the framework for calculating contributions to be paid is set out in LGPS Regulations 2013 and the Fund's Funding Strategy Statement.

An actuarial valuation was carried out as at 31 March 2022. Employer contributions for this period have been set at 10.3% of pensionable pay. This compares to an employer contribution rate of 14.0% for the year ended 31 March 2023. The Fund's Administering Authority, South Tyneside Council, is responsible for the governance of the Fund.

An actuarial review for accounting purposes, using the roll-forward method, was undertaken to review the funded status of the Scheme as at 31 March 2024. As a result of this review, the Trust's share of the difference between the fair value of the Scheme's assets and the present value of funded defined benefit obligations has increased from a surplus of £2.68m as at 31 March 2023 to a surplus of £3.43m as at 31 March 2024. During the year the fair value of assets increased by £1.03m and the present value of the defined benefit obligation increased by £0.28m.

In accordance with the requirements of FRS102, disclosure of certain information concerning assets, liabilities, income and expenditure relating to the pension scheme is required and is set out below.

(b) Estimated Pension Expense for the Accounting Year Ending 31 March 2025

The actuarial review for accounting purposes provides an estimate of the charges to the income and expenditure account in future periods based on the assumptions as at 31 March 2024.

Analysis of amounts charged to profit and loss	**Period ending 31 March 2025** £m
Current service cost	0.38
Net interest on net defined benefit liability	(0.04)
Total Estimated Pension Expense	**0.34**

An allowance for administrative expenses of £0.01m is included in the current service cost.

The estimated expense is based on an estimated pensionable payroll over the period of £2.53m.

Notes to the financial statements for the year ended 31 March 2024 (continued)

(c) Changes to the Pension Liability

Reconciliation of Pension Liability	£
Pension asset value at 31st March 2023	2,680,000
Current service cost	(410,000)
Interest on net defined liability	140,000
Contributions attributable to the employer	250,000
Actuarial gains/(losses)	770,000
Pension asset value not recognised (as per FRS102 para 28.22)	(3,430,000)
Closing Pension Asset at 31 March 2024	**0**

(d) Principal Assumptions

The principal assumptions used by the Actuary in updating the latest valuation of the Fund for FRS 102 purposes were:

Assumptions	**31 March 2024 %**	31 March 2023 %	31 March 2022 %
Discount rate	4.80%	4.70%	2.70%
CPI inflation	2.60%	2.70%	2.90%
Pension accounts revaluation rate	2.60%	2.70%	2.90%
Pension increases	2.60%	2.70%	2.90%
Salary increases	4.10%	4.20%	4.40%

The mortality assumptions are based on the actual mortality experience of members within the Fund based on analysis carried out as part of the 2019 Actuarial Valuation and allow for expected future mortality improvements.

Sample life expectancies at age 65 resulting from these mortality assumptions are shown below:

Mortality Assumptions	**31 March 2024 Years**	31 March 2023 Years
Males		
Pension member aged 65 at accounting date	21.0	21.6
Active member aged 45 at accounting date	22.3	22.9
Females		
Pensioner member aged 65 at accounting date	24.2	24.6
Active member aged 45 at accounting date	25.6	26.1

Notes to the financial statements for the year ended 31 March 2024 (continued)

Asset Allocation	Value at 31 March 2024	Value at 31 March 2023
Equities	50.6%	51.2%
Property	10.4%	10.5%
Government bonds	1.3%	1.3%
Corporate bonds	19.5%	19.5%
Multi Asset Credit	4.6%	4.5%
Cash	0.7%	1.8%
Other	12.9%	11.2%
Total	**100.0%**	**100.0%**

(e) Reconciliation of Funded Status to Balance Sheet

	Value as at 31 March 2024 £	Value as at 31 March 2023 £
Fair value of assets	15,990,0000	14,960,0000
Present value of funded defined benefit obligation	(12,560,000)	(12,280,000)
Pension asset value not recognised (as per FRS102 para 28.22)	(3,430,000)	(2,680,000)
Funded status - liability recognised on the balance sheet	**0**	**0**

The split of the liabilities at the last valuation between the various categories of members is as follows:

Active members	33%
Deferred pensioners	21%
Pensioners	46%

(f) Amounts Recognised in Income Statement

	Year ending 31 March 2024 £	Year ending 31 March 2023 £
Operating cost		
Current service cost	410,000	980,000
Financing cost		
Interest on net defined benefit liability	(140,000)	70,000
Interest on unrecognised asset	100,000	0
Pension expense recognised in income statement	**370,000**	**1,050,000**

(g) Amounts Recognised in Other Comprehensive Income

	Year ending 31 March 2024 £	Year ending 31 March 2023 £
Liability gains/(losses) arising during the year	540,000	(1,050,000)
Adjustment gain/(losses) due to restriction of surplus	230,000	7,540,000
Total amount recognised in other comprehensive income	**770,000**	**6,490,000**

Notes to the financial statements for the year ended 31 March 2024 (continued)

(h) Changes to the Present Value of the Defined Benefit Obligation

	Year ending 31 March 2024 £	Year ending 31 March 2023 £
Opening defined benefit obligation	12,280,000	17,660,000
Current service cost	410,000	980,000
Interest expense on defined benefit obligation	570,000	470,000
Contributions attributable to the participants	160,000	140,000
Actuarial (gains)/losses on liabilities	(540,000)	(6,670,000)
Net benefits paid out	(320,000)	(300,000)
Curtailment cost	-	-
Closing present value of liabilities	**12,560,000**	**12,280,000**

(i) Changes to the Fair Value of Assets

	Year ending 31 March 2024 £	Year ending 31 March 2023 £
Opening fair value of assets	14,960,000	14,600,000
Interest income on assets	710,000	400,000
Re-measurement gains/(losses) on assets	230,000	(180,000)
Contributions attributable to the employer	250,000	300,000
Contributions attributable to the participants	160,000	140,000
Net benefits paid out	(320,000)	(300,000)
Closing fair value of assets	**15,990,000**	**14,960,000**

(j) Actual Return on Assets

	Year ending 31 March 2024 £	Year ending 31 March 2023 £
Interest income on assets	710,000	400,000
Gain/(loss) on assets	230,000	(180,000)
Actual return on assets	**940,000**	**220,000**

Notes to the financial statements for the year ended 31 March 2024 (continued)

(k) Unfunded Benefits

The liability recognised in respect of the unfunded LGPS benefits is £70,000 (2023: £70,000). These benefits are termination benefits made on a discretionary basis upon early retirement in respect of members of the LGPS. No pension fund exists to meet these benefits. No actuarial gain has been recognised in the period in respect of these liabilities, (2023: £Nil). The unfunded LGPS liability of £70,000 has been offset against the actuarial gain reported (such that whilst there is no asset reported for the funded LGPS scheme there is no liability reported for the unfunded LGPS scheme).

(l) Contingent liabilities

Guaranteed Minimum Pension (GMP) Equalisation

In March 2016 the Government made the LGPS responsible for paying the full increases on GMPs for individuals reaching State Pension Age (SPA) from 5 April 2016 through to 6 December 2018 as an "interim solution". In January 2018 this interim solution was extended to individuals reaching SPA before 5 April 2021 – passing further cost on to the LGPS.

The 31 March 2019 actuarial valuation allowed for the extension of the interim solution to those reaching State Pension Age by 5 April 2021 as already required under legislation. However, the valuation did not allow for the impact of potentially extending this interim solution indefinitely, providing full pension increases on GMP for members reaching State Pension Age after 5 April 2021. Based on approximate calculations, at a whole fund level, the Scheme's actuary has indicated that the impact of providing full pension increases on GMPs for those members reaching State Pension Age after 5 April 2021 is an increase in past service liabilities of between 0.1% to 0.2% across the Fund as a whole.

(m) Exit of the LGPS

On 27th June 2024 the trust exited the LGPS defined benefit scheme and entered a defined contribution scheme. There is no liability to the trust on exit of the defined benefit scheme, and the subsumption bond of £380,000 held by Newcastle City Council has been repaid in full.

Notes to the financial statements for the year ended 31 March 2024 (continued)

13 Taxation

The Trust is a charity established under the Charities Act 1993 (now Charities Act 2011). It is therefore exempt from taxation in respect of income and capital gains received within categories covered by section 505 Income and Corporation Taxes Act 1988 and section 256 Taxation of Chargeable Gains Act 1992, to the extent that such income and gains are applied to charitable purposes only.

14 Tangible assets

	Buildings (incl. leasehold improvements)	Other Equipment	Computer Equipment	Box Office & HR systems	Total
	£	£	£	£	£
Cost					
At 1 April 2023	1,079,163	310,371	52,200	244,741	1,686,475
Additions during the year	271,201	0	80,864	0	352,065
Disposals	0.00	0	0	0	0
At 31 March 2024	1,350,364	310,371	133,064	244,741	2,038,540
Accumulated depreciation					
At 1 April 2023	607,656	309,163	52,200	211,058	1,180,077
Charge for the year	92,290	1,208	5,470	11,080	110,048
Disposals	0	0	0	0	0
At 31 March 2024	699,946	310,371	57,670	222,138	1,290,125
Net book value					
At 31 March 2024	650,418	0	75,394	22,603	748,415
At 31 March 2023	471,507	1,208	0	33,683	506,398

The main Theatre Royal premises is leased from Newcastle City Council which owns the property. A new 125-year lease commenced on 20th December 2019 at a peppercorn rent. The Trustees consider the nature of the Theatre Royal's business to be such that realistic quantification of the true value of this gift in kind is impossible with any accuracy, and hence no value has been attributed to it within the financial statements.

Notes to the financial statements for the year ended 31 March 2024 (continued)

14 Tangible assets (continued)

Prior year note

	Buildings (incl. leasehold improvements)	Other Equipment	Computer Equipment	Box Office & HR systems	Total
	£	£	£	£	£
Cost					
At 1 April 2022	1,354,342	310,371	52,200	244,741	1,961,654
Additions during the year	-	-	-	-	-
Disposals	(275,179)	-	-	-	(275,179)
At 31 March 2023	1,079,163	310,371	52,200	244,741	1,686,475
Accumulated depreciation					
At 1 April 2022	798,087	306,743	52,200	199,978	1,357,008
Charge for the year	84,748	2,420	-	11,080	98,248
Disposals	(275,179)	-	-	-	(275,179)
At 31 March 2023	607,656	309,163	52,200	211,058	1,180,077
Net book value					
At 31 March 2023	471,508	1,208	-	33,683	506,399
At 31 March 2022	556,255	3,628	-	44,763	604,646

15 Investments in subsidiaries

On 27 October 2017 NTRT Trading Ltd was incorporated. This company is a wholly owned subsidiary of the Trust and has yet to commence trading. The company is limited by guarantee and the Trust, as the parent charity, guarantees to pay up to one pound towards the costs of dissolution and the debts and liabilities of the company. NTRT Trading Ltd is incorporated in England, registration number 11036273 and its registered office is 100 Grey Street, Newcastle upon Tyne, NE1 6BR. This company was dissolved on 9th July 2024.

On 30th January 2024 NTR Green Room Trading Limited was incorporated. NTR Green Room Limited is incorporated in England, registration number 1545690 and its registered office is 100 Grey Street, Newcastle upon Tyne, NE1 6BR. One ordinary share has been issued and is held by the Newcastle Theatre Royal Trust Limited. NTR Green Room Limited is therefore a wholly owned subsidiary of the trust and it is intended that this subsidiary will carry out commercial operations relating to the theatre.

Notes to the financial statements for the year ended 31 March 2024 (continued)

16 Stock

	2024	2023
	£	£
Goods for resale	16,751	16,446

17 Debtors

	2024	2023
	£	£
Trade debtors	113,982	94,320
Subsumption security monies held by Newcastle City Council – note 19	380,000	380,000
Other debtors	67,182	126,422
Prepayments and accrued income	445,674	280,847
	1,006,838	881,589

18 Amounts owed by related parties

£380,000 is held by Newcastle City Council as security for the Council agreeing to the pension scheme subsumption agreement (2023: £380,000). When the Trust arranges for a pension bond to be put in place to cover the potential risk of increased liabilities on cessation to the Council, then the monies held as security will be returned to the Trust.

The agreements in place allow for the Council to request further security to be provided in the future either via monies held or via an appropriate pension bond.

The bond was repaid in full to the trust, without interest, on 9th July 2024.

Notes to the financial statements for the year ended 31 March 2024 (continued)

19 Creditors: amounts falling due within one year

	2024	2023
	£	£
Trade creditors	1,622,643	1,348,379
Taxation and social security	161,122	131,510
Other creditors	19,084	47,561
Accruals	1,237,463	711,267
Deferred income (note 20)	5,193,061	5,853,353
	8,233,373	8,092,070

20 Deferred income

Deferred income comprises advance ticket sales, booking fees and heritage fund income for performances after 31 March 2024.

	£
Balance as at 1 April 2023	5,853,353
Amount released to income earned from charitable activities	(12,060,176)
Amounts refunded net of show transfers	(355,462)
Amount of advanced receipts at year end	11,755,346
Balance as at 31 March 2024	5,193,061

	£
Balance as at 1 April 2022	5,930,419
Amount released to income earned from charitable activities	(13,727,818)
Amounts refunded net of show transfers	(287,172)
Amount of advanced receipts at year end	13,937,924
Balance as at 31 March 2023	5,853,353

Notes to the financial statements for the year ended 31 March 2024 (continued)

21 Funds

	Unrestricted					Restricted	
	Revenue funds	Pension reserve	Sub-total	Designated funds	Unrestricted Funds	Restricted Funds	Total
	£	£	£	£	£	£	£
At 1 April 2023	5,215,925	-	5,215,925	1,136,000	6,351,925	2,582	6,354,507
Net incoming/ (outgoing) resources for the year	347,647	-	347,647	-	347,647	-	347,647
Transfers	(5,122,000)	-	(5,122,000)	5,122,000	-	-	-
Actuarial Gain/Loss	-	-	-	-	-	-	-
At 31 March 2024	**441,572**	**-**	**441,572**	**6,258,000**	**6,699,572**	**2,582**	**6,702,154**

Previous year	Unrestricted					Restricted	
	Revenue funds	Pension reserve	Sub-total	Designated funds	Unrestricted Funds	Restricted Funds	Total
	£	£	£	£	£	£	£
At 1 April 2022	4,137,334	(3,140,000)	997,334	559,000	1,556,334	2,582	1,558,916
Net incoming/ (outgoing) resources for the year	1,655,591	-	1,655,591	-	1,655,591	-	1,655,591
Transfers	(577,000)	-	(577,000)	577,000	-	-	-
Actuarial Gain/Loss	-	3,140,000	3,140,000	-	3,140,000	-	3,140,000
At 31 March 2023	5,215,925	-	5,215,925	1,136,000	6,351,925	2,582	6,354,507

Unrestricted funds

The designated funds include funds set aside by the Trustees to cover the refurbishment and restoration of the building, repair and renewal of equipment, a contribution towards Creative Engagement projects, potential technical upgrades and minor one off projects.

Restricted funds

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for a particular purpose.

Pension reserve

Note 12 provides information on the Trust's pension reserve balance.

Notes to the financial statements for the year ended 31 March 2024 (continued)

22 Analysis of net assets between funds

	Unrestricted funds	Designated funds	Restricted funds	Total 2024
	£	£	£	£
Tangible fixed assets	748,415	-	-	748,415
Investment in subsidiary	1	-	-	1
Current assets & long term debtor	7,926,530	6,258,000	2,582	14,187,112
Current liabilities	(8,233,373)	-	-	(8,233,373)
Pension liability	-	-	-	-
Total net assets as at 31 March 2024	441,573	6,258,000	2,582	6,702,155

Previous year	Unrestricted funds	Designated funds	Restricted funds	Total 2023
	£	£	£	£
Tangible fixed assets	506,398	-	-	506,398
Investment in subsidiary	1	-	-	1
Current assets & long term debtor	12, 801,596	1,136,000	2,582	13,940,178
Current liabilities	(8,092,070)	-	-	(8,092,070)
Pension liability	-	-	-	-
Total net assets as at 31 March 2023	5,215,925	1,136,000	2,582	6,354,507

Notes to the financial statements for the year ended 31 March 2024 (continued)

23 Notes to the cash flow statement

(a) Reconciliation of net outgoing resources to net cash used in operating activities

	2024	2023
	£	£
Net outgoing resources	347,647	4,795,591
Depreciation	110,048	98,248
Government grants receivable	-	-
Bad debt provision	-	-
(Decrease)/Increase in pension liability	-	(3,140,000)
Interest receivable	(627,519)	(236,963)
(Increase)/Decrease in stocks and work in progress	(304)	(675)
Decrease in advance contribution payment to Newcastle City Council	-	-
Decrease/(Increase) in debtors	(125,249)	(121,772)
Increase/(Decrease) in creditors	141,303	(261,584)
Net cash (used in)/generated from operating activities	(154,074)	1,132,845

(b) Analysis of changes in net cash & net debt

	At 1 April 2023	Change in year	At 31 March 2024
	£	£	£
Cash at bank and in hand	13,042,143	121,380	13,163,523
Cash held with Newcastle City Council	-	-	-
Net cash	13,042,143	121,380	13,163,523

(c) Reconciliation of net cash flow to movement in net cash

	£
Increase in cash in the year	121,380
Net cash at 1 April 2023	13,042,143
Net cash at 31 March 2024	13,163,523

Notes to the financial statements for the year ended 31 March 2024 (continued)

24 Lease and other financial commitments

Operating leases

Total future minimum lease payments under operating leases are given in the table below:

	At 31 March 2024			At 31 March 2023		
	£	£	£	£	£	£
	Other equipment	Office equipment	Total	Other equipment	Office equipment	Total
Not later than 1 year	1,876	1,055	2,932	1,773	1,719	3,492
Later than 1 year and not later than 5 years	0	0	0	0	1,056	1,056
	1,876	1,055	2,932	1,773	2,775	4,548

25 Ultimate controlling party

The company is limited by guarantee and there is no ultimate controlling party.

NEWCASTLE THEATRE ROYAL TRUST LIMITED

England & Wales - Charity number 504473

Accounts

Newcastle Theatre Royal Trust Limited

(a company limited by guarantee)

Annual Report and Financial Statements

for the year ended 31 March 2023

Registered Number: 01217427

Charity Number: 504473

Contents

Legal and administrative details 1

Trustees' report (including Strategic report) for the year ended 31 March 2023 2

Statement of Trustees' responsibilities 12

Independent auditors' report to the members of Newcastle Theatre Royal Trust Limited 13

Statement of Financial Activities (including income and expenditure account) for the year ended 31 March 2023 16

Balance Sheet as at 31 March 2023 18

Statement of Cash Flows for the year ended 31 March 2023 19

Notes to the financial statements for the year ended 31 March 2023 20

Legal and administrative details

Registered charity number: 504473

Registered company number: 01217427

Trustees

Nicholas Swales DL (Chair)
John Carver (Vice-Chair) (resigned 29th September 2023)
Julie Blackie
Lorna Edwards
Ben Fletcher-Watson
Scott Holland
Joan Louw (resigned 3rd October 2022)
Raymond Mills
Andrew Roberts (appointed 5th June 2023)
Alison Jones (appointed 5th June 2023)

Chief Executive

Marianne Locatori

Management Team

Jo Kirby	Director of Audience & Commuications
Siobhan Lightfoot	Director of Operations
Colin Johnston	Director of Finance

Company Secretary

Colin Johnston

Bankers

HSBC UK Bank plc
3rd Floor
Central Square South
Orchard Street
Newcastle upon Tyne
NE1 3AZ

Independent Auditors

Azets Audit Services
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Principal address and registered office

Newcastle Theatre Royal Trust Limited
100 Grey Street
Newcastle upon Tyne
NE1 6BR

Trustees' report for the year ended 31 March 2023

The Trustees (who are also the directors for the purpose of company law) submit their report including the Strategic Report and the audited financial statements of the Newcastle Theatre Royal Trust Limited ("the Trust") for the year ended 31 March 2023.

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

Structure, governance and management

The Trust is a charitable company limited by guarantee and is a registered charity. The members have no shareholdings but in the event of a winding up they have each undertaken to contribute to the payment of liabilities, such amount as may be required, not exceeding a total of £1.

The Trust is governed by its Articles of Association (last amended by special resolution on 13 December 2019). As stated in the Articles of Association, the Trust shall have up to eleven trustees who shall be appointed at the Annual General Meeting. Trustees are appointed for a three-year term of service, with reappointment being permitted provided that the maximum period of service is 3 x three-year terms.

Seven Trustees served for a full year, one resigned part way through due to serving three terms. Details of the current Trustees can be found on page one.

The Board of Trustees normally meets five times per year and all major decisions are put forward for consideration at Board Meetings. There is a Finance & General Purposes Committee, with a membership of up to five Board Members, which normally meets five times per year and is from time to time given delegated authority for certain matters. The senior management team are responsible for the day-to-day running of the charity.

Where there is a vacancy for the role of Chair, Vice Chair or Trustee, the Board will appoint a nominations committee of three of its members, to receive nominations and undertake interviews, and to make a recommendation to the Board. Nominations for Chair and Vice Chair shall be from within the membership of the Trust, nominations for trustees may be sought by a combination of public advertisement and nominations from Trustees and the Trust's management.

New Trustees have a full induction which includes meeting with the Chair, Chief Executive and Senior Leadership team and a briefing is given on the organisation and its practices and procedures, as well as the responsibilities of Trustees. An introduction to the operational aspects of the Trust is given together with a tour of the Theatre Royal and all new Trustees receive a comprehensive induction pack. Specific training for all Trustees is also arranged as required.

The Trustees set the salary and remuneration package for the Chief Executive taking into account industry norms and the need to attract high quality candidates. The salaries of the Trust's key management personnel are set by the Chief Executive in conjunction with the Finance & General Purposes Committee. Both are benchmarked against salaries of comparable positions in the industry. Subsequently any increase is generally in line with the pay award made to all staff.

Trustees' report for the year ended 31 March 2023 (continued)

All Trustees give their time freely and no remuneration or expenses were paid in the year.

The Trustees are responsible for maintaining a sound system of internal control in order to safeguard the assets of the charity. Internal audit services are contracted from Newcastle City Council to provide assurance to the Trustees on the effectiveness of internal controls. The most recent internal audits were undertaken by Newcastle City Council between December 2022 and September 2023.

The senior management team reports to the Board of Trustees and runs the charity on a daily basis in conjunction with the managers in each department. An annual budget is presented and approved by the Board in March each year, having been reviewed in advance by the Finance & General Purposes Committee. Management accounts in which actual results are compared against budgeted results are prepared and circulated to the Management Team and Trustees monthly.

One volunteer assists the Trust as an archivist, and the Trustees and senior management team are very grateful for the contributions made by our volunteer.

Objectives and activities

The Trust's primary charitable objectives are to promote, maintain, improve and advance education, particularly by the production of educational plays and encouragement of the arts, including the arts of drama, mime, dance, singing and music.

The Trust's mission for the last year was: to ensure the Theatre Royal was fit for purpose following the pandemic, with a focus on *recovery*, creating *financial stability* and supporting *transition* to new ways of working to future proof the charity.

This is normally achieved by the presentation of a wide ranging and broadly populist programme of drama, dance, musicals, opera, ballet, pantomime, live music and comedy performed in the 1,247 seat, Grade 1 Listed, Theatre Royal, alongside community and education programmes that are embedded into the work of the organisation.

The performance programme is a careful balance of creative endeavour, commercial appeal and financial prudence, in order to ensure that the Trust's primary source of income, ticket sales, covers the cost of operating and maintaining the Theatre Royal building.

The Trustees have complied with the duty in the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission. In delivering its objectives, the Trust achieves its charitable purposes for the benefit of the public.

Trustees' report for the year ended 31 March 2023 (continued)

Strategic Report

Spring 2022 was the start of the real post pandemic recovery for the Theatre, following two years of significant disruption due to Covid, with a strong commercial programme of populist productions scheduled. Whilst operational challenges directly related to the pandemic reduced, the Trust faced increasing costs and challenges with staff recruitment. Changing audience behaviour, requiring additional security and customer service staffing levels, also resulting in increasing costs.

As a result of the populist programme occupancy was 76% for the year (2022: 73%), we welcomed 384,639 audience members to see shows, presenting 404 performances on the main stage, with only one maintenance week scheduled where no performances took place.

Achievements and performance

A one year strategy was created for 2022-2023, to ensure a clear 12 month plan for the Trust, as it looked forward post pandemic. The mission of this strategy was to ensure the Theatre Royal was fit for purpose following the pandemic, with a focus on *recovery*, creating *financial stability* and supporting *transition* to new ways of working.

The Strategy had 6 strategic objectives:

- To deliver a Creative programme of quality and breath, both on stage and through our Learning & Participation programme.
- To balance the budget ensuring financial stability following 2 deficit year end results during the pandemic years.
- To support and develop our teams, promoting health and wellbeing, inclusivity and professional development.
- To explore opportunities to exploit our building both in terms of accessibility and earning potential.
- To review our operational processes to ensure they are fit for purpose and improve efficiency.
- To redefine our vision, mission and values creating a new 3 year strategy from 2023 onwards.

The Creative Programme on stage benefited from the backlog of rescheduled tours during the pandemic and consisted in the main of a strong, populist commercial programme. Musical Theatre highlights included a 3 week run of *The Book of Mormon* (sold to 92% occupancy), 2 weeks of *Joseph & The Technicolour Dreamcoat* (86% occupancy), the Chichester Festival Theatre production of *South Pacific* and *Annie* starring Paul O'Grady in his first performances in the show before his sudden and untimely passing a few weeks later.

Drama and comedy productions fared equally well, with strong audience numbers for *The Play That Goes Wrong* (80% occupancy), *An Inspector Calls* (98% occupancy), *The Mousetrap* (98% occupancy) and *Pride & Prejudice (Sort Of)* as part of its first regional large scale tour (72% occupancy), the latter welcoming 27% new attenders to the theatre.

Our partner Arts Council England funded companies returned to appreciative audiences, including Matthew Bourne's New Adventures Nutcracker, Opera North, Northern Ballet and we also welcomed Scottish Ballet with their production of *The Snow Queen*. The well-established USA based company Le Ballet de Trockedero made a welcome return to our stage, as part of our membership of The Dance Consortium and a UK tour.

The pantomime, *Cinderella*, had a record breaking run selling 93% occupancy (the most successful panto at the theatre ever in terms of overall occupancy) and taking £2,303,542 at the box office. The first panto to have a full,

uninterrupted, run at the Theatre since 2019/2020, it was one of the longest and most successful runs of all the pantos in the UK presented by Crossroads Pantomimes. Crossroads Pantomimes is the world's largest panto producer and tours to 24 venues in the UK every year.

We renamed the Learning programme and Team as 'Creative Engagement', to better reflect the breadth of work and the breadth of participants we engage with. The focus of the work covered three core areas: Young People, Talent Development and Community.

Key successes in the year include the graduation of 15 students on our Project A Actor Training programme and the recruitment of 15 new young people (from 40 applicants) as the new cohort on the training programme.

Our Youth Theatre programme provided 135 weekly sessions, engaging with 393 young people across the year. Youth Theatre members and young people who took part in the summer school all had opportunities to perform their end of year/end of programme performances on the main stage (a total of 184 young people), which was a unique and special experience for all involved.

During this year we continued to support a Newcastle based charity for adults with learning disabilities, Twisting Ducks, to facilitate their regular creative workshops in our studio space, engaging with 30 participants on a weekly basis. We also reconnected our relationship with Newcastle College to facilitate a weekly session with 20 young SEN learners, specifically developing their confidence and communication.

A highlight of our work in schools was '*WriteON*' an 8 week project at Ryton Primary school with year 6 pupils, focused on playwriting and literacy skills, where pupils created performance through their own stories. As a result the school invited us to return to deliver the same programme for year 5 pupils.

We also delivered a new '*Roots*' programme in the West of the city, in partnership with Excelsior Academy. The programme aimed to improve pupils' confidence, using their own voice to tell their own stories in an inclusive space, delivering 10 weekly sessions to 2 groups of young secondary age students who are non-white and/or have English as an additional language.

Working with NGCV (Newcastle Gateshead Cultural Venues) partners we launched Volunteering Futures, a citywide initiative to encourage the development of work based skills to support transition into employment. Hosting open events, specifically targeted at minority ethnic communities, those seeking asylum and people with disabilities, we engaged with 121 people through volunteer events at the Theatre and supported 49 voluntary placements across our Experience, Creative Engagement and Operations Teams.

Financial review

The Trust's income was £17,281,991, compared to £7,338,549 the previous year (2022). The majority of this income relies on ticket sales and supports the delivery of the Trust's charitable activity. After the previous year's deficit, as a result of the Trust being able to run a full 12 month programme this year and the populist, commercial productions that made up the programme, the trust generated a significant surplus and increase on net income compared to 2022.

Many ticket holders retained their tickets over a number of cancellations meaning we carried forward ticket income from the previous pandemic years.

2022/23 was the first full year where the Trust benefited from income generated by foyer bar sales (the Trust took over the operational running of this area in July 2021), which resulted in £760, 854 net income (2021: £341,501).

Due to increased cash balances through the year and a substantial increase in interest rates, interest received of £236,963 should be noted. In the previous year it was signficiantly lower at £328 (2022).

After 3 years of nil pay increase for staff, other than statutory minimum wage or living wage increase, the Trust awarded staff a 2% pay increase in April 2022, followed by a further 2% pay increase in October.

The Trust does not normally receive any external funding and the Trustees are grateful for all supporters and customers of the Theatre Royal who have continued to support by attending productions and continuing with their memberships and donations.

Overall expenditure on charitable activities was £15,626,400 and income generated was £17,281,991, therefore resulting in a net surplus of £1,655,591 for the financial year.

Pension scheme

The last full triennial actuarial valuation was at 31 March 2022. The Trust continues to benefit from lower employer contributions following the new subsumption agreement with Newcastle City Council and the Tyne & Wear Pension Fund. The contribution rate during the year ended 31st March 2023 was 14% (2022: 14%).

The accounting valuation of the Balance Sheet pension scheme for LGPS funded benefits improved from a liability of £3,060,000 as at 31 March 2022 to a surplus of £2,680,000 (although this was capped at £nil on the Balance Sheet) and for LGPS unfunded benefits, made on a discretionary basis upon early retirement, the liability reduced to £70,000 (2022: £80,000) (which was offset against the above surplus, with no surplus or liability for the pension scheme being included in the Balance Sheet). The decrease in the liability reflects changes in the financial assumptions used to value the liability from an accounting perspective, these are different to the assumptions used by the actuaries in determining the employer contribution rates. Further details on this decrease are given in note 13.

In accordance with FRS 102 the net surplus of the LGPS scheme is not recognised on the Balance Sheet.

An actuarial gain of £6,490,000 has been recognised on the LGPS benefits (2022: £1,720,000 gain) and a further £10,000 gain on unfunded LGPS benefits in the year, which reflects the movement on the net defined benefit pension scheme obligations following the actuary's annual review of this liability for accounting purposes. As a result of this actuarial gain, and the accounting treatment to limit the surplus to £nil, the overall net movement in funds (shown on the Balance Sheet) for the year is an increase of £3,140,000 (2022: increase of £1,640,000).

The pension surplus represents a snapshot of the pension scheme at the year end, however, it should be noted that the average duration for the LGPS funded scheme liability is 19.5 years (as calculated by the actuarial advisors to the Tyne and Wear Pension Fund) and the surplus for this scheme of £2,680,000 (capped at £nil on the Balance Sheet) should be assessed in this context.

A guarantee is in place between Newcastle City Council and South Tyneside Council (as Administering Authority for the Tyne and Wear Pension Fund) in relation to the Trust's admission to the Fund and covers any amounts due or payable to the Fund in the event of default by the Trust in paying or reimbursing the Authority excluding any enhanced service awards.

Trustees' report for the year ended 31 March 2023

Reserves policy and going concern

The Trust aims to generate sufficient funds to invest in cultural/artistic activities in furtherance of its charitable objectives (education through the arts). Its aim is to hold sufficient undesignated general reserves to cover the normal operating costs for a minimum 3 month period in order to manage an orderly wind up of the business (if ever required) and to retain sufficient cash funds to repay any deferred income balances held in relation to advance ticket sales.

Restricted reserves represent funds that are retained for a specific purpose in accordance with the terms upon which the income was received. The designated reserve is part of the general reserve and represents reserves that have been set aside to meet specific obligations. These obligations include the 3 year cost for planned restoration and refurbishment of the Theatre Royal building, together with commitments to fund creative engagement projects and artisic partnerships.

Unrestricted funds amounted to £6,351,925 at 31 March 2023 (2022: £1,556,334). The general reserve, excluding the designated reserve, amounted to £5,215,925 at 31 March 2023 (2022: £997,334). The designated reserve at 31 March 2023 amounted to £1,136,000 (2022: £559,000). The restricted reserve at 31 March 2023 is unchanged and amounted to £2,582.

Total funds held at 31 March 2023 amounted to £6,354,507 (2022: £1,558,916).

The Trustees appreciate the careful balance required in maintaining reserves whilst continuing investment in building maintenance and improvements, and ensuring funds are available to protect against fluctuations in audience alongside the challenge of offering a varied artistic programme.

Going concern

In light of ongoing prudent management and the steps taken above, the Trustees are confident that the Trust is a going concern and as such the going concern basis has been adopted in the preparation of the financial statements. The Trustees consider there are sufficient reserves and cash to enable the Theatre to continue in operation for the foreseeable future and the financial position of the Trust continues to be closely monitored.

Investment powers policy and performance

The Trustees have the power, as detailed in the Trust's governing document, to invest the funds of the Trust as they see fit. The investment policy is to hold the funds needed for the day-to-day operations as cash. Should surplus funds arise they are invested with a view to maximise income return whilst maintaining the liquidity requirements of the Trust. On 17 October 2022, Newcastle City Council returned a deposit of £3,189,909 to the Trust.

NTRT Trading Ltd (Non-trading)

On 27 October 2017 NTRT Trading Ltd was incorporated. This company is a wholly owned subsidiary of the Trust which has yet to commence trading. The company is limited by guarantee and the Trust, as the parent charity, guarantees to pay up to one pound towards the costs of dissolution and the debts and liabilities of the company.

Principal risks and uncertainties

In delivering the charitable objectives, the Trustees are mindful of the risk involved and have established systems and procedures for identifying, reviewing and mitigating the key risks. A risk register is maintained which is reviewed regularly and updated as necessary by the Senior Management Team, Finance & General Purposes

Committee and then annually by the Board of Trustees. The register details the significant risks to which the Trust is exposed and the steps taken to mitigate those risks. The risks are reviewed by management throughout the year.

The key risks which the charity faces are:

Economic risk – the financial success of the Trust rests on generating sufficient income from box office sales by maintaining/increasing audience attendance rates, alongside increasing commercial sales income. Whilst this year has been buoyant due to the commercial stage programme, there are ongoing risks that may impact customer confidence including the cost of living crisis, record high inflation and continued economic uncertainty. It is widely reported that consumer discretionary spend is and will continue to be impacted. Not only do these factors impact customer confidence but equally result in significant cost increases to present performances and to operate the Theatre, meaning margins are squeezed. Ticket and commercial sales are closely monitored by management and the achievement of financial targets are regularly reported to both the Finance & General Purposes Committee and Board. The Trust has employed The Results Group Arts (TRG) to develop strategies to sustain and increase customer loyalty, retention and manage pricing and inventory dynamically based on market demand. The Trust therefore has the flexibility and agility to respond to changes in the market.

Artistic Risk – a failure to maintain the quality, diversity and popularity of the artistic programme will directly impact box office sales. A level of confidence has returned to some Theatre producers who tour work nationally, however increased costs mean that their artistic choices necessarily remain risk free, which can impact the breadth of programme available on tour. Actions taken to mitigate this risk include ensuring the relationships with commercial producers are strong and by maintaining close and regular contact as touring plans are developed. A regular Programming Team meeting has been introduced to ensure all key creative staff at the theatre contribute to the programme planning. The board receives regular updates on the status of both the current and future programme.

Pension scheme risk – as the Trust participates in the Tyne & Wear Pension Fund, which is a defined benefit local government pension scheme, the Trust is exposed to increases in the required employer contribution rate, over which the Trust has no control. Following the 2019 actuarial valuation and, by the entering of a new subsumption agreement with Newcastle City Council and the Tyne and Wear Pension Fund, the Trust's employer contribution rate has been set at 14% for the three years ended 31st March 2023. Whilst this is a significant reduction compared to the rates prior to April 2020, the exposure to future rate increases and balance sheet volatility remains.

Staff Recruitment and Retention risk recruitment of staff across all sectors, including Theatre, has been difficult as pressure on wages and work life balance expectations continue to increase. Minimum pay levels are aligned with the Real Living Wage Foundation wage; however, the result is that differentials between pay grades continue to be squeezed. Benefits including an Employee Assistance Scheme, the introduction of mental health first aiders and flexible working policy are provided. A staffing restructure was undertaken this year whereby additional resource and infrastructure was invested into previously under-resourced areas of the organisation. A clear management structure, with defined strategic and operational responsibilities has been introduced. The Finance & General Purposes Committee scrutinises the annual budget in detail before it is approved by the Board and close attention is given to the level of pay awards made.

Terrorism & Cyber Security, IT resilience risk – the charity relies heavily on its computerised booking systems and other supporting IT systems. The risk of criminal cyber activity remains constant. The Trust engages specialist IT providers and has payment card industry compliance certification. All staff receive IT security training and the Trust implements regular training updates; however, this remains an area where ongoing vigilance is required throughout the organisation and by all levels of staff at all times. The Trust monitors and endeavours to improve the Counter Terrorism procedures taking advice from CT specialists, legislative changes, to inform policy changes.

Outbreak of infectious disease risk – whilst there are now no formal or legal requirements for testing, isolation or working from home, robust procedures are in place to protect staff and audiences and can be implemented at short notice if deemed necessary.

Plans for future years

During the year the Trustees and Executive Team developed a new five year strategic plan, with a redefined Vision, Mission, Values and Guiding Principles for the charity. This work was undertaken over a six month period and included consultation and input from all members of staff and Trustees and facilitation by Theatre sector consultants. The resulting strategy has been put in place:

Our Vision: A love of theatre for everyone, that lasts a lifetime.

Our Mission: To create moments of magic on and off stage, through an ambitious creative programme for audiences and communities across the North East. Our landmark theatre in the heart of Newcastle is a place where everyone is welcome and a space for all to enjoy.

Our Values:
Ambitious: we are ambitious in all that we do: excellence and quality are pre-requisites and we endeavour to be the best that we can be.
Inclusive: we celebrate diversity: we welcome and respect difference voices and perspectives knowing that together we can achieve more.
Collaborative: we value trust: we embrace partnership working to achieve and celebrate shared success.
Creative: we nurture creativity; we recognise and celebrate imagination and originality in everyone.
Progressive: we are forward thinking; we look to the future and embrace change.

Underpinning the strategy are **guiding principles** that are the lenses through which we plan and deliver all activity. We will develop this infrastructure over the coming year.

People: our success is driven by our people. We support and develop our teams and Trustees to be a talented and diverse workforce, empowered and appropriately skilled to deliver and nuture our creative programme, our creative engagement programme and our commercial operations. We value our teams' health and well-being and we look to take care of the 'people experience' at NTR.

Financial Resilience: We embrace an entrepreneurial approach to broadening our income streams, increasing trading and developing new income generating opportunities. The areas of current financial focus are commercial operations, fundraising and development ticket income – particularly growth in customer loyalty and membership.

Place: We are a cultural hub in the city centre, welcoming audiences from across the North East. We reflect, and are representative of, our distinctive region and communities on and off stage. We want to ensure our theatre building is open and accessible for everyone to enjoy more of the time.

Process: We will embrace change and focus on continuous improvement, always looking to modernise and digitise where possible. Partnership working is inherent in all our programmes and welcome collaboration to support growth.

Sustainability: we value and respect the environment and take responsibility to ensure our policies and actions contribute to improved sustainability.

Our key strategic objectives

- *To Present a creative programme of quality and excellence*

Our programme on stage is rooted in quality; it is ambitious and embraces diversity. We are the largest Theatre in Newcastle and draw our diverse audiences from across the North East and, in order to serve these communities, our programme will present a broad range of the best regional, national and international drama, dance, musicals, opera and pantomime. We will explore collaboration to facilitate or open new musical or drama productions and we will develop a programming strategy for our smaller studio space.

- *Produce a creative engagement programme providing pathways and opportunities for communities in Newcastle*

Our Creative Engagement programme sits at the heart of our overall Creative Programme, providing participants with pathways to find their own creativity, support their personal and professional development, improve well-being and provide positive health outcomes. The work is focused in three areas: Young People, Community and Talent Development.

- *The Theatre is a public space in the city that is welcoming and accessible*

Our theatre building is a great asset for the city and we are proud custodians of one of its recognisable landmarks. Whilst recognising the challenges presented by the Grade 1 listing, we will develop its earning potential whilst aiming to maximise access and provide opportunity for everyone to enjoy the building. We will endeavour to ensure our Theatre is a place to create, to connect, to feel safe in, to inspire and a place to have fun.

Public benefit

Fundraising

Income generated from the Trust's core charitable activities is used to fund its day to day operations. Donation and legacy income usually represents a small percentage of the Trust's overall income, and most of which is generated from on-line ticket sales where customers are able to make an optional donation to the Trust if they so wish, or income generated from our membership schemes.

During the year donations totalled £84,211 (2022: £85,678) and the Trustees are extremely grateful to all donors and our loyal audiences for their support during the year. The Trust also gratefully received a legacy donation of £85,968, in addition to general donations.

The Trust does not engage any professional fundraisers or commercial partners to carry out its fundraising activities. Due to the limited nature of its activities, the Trust has not formally subscribed to any fundraising schemes or codes although reference is made to the Fundraising Regulator's Fundraising Code of Practice. In the future, when developing its fundraising activities the Trust would look to formally subscribe to such schemes or codes.

The Trust seeks to protect all members of the public (including vulnerable people) in all of its fundraising activities. The Trust's "Data Promise", which is available on the Theatre's website, outlines how the Trust treats the personal data of its customers.

The Trust did not receive any complaints about its fundraising activities during the year.

The Board regularly receives information on the level of donations received and sponsorship income generated and any activities being carried out which enables them to monitor fundraising activities.

Fixed assets

Movements in tangible fixed assets are set out in note 15 to the financial statements.

Directors' and officers' liability insurance

The Newcastle Theatre Royal Trust Limited holds liability insurance on behalf of the directors and officers at a cost of £2,604 (2022: £2,593).

Statement as to disclosure of information to auditors

The Trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the Trustees has confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditors.

Independent Auditors

Azets Audit Services have indicated their willingness to continue in office.

The Trustees' Report including the Strategic Report has been approved by the Board and is signed on its behalf of by:

Mr Nicholas R. Swales DL
Chair

Date: 17/11/2023

Statement of Trustees' responsibilities

The Trustees (who are also directors of Newcastle Theatre Royal Trust Limited for the purposes of company law) are responsible for preparing the Trustees' Report (including the Strategic Report) and the financial statements in accordance with applicable law and regulations.

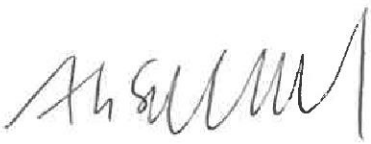
Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for the maintenance and integrity of the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved and signed on behalf of the Board by:



Mr Nicholas R. Swales DL
Chair
Date: 17/11/2023

Independent auditors' report to the members of Newcastle Theatre Royal Trust Limited

Opinion

We have audited the financial statements of Newcastle Theatre Royal Trust Limited (the 'Charity') for the year ended 31 March 2023, which comprise the Statement of Financial Activities, Balance Sheet, 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 United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 March 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity 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.

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 charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements were 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 Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

Independent auditors' report to the members of Newcastle Theatre Royal Trust Limited (continued)

Other information (continued)

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.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where 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; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 12, 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 the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or

Independent auditors' report to the members of Newcastle Theatre Royal Trust Limited (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiries with management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing board minutes;
- Review of legal expenses incurred by the charity;
- Challenging assumptions and judgements made by management in their significant accounting estimates;
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

Because of the field in which the client operates, we identified the following areas as those most likely to have a material impact on the financial statements: health and safety and food hygiene regulations, anti-bribery and corruption, and compliance with the UK Companies Act, and the Charities Act.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or recognise the non-compliance.

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.

Use of our report

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

Simon Brown

Simon Brown BA ACA DChA (Senior Statutory Auditor)
For and on behalf of Azets Audit Services
Chartered Accountants
Statutory Auditor
Bulman House, Regent Centre, Gosforth
Newcastle upon Tyne, NE3 3LS

Date: 23/11/2023

Azets Audit Services is a trading name of Azets Audit Services Limited.

Statement of Financial Activities

for the year ended 31 March 2023

	Note	Unrestricted General funds £	Unrestricted Designated Funds £	Restricted funds £	**Total 2023 £**	Total 2022 **£**
Income from						
Donations and legacies	4	159,280	-	10,899	170,179	85,678
Charitable activities:						
Operation of Theatre	5	16,837,125	-	-	16,837,125	7,062,330
Other including Government Grant funding	6	37,724	-	-	37,724	176,998
Investments	7	236,963	-	-	236,963	328
Misc. income	8	-	-	-	-	13,215
Total income		17,271,092	-	10,899	17,281,991	7,338,549
Expenditure						
Expenditure on charitable activities:						
Operation of Theatre	9	(15,615,501)	-	(10,899)	(15,626,400)	(8,065,988)
Total expenditure		(15,615,501)	-	(10,899)	(15,626,400)	(8,065,988)
Net income/(Expenditure)		1,655,591	-	-	1,655,591	(727,439)
Actuarial gains/(losses) on defined benefit pension schemes	13 (h) & (I)	3,140,000	-	-	3,140,000	1,640,000
Transfer to designated funds		(577,000)	577,000	0	-	-
Transfer to restricted funds		-	-	-	-	-
Net movement in funds		4,218,591	577,000	-	4,795,591	912,561

Statement of Financial Activities (continued)

for the year ended 31 March 2023

	Note	Unrestricted General funds £	Unrestricted Designated Funds £	Restricted funds £	**Total 2023** £	Total 2022 £
Net movement in funds		4,218,591	577,000	-	4,795,591	912,561
Reconciliation of funds:						
Total funds brought forward	22	997,334	559,000	2,582	1,558,916	646,355
Total funds carried forward	22	5,215,925	1,136,000	2,582	6,354,507	1,558,916

The statement of financial activities includes all gains and losses recognised in the year. Income and expenditure for the year covers activities at the Theatre Royal and for the year ended 31 March 2023.

Balance Sheet

as at 31 March 2023

	Note	2023	2022
		£	£
Fixed assets			
Tangible assets	15	506,398	604,647
Investments in subsidiaries	16	1	1
		506,399	604,648
Current assets			
Stocks	17	16,446	15,771
Debtors	18 (a)	881,589	634,151
Cash	24	13,042,143	11,672,333
		13,940,178	12,322,255
Creditors:			
Amounts falling due within one year	20	(8,092,070)	(8,227,987)
Net current assets		5,848,108	4,094,268
Total assets less current liabilities		6,354,507	4,698,916
Creditors falling due after more than one year			
Defined benefit pension liability	13 (c), (l)	-	(3,140,000)
Net assets		6,354,507	1,558,916
The funds of the charity:			
Restricted funds	22	2,582	2,582
Unrestricted funds			
Revenue funds	22	5,215,925	4,137,334
Pension reserve	22	-	(3,140,000)
General		5,215,925	997,334
Designated funds	22	1,136,000	559,000
Total funds		6,354,507	1,558,916

The financial statements on pages 16 to 41 were approved for issue by the Board on 16th October 2023 and were signed on its behalf by:

Mr Nicholas R. Swales
Chair
Date: 17/11/2023

Registered number: 01217427

Statement of Cash Flows

for the year ended 31 March 2023

	Note	2022/23 £	2021/22 £
Net cash generated in operating activities	24 (a)	1,132,847	3,612,969
Cash flows from investing activities			
Interest received		236,963	328
Purchase of tangible fixed assets		-	(165,708)
Disposal of tangible fixed assets		-	-
Net cash used in investing activities		236,963	(165,380)
Cash flows from financing activities			
Government grant – Culture Recovery Fund		-	-
Government grant – Coronavirus Job Retention Scheme		-	144,998
Cash inflow from financing activities		-	144,998
Increase in cash and cash equivalents	24 (b)	1,369,810	3,592,587
Cash and cash equivalents at the beginning of the year		11,672,333	8,079,746
Cash and cash equivalents at the end of the year	24 (c)	13,042,143	11,672,333

The reconciliation of net cash flow to movement in funds is shown in note 24(a).

Notes to the financial statements for the year ended 31 March 2023

1 Principal Accounting Policies

a) Basis of preparation

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

Newcastle Theatre Royal Trust Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless stated in the relevant accounting policy note(s).

The future operations of the Trust are dependent on sufficient net income generation. The Trust is constantly looking at ways to maintain high levels of ticket sales and increase revenue streams in order to create financial security. The majority of show programming is put in place at least 12 months in advance and is monitored very carefully against targets when it goes on sale.

The Trust's forecasts and projections for the next twelve months show that the Trust should be able to continue in operational existence for that period, taking into account reasonable possible changes in trading performance and the potential impact on the Trust of possible future scenarios arising from the on-going impact of Covid-19. The Trust has strong positive cash balances and is forecasting for this to continue to be the case. The Trustees have stress-tested their forecasts, taking into account various scenarios, and remain confident that the uncertainties do not cast significant doubt on the company's ability to continue as a going concern.

The Trustees have considered the reserves and financial plans for the Trust and are of the view that, at the date of approval of the financial statements, the Trust has sufficient reserves to continue to operate for the foreseeable future. The Trustees consider the charitable company to be a going concern and the financial statements have been prepared on that basis.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are set out in the following notes.

b) Areas of judgement and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenditure. These are based on historic and other factors that are believed to be reasonable, the results of which form the basis for making judgements. The estimates and underlying assumptions are reviewed on an on-going basis.

Specific areas of estimation include depreciation and useful economic lives of assets, provisions and impairment. The nature of the estimation means that actual outcomes could differ from those estimates. None of the judgements or estimates have a significant effect on the financial statements.

c) Income recognition

Income from government and other grants, whether 'capital' or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met and it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Notes to the financial statements for the year ended 31 March 2023 (continued)

c) Income recognition (continued)

Income from charitable activities, Future Levy Fund income and sponsorship and business membership income is recognised as it is earned and is deferred when it is received in advance of the performance or period to which it relates. Ticket sales income comprises of gross income receivable. No Value Added Tax ('VAT') is due on it because the activity falls within VAT exemption for cultural services.

Gift vouchers, credit notes and tickets sold in advance are included in creditors as deferred income and are recognised as income when the performance is held or when the expiry date is reached.

Interest on funds held on deposit is recognised when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank or Newcastle City Council.

d) Resources expended & irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following headings:

- Charitable activities include expenditure associated with performances and educational activities and include both direct costs and support costs relating to these activities.
- Support costs include expenses incurred for the management and administration of the Trust. These costs have been allocated to the charitable activities on the basis of time spent on activities.
- Governance costs comprise expenses relating to governance of the company and are primarily associated with constitutional and statutory requirements.
- All resources expended are classified under activity headings that aggregate all costs related to the category. Where applicable, irrecoverable VAT is apportioned to expenditure based on the total department spend.

e) Fund accounting

Unrestricted funds

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. They may be designated or undesignated.

Designated funds

The designated funds include funds set aside by the Trustees to cover the refurbishment and restoration of the building, repair and renewal of equipment, a contribution towards creative engagement projects, potential technical upgrades and minor one-off projects.

Restricted funds

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for a particular purpose.

Notes to the financial statements for the year ended 31 March 2023 (continued)

f) Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses. Assets with a value of below £10,000 are not capitalised. Depreciation of fixed assets is charged by equal annual instalments commencing with the period of acquisition at rates estimated to write off their cost less any residual value over the expected useful lives, which are as follows:

Computer hardware and software	3 years
Box office system	5 years
Other equipment	5 years
Buildings - fixtures & fittings	between 5 years and 10 years
Buildings - Royal House	depreciated over asset life

g) Stock

Stock of goods for resale have been included at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs expected to be incurred to disposal.

h) Debtors

Trade and other debtors which are receivable within one year are initially recognised at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

i) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

j) Trade creditors & other liabilities

Trade creditors and other liabilities are recognised where the charity 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 estimated reliably. Trade creditors and other liabilities are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amount settled.

k) Financial instruments

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

l) Pension costs

Employees are entitled to join the Tyne and Wear Pension Fund which operates a Local Government Pension Scheme (LGPS). The LGPS is one of the largest public sector pension schemes in the UK. It is a nationwide pension scheme for people working in local government or working for other types of employer participating in the Scheme. Newcastle Theatre Royal Trust Limited has admitted body status in the scheme. Contributions are paid by the Trust and by its employees.

Notes to the financial statements for the year ended 31 March 2023 (continued)

l) Pension costs (continued)

The LGPS is a defined benefit plan with benefits earned up to 31 March 2014 being linked to final salary. Benefits after 31 March 2014 are based on a Career Average Revalued Earnings scheme. Members of the LGPS may also contribute towards added years or join the Additional Voluntary Contribution Scheme, each of which is funded by the employee alone. Members also have the flexibility to join the 50/50 part of the scheme whereby they will pay half of the normal contribution but their benefits will also be reduced.

Benefits in the LGPS built up before 1 April 2014 are based on the final pay of the member when they leave the Scheme. New employees are automatically enrolled into the LGPS scheme unless they have exercised their right to opt out of scheme membership.

All benefits built up in the LGPS for membership after 31 March 2014 are calculated under the rules of the new career average scheme. Pension is built up at a rate of 1/49th of the amount of pensionable pay received in that Scheme year, or at a rate of 1/98th if in the 50/50 section of the Scheme.

An actuarial review on 31 March 2023 valued the Newcastle Theatre Royal Trust Limited's share of the scheme's net pension surplus as £2,680,000 (2022: deficit £3,060,000). The surplus in relation to funded benefits is not shown on the balance sheet in accordance with the requirements of Financial Reporting Standard FRS 102. Further information is given in note 13.

2 Legal status of the Trust

The Trust is a charitable company limited by guarantee, incorporated in England. The members have no shareholdings but in the event of a winding up they have each undertaken to contribute to the payment of liabilities such amount as may be required, not exceeding a total of £1.

Notes to the financial statements for the year ended 31 March 2023 (continued)

3 Comparative Information – Prior Year Statement of Financial Activities

	Unrestricted General funds £	Unrestricted Designated Funds £	Restricted funds £	Total 2022 £
Income from				
Donations and legacies	85,678	-	-	85,678
Charitable activities:				
Operation of Theatre	7,062,330	-	-	7,062,330
Other including Government Grant funding	176,998			176,998
Investments	328	-	-	328
Misc. income	13,215	-	-	13,215
Total income	7,338,549	-	-	7,338,549
Expenditure				
Expenditure on charitable activities:				
Operation of Theatre	(7,307,323)	(36,764)	(721,901)	(8,065,988)
Total expenditure	(7,307,323)	(36,764)	(721,901)	(8,065,988)
Net income/(expenditure)	31,226	(36,764)	(721,901)	(727,439)
Actuarial gains/(losses) on defined benefit pension schemes	1,640,000	-	-	1,640,000
Transfer to designated funds	(50,831)	500,667	(449,836)	
Net movement in funds	1,620,395	463,903	(1,171,737)	912,561

Notes to the financial statements for the year ended 31 March 2023 (continued)

4 Income from donations and legacies

	Unrestricted General £	Unrestricted Designated £	Restricted £	2023 £	2022 £
Individual Giving Scheme	1,571	-	-	1,571	2,413
Other donations	157,709		10,899	168,608	83,265
	159,280	-	10,899	170,179	85,678

5 Income from charitable activities

	2023			2022		
Unrestricted funds	Turnover £	Cost of sales £	Net income £	Turnover £	Cost of sales £	Net income £
Box office (incl. booking fee)	14,872,108	(9,330,598)	5,541,510	6,104,189	(2,848,270)	3,255,919
Ancillary	568,153	(262,798)	305,355	302,541	(145,935)	156,606
Catering & bar	1,025,777	(264,923)	760,854	458,265	(116,764)	341,501
Memberships	215,033	-	215,033	123,254	-	123,254
Creative Engagement	105,948	(64,812)	41,136	30,555	(23,406)	7,149
Miscellaneous	50,106	-	50,106	43,526	-	43,526
	16,837,125	9,923,131	6,913,994	7,062,330	(3,134,375)	3,927,955

Miscellaneous income includes postage income relating to ticket sales and member events as well as funds arising from the cancellation of expired historic gift vouchers and credit notes.

Notes to the financial statements for the year ended 31 March 2023 (continued)

6 Other

	2023	2022
	£	£
Sponsorship	37,724	32,000
Government grant (Cultural Recovery Fund)	0	0
Government grant (Coronavirus Job Retention Scheme)	0	144,998
	37,724	176,998

All of this Other income relates to unrestricted funds.

7 Investments

	2023	2022
	£	£
Interest receivable	236,963	328

Interest receivable relates to interest earned on the funds held with HSBC. All investment income relates to unrestricted funds.

8 Misc. income

	2023	2022
	£	£
Misc. income	0	13,215

All miscellaneous income relates to unrestricted funds.

9 Analysis of expenditure on charitable activities

The Trust undertakes direct charitable activities only and does not make grant payments.

	Unrestricted General funds	Unrestricted Designated funds	Restricted funds	2023	2022
Cost of charitable activities:	£	£	£	£	£
Cost of sales (see note 5)	9,923,131	-	-	9,923,131	3,134,375
Marketing	695,002	-	-	695,002	661,632
Box office	493,872	-	-	493,872	391,497
Front of house management	1,052,848	-	-	1,052,848	782,062
Building overhead costs	1,117,833	-	10,899	1,128,732	1,189,330
Development	49,842	-	-	49,842	43,582
Technical	940,026	-	-	940,026	802,119
Creative Engagement	127,645	-	-	127,645	107,318
Depreciation	98,248	-	-	98,248	27,462
Support costs (see note 10)	1,103,511	-	-	1,103,511	918,689
Governance costs (see note 10)	13,543	-	-	13,543	7,921
Total cost of charitable activities	15,615,501	-	10,899	15,626,400	8,065,988

Notes to the financial statements for the year ended 31 March 2023 (continued)

10 Analysis of support and governance costs

The Trust allocates its support costs as shown in the table below. Support costs are allocated on a basis consistent with the use of resources.

	Support costs (Note 9)	Governance (Note 9)	**2023**	2022
	£	£	**£**	£
Central Office, Admin & HR	646,872	-	646,872	312,758
Finance Office	250,512	-	250,512	287,378
Information Technology	206,127	-	206,127	318,553
Internal Audit	-	3,043	3,043	-
External Audit	-	10,500	10,500	7,921
Total	1,103,511	13,543	1,117,054	926,610

11 Net income/(expenditure)

Net income/(expenditure) is stated after charging:

	2023	2022
	£	£
Depreciation of tangible fixed assets	98,248	94,695
Operating lease rentals – plant & equipment	-	-
Auditors' remuneration		
- Audit fee	10,500	10,000
Directors' and officers' liability insurance	2,604	2,593
Cost of stock recognised as an expense – stock write off	0	5,035

Notes to the financial statements for the year ended 31 March 2023 (continued)

12 Employee information

a) Average number of employees

The average monthly number of employees, including temporary staff, employed during the year was 188 (2022: 158) split between Theatre Royal operations 170 (2022: 140) and management and administration 18 (2022: 18).

b) The costs incurred in respect of employees were:

	2023	2022
	£	£
Wages and salaries	2,656,864	2,274,690
Social security costs	210,039	180,060
Pension charges	333,439	293,153
	3,200,342	2,747,903

Pension charges for the year include employer contributions of £333,439 (2022: £293,153) into the Tyne and Wear Pension Fund in respect of employees' pension costs. The employer's contribution rate for the year was 14% of pensionable pay (2022: 14%). Employee contributions vary according to their annual pay. At the year end £40,554 (2022: £39,485) was owed in respect of employer and employee contributions due to the scheme which were paid across in April 2023.

The number of employees earning over £60,000, excluding pension contributions, is as follows:

	2023 Number	2022 Number
£60,001 - £70,000	1	2
£90,001 - £100,000	1	1

c) Key Management Personnel

For the purpose of this disclosure Key Management Personnel are defined as the Trustees, Chief Executive, Director of Finance, Director of Operations, and Director of Audience & Communications whose aggregate remuneration in the year, excluding employer pension and national insurance contributions, was £249,023 (2022: £373,667). Aggregate remuneration including employer pension and national insurance contributions was £310,750 (2022:£467,733):

	2023 Number	2022 Number
£50,001 - £60,000	2	1
£60,001 - £70,000	-	1
£70,001 - £80,000	-	1
£80,001 - £90,000	1	1
£90,001 - £100,000	-	1
£120,001 - £130,000	1	-
£140,001 - £150,000	-	1

Notes to the financial statements for the year ended 31 March 2023 (continued)

12 Employee information (continued)

d) Trustees' emoluments

Trustees received a remuneration or expenses during the year ended 31 March 2023 for services rendered to the Trust of £73 (2022: £nil). Directors normally attend a number of performances each year in order to monitor the quality of productions and maintain a Board presence at the Theatre. In 2023 the value of tickets for performances attended by the Directors was £1,889 (2022 £409).

13 Pensions

The disclosures (below) relate to the funded liabilities within the Tyne and Wear Pension Fund (the "Fund") which is part of the Local Government Pension Scheme (the "LGPS").

The LGPS is a funded defined benefit plan with benefits earned up to 31 March 2014 being linked to final salary. Benefits after 31 March 2014 are based on a Career Average Revalued Earnings scheme. Details of the benefits earned over the period covered by this disclosure are set out in "The Local Government Pension Scheme Regulations 2013" and The Local Government Pension Scheme (Transition Provisions, Savings and Amendment) Regulations 2014.

(a) Funding / Governance Arrangements of the LGPS

The funded nature of the LGPS requires participating employers and its employees to pay contributions into the Fund, calculated at the level intended to balance the pension liabilities with investment assets. Information on the framework for calculating contributions to be paid is set out in LGPS Regulations 2013 and the Fund's Funding Strategy Statement.

An actuarial valuation was carried out as at 31 March 2019 and the contributions to be paid from 1 April 2020 until 31 March 2023 resulting from this valuation are set out in the Fund's Rates and Adjustment Certificate. Employer contributions for this period have been set at 14% of pensionable pay. This compares to an employer contribution rate of 26.7% for the year ended 31 March 2020. The Fund's Administering Authority, South Tyneside Council, is responsible for the governance of the Fund.

An actuarial review for accounting purposes, using the roll-forward method, was undertaken to review the funded status of the Scheme as at 31 March 2023. As a result of this review, the Trust's share of the difference between the fair value of the Scheme's assets and the present value of funded defined benefit obligations has reduced from a deficit of £3.06m as at 31 March 2022 to a surplus of £2.68m as at 31 March 2023. During the year the fair value of assets increased by £0.36m and the present value of the defined benefit obligation reduced by £5.38m. The decrease in this net pension obligation has been recognised on the balance sheet.

In accordance with the requirements of FRS 102, disclosure of certain information concerning assets, liabilities, income and expenditure relating to the pension scheme is required and is set out below.

(b) Estimated pension expense for the accounting year ending 31 March 2024

The actuarial review for accounting purposes provides an estimate of the charges to the income and expenditure account in future periods based on the assumptions as at 31 March 2023.

Notes to the financial statements for the year ended 31 March 2023 (continued)

13 Pensions (continued)

(b) Estimated pension expense for the accounting year ending 31 March 2024 (continued)

Analysis of amounts charged to profit and loss	Period ending 31 March 2024
	£m
Current service cost	0.38
Net interest on net defined benefit liability	0.13
Total estimated pension expense	0.25

An allowance for administrative expenses of £0.01m is included in the current service cost. The estimated expense is based on an estimated pensionable payroll over the period of £2.26m.

(c) Changes to the Pension Liability

Reconciliation of pension liability	£
Opening pension liability at 1 April 2022	(3,060,000)
Current service cost	(980,000)
Interest on net defined benefit liability	(70,000)
Contributions attributable to the employer	300,000
Curtailments	0
Actuarial gains/(losses)	6,490,000
Pension asset value not recognised (as per FRS102 para 28.22)	(2,680,000)
Closing pension liability at 31 March 2023	0

(d) Principal assumptions

The principal assumptions used by the actuary in updating the latest valuation of the Fund for FRS 102 purposes were:

Assumptions	**31 March 2023 %**	31 March 2022 %	31 March 2021 %
Discount rate	4.70%	2.70%	2.10%
CPI inflation	2.70%	2.90%	2.70%
Pension accounts revaluation rate	2.70%	2.90%	2.70%
Pension increases	2.70%	2.90%	2.70%
Salary increases	4.20%	4.40%	4.20%

The mortality assumptions are based on the actual mortality experience of members within the Fund based on analysis carried out as part of the 2019 Actuarial Valuation and allow for expected future mortality improvements. Sample life expectancies at age 65 resulting from these mortality assumptions are shown below:

Notes to the financial statements for the year ended 31 March 2023 (continued)

13 Pensions (continued)

(e) Principal assumptions (continued)

Mortality assumptions	**31 March 2023 Years**	31 March 2022 Years
Males		
Pension member aged 65 at accounting date	21.6	21.8
Active member aged 45 at accounting date	22.9	23.5
Females		
Pensioner member aged 65 at accounting date	24.6	25.0
Active member aged 45 at accounting date	26.1	26.7

Asset allocation	Value at 31 March 2023	Value at 31 March 2022
Equities	51.2%	57.0%
Property	10.5%	8.4%
Government bonds	1.3%	2.0%
Corporate bonds	19.5%	18.8%
Multi Asset Credit	4.5%	0.0%
Cash	1.8%	1.8%
Other	11.2%	12.0%
Total	100.0%	100.0%

(f) Reconciliation of funded status to Balance Sheet

	Value as at 31 March 2023 £	Value as at 31 March 2022 £
Fair value of assets	14,960,0000	14,600,0000
Present value of funded defined benefit obligation	(12,280,000)	(17,660,000)
Pension asset value not recognised (as per FRS102 para 28.22)	(2,680,000)	-
Funded status - liability recognised on the balance sheet	0	(3,060,000)

The split of the liabilities at the last valuation between the various categories of members is as follows:

Active members	33%
Deferred pensioners	21%
Pensioners	46%

(g) Amounts recognised in income statement

	Year ending 31 March 2023 £	Year ending 31 March 2022 £
Operating cost		
Current service cost	980,000	1,010,000
Financing cost		
Interest on net defined benefit liability	70,000	90,000
Pension expense recognised in income statement	1,050,000	1,100,000

Notes to the financial statements for the year ended 31 March 2023 (continued)

13 Pensions (continued)

(h) Amounts recognised in other comprehensive income

	Year ending 31 March 2023 £	Year ending 31 March 2022 £
Asset gains/(losses) arising during the year	7,540,000	470,000
Liability gains/(losses) arising during the year	(1,050,000)	1,970,000
Total amount recognised in other comprehensive income	6,490,000	2,440,000

(i) Changes to the present value of the defined benefit obligation

	Year ending 31 March 2023 £	Year ending 31 March 2022 £
Opening defined benefit obligation	17,660,000	18,370,000
Current service cost	980,000	1,010,000
Interest expense on defined benefit obligation	470,000	380,000
Contributions attributable to the participants	140,000	140,000
Actuarial (gains)/losses on liabilities	(6,670,000)	(1,970,000)
Net benefits paid out	(300,000)	(270,000)
Curtailment cost	-	-
Closing present value of liabilities	12,280,000	17,660,000

(j) Changes to the fair value of assets

	Year ending 31 March 2023 £	Year ending 31 March 2022 £
Opening fair value of assets	14,600,000	13,680,000
Interest income on assets	400,000	290,000
Re-measurement gains/(losses) on assets	(180,000)	470,000
Contributions attributable to the employer	300,000	290,000
Contributions attributable to the participants	140,000	140,000
Net benefits paid out	(300,000)	(270,000)
Closing fair value of assets	14,960,000	14,600,000

Notes to the financial statements for the year ended 31 March 2023 (continued)

13 Pensions (continued)

(k) Actual return on assets

	Year ending 31 March 2023 £	Year ending 31 March 2022 £
Interest income on assets	400,000	290,000
Gain/(loss) on assets	(180,000)	470,000
Actual return on assets	220,000	760,000

(l) Unfunded benefits

The liability recognised in respect of the unfunded LGPS benefits is £70,000 (2022: £80,000). These benefits are termination benefits made on a discretionary basis upon early retirement in respect of members of the LGPS. No pension fund exists to meet these benefits. No actuarial gain has been recognised in the period in respect of these liabilities, (2022: £10,000). The unfunded LGPS liability of £70,000 has been offset against the actuarial gain reported (such that whilst there is no asset reported for the funded LGPS scheme there is no liability reported for the unfunded LGPS scheme).

(m) Contingent liabilities

Guaranteed Minimum Pension (GMP) equalisation

In March 2016 the Government made the LGPS responsible for paying the full increases on GMPs for individuals reaching State Pension Age (SPA) from 5 April 2016 through to 6 December 2018 as an "interim solution". In January 2018 this interim solution was extended to individuals reaching SPA before 5 April 2021 – passing further cost on to the LGPS.

The 31 March 2019 actuarial valuation allowed for the extension of the interim solution to those reaching State Pension Age by 5 April 2021 as already required under legislation. However, the valuation did not allow for the impact of potentially extending this interim solution indefinitely, providing full pension increases on GMP for members reaching State Pension Age after 5 April 2021. Based on approximate calculations, at a whole fund level, the Scheme's actuary has indicated that the impact of providing full pension increases on GMPs for those members reaching State Pension Age after 5 April 2021 is an increase in past service liabilities of between 0.1% to 0.2% across the Fund as a whole.

Notes to the financial statements for the year ended 31 March 2023 (continued)

14 Taxation

The Trust is a charity established under the Charities Act 1993 (now Charities Act 2011). It is therefore exempt from taxation in respect of income and capital gains received within categories covered by section 505 Income and Corporation Taxes Act 1988 and section 256 Taxation of Chargeable Gains Act 1992, to the extent that such income and gains are applied to charitable purposes only.

15 Tangible assets

	Buildings (incl. leasehold improvements)	Other Equipment	Computer Equipment	Box Office & HR systems	Total
	£	£	£	£	£
Cost					
At 1 April 2022	1,354,342	310,371	52,200	244,741	1,961,654
Additions during the year	-	-	-	-	-
Disposals	(275,179)	-	-	-	(275,179)
At 31 March 2023	1,079,163	310,371	52,200	244,741	1,686,475
Accumulated depreciation					
At 1 April 2022	798,087	306,743	52,200	199,978	1,357,008
Charge for the year	84,748	2,420	-	11,080	98,248
Disposals	(275,179)	-	-	-	(275,179)
At 31 March 2023	607,656	309,163	52,200	211,058	1,180,077
Net book value					
At 31 March 2023	471,508	1,208	-	33,683	506,398
At 31 March 2022	556,255	3,628	-	44,763	604,647

The main Theatre Royal premises is leased from Newcastle City Council which owns the property. A new 125-year lease commenced on 1st April 2016 at a peppercorn rent. The Trustees consider the nature of the Theatre Royal's business to be such that realistic quantification of the true value of this gift in kind is impossible with any accuracy, and hence no value has been attributed to it within the financial statements.

Notes to the financial statements for the year ended 31 March 2022 (continued)

15 Tangible assets (continued)

Prior year note

	Buildings (incl. leasehold improvements)	Other Equipment	Computer Equipment	Box Office & HR systems	Total
	£	£	£	£	£
Cost					
At 1 April 2021	1,198,015	310,371	52,200	235,360	1,795,946
Additions during the year	156,327	-	-	9,381	165,708
Disposals	-	-	-	-	-
At 31 March 2022	1,354,342	310,371	52,200	244,741	1,961,654
Accumulated depreciation					
At 1 April 2021	723,371	304,323	52,200	182,418	1,262,312
Charge for the year	74,716	2,420	-	17,560	94,695
Disposals	-	-	-	-	-
At 31 March 2022	798,087	306,743	52,200	199,978	1,357,007
Net book value					
At 31 March 2022	556,255	3,628	-	44,763	604,647
At 31 March 2021	474,644	6,048	-	52,942	533,634

16 Investments in subsidiaries

On 27 October 2017 NTRT Trading Ltd was incorporated. This company is a wholly owned subsidiary of the Trust and has yet to commence trading. The company is limited by guarantee and the Trust, as the parent charity, guarantees to pay up to one pound towards the costs of dissolution and the debts and liabilities of the company. NTRT Trading Ltd is incorporated in England, registration number 11036273 and its registered office is 100 Grey Street, Newcastle upon Tyne, NE1 6BR.

Notes to the financial statements for the year ended 31 March 2023 (continued)

17 Stock

	2023	2022
	£	£
Goods for resale	16,446	15,771

18 Debtors

	2023	2022
	£	£
Trade debtors	94,320	61,708
Subsumption security monies held by Newcastle City Council – note 19	380,000	380,000
Other debtors	126,422	56,428
Prepayments and accrued income	280,847	136,015
	881,589	634,151

19 Amounts owed by related parties

£380,000 is held by Newcastle City Council as security for the Council agreeing to the pension scheme subsumption agreement (2022: £380,000). When the Trust arranges for a pension bond to be put in place to cover the potential risk of increased liabilities on cessation to the Council, then the monies held as security will be returned to the Trust.

The agreements in place allow for the Council to request further security to be provided in the future either via monies held or via an appropriate pension bond.

Notes to the financial statements for the year ended 31 March 2023 (continued)

20 Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	1,348,379	1,287,985
Taxation and social security	131,510	270,091
Other creditors	47,561	101,896
Accruals	711,267	637,596
Deferred income (note 21)	5,853,353	5,930,419
	8,092,070	8,227,987

21 Deferred income

Deferred income comprises advance ticket sales, booking fees and heritage fund income for performances after 31 March 2023.

	£
Balance as at 1 April 2022	5,930,419
Amount released to income earned from charitable activities	(13,727,818)
Amounts refunded net of show transfers	(287,172)
Amount of advanced receipts at year end	13,937,924
Balance as at 31 March 2023	5,853,353

	£
Balance as at 1 April 2021	3,367,625
Amount released to income earned from charitable activities	(3,083,935)
Amounts refunded net of show transfers	(283,690)
Amount of advanced receipts at year end	5,930,419
Balance as at 31 March 2022	5,930,419

Notes to the financial statements for the year ended 31 March 2023 (continued)

22 Funds

	Unrestricted					Restricted	
	Revenue funds	Pension reserve	Sub-total	Designated funds	Unrestricted Funds	Restricted Funds	Total
	£	£	£	£	£	£	£
At 1 April 2022	4,137,334	(3,140,000)	997,334	559,000	1,556,334	2,582	1,558,916
Net incoming/ (outgoing) resources for the year	1,655,591	-	1,655,591	-	1,655,591	-	1,655,591
Transfers	(577,000)	-	(577,000)	577,000	-	-	-
Actuarial Gain/Loss	-	3,140,000	3,140,000	-	3,140,000	-	3,140,000
At 31 March 2023	**5,215,925**	**-**	**5,215,925**	**1,136,000**	**6,351,925**	**2,582**	**6,354,507**

Previous year	Unrestricted					Restricted	
	Revenue funds	Pension reserve	Sub-total	Designated funds	Unrestricted Funds	Restricted Funds	Total
	£	£	£	£	£	£	£
At 1 April 2021	4,156,939	(4,780,000)	(623,061)	95,097	(527,964)	1,174,319	646,335
Net incoming/ (outgoing) resources for the year	31,226	-	31,226	(36,764)	(5,538)	(721,901)	(727,439)
Transfers	(50,831)	-	(50,831)	500,667	(449,836)	(449,836)	-
Actuarial loss	-	1,640,000	1,640,000	-	1,640,000)	-	1,640,000
At 31 March 2022	4,137,334	(3,140,000)	997,334	559,000	1,556,334	2,582	1,558,916

Unrestricted funds

The designated funds include funds set aside by the Trustees to cover the refurbishment and restoration of the building, repair and renewal of equipment, a contribution towards Creative Engagement projects, potential technical upgrades and minor one off projects.

Restricted funds

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for a particular purpose.

Pension reserve

Note 13 provides information on the Trust's pension reserve balance.

Notes to the financial statements for the year ended 31 March 2023 (continued)

23 Analysis of net assets between funds

	Unrestricted funds	Designated funds	Restricted funds	Total 2023
	£	£	£	£
Tangible fixed assets	506,398	-	-	506,398
Investment in subsidiary	1	-	-	1
Current assets & long term debtor	12, 801,596	1,136,000	2,582	13,940,178
Current liabilities	(8,092,070)	-	-	(8,092,070)
Pension liability	-	-	-	-
Total net assets as at 31 March 2022	5,215,925	1,136,000	2,582	6,354,507

Previous year	Unrestricted funds	Designated funds	Restricted funds	Total 2022
	£	£	£	£
Tangible fixed assets	604,647	-	-	604,647
Investment in subsidiary	1	-	-	1
Current assets & long term debtor	11,760,673	559,000	2,582	12,322,255
Current liabilities	(8,227,987)	-	-	(8,227,987)
Pension liability	(3,140,000)	-	-	(3,140,000)
Total net assets as at 31 March 2021	997,334	559,000	2,582	1,558,916

Notes to the financial statements for the year ended 31 March 2023 (continued)

24 Notes to the cash flow statement

(a) Reconciliation of net outgoing resources to net cash used in operating activities

	2023	2022
	£	£
Net outgoing resources	4,795,591	912,561
Depreciation	98,248	94,695
Government grants receivable	-	(144,998)
Bad debt provision	-	-
(Decrease)/Increase in pension liability	(3,140,000)	(1,640,000)
Interest receivable	(236,963)	(328)
(Increase)/Decrease in stocks and work in progress	(675)	(11,101)
Decrease in advance contribution payment to Newcastle City Council	-	236,418
Decrease/(Increase) in debtors	(121,772)	365,184
Increase/(Decrease) in creditors	(261,584)	3,800,538
Net cash (used in)/generated from operating activities	1,132,845	3,612,969

(b) Analysis of changes in net cash & net debt

	At 1 April 2022	Change in year	At 31 March 2023
	£	£	£
Cash at bank and in hand	8,482,424	4,559,719	13,042,143
Cash held with Newcastle City Council	3,189,909	(3,189,909)	-
Net cash	11,672,333	1,369,810	13,042,143

(c) Reconciliation of net cash flow to movement in net cash

	£
Increase in cash in the year	1,369,810
Net cash at 1 April 2022	11,672,333
Net cash at 31 March 2023	13,042,143

Notes to the financial statements for the year ended 31 March 2023 (continued)

25 Lease and other financial commitments

Operating leases

Total future minimum lease payments under operating leases are given in the table below:

	At 31 March 2023			At 31 March 2022		
	£	£	£	£	£	£
	Other equipment	Office equipment	Total	Other equipment	Office equipment	Total
Not later than 1 year	1,773	1,719	3,492	1,258	1,719	2,977
Later than 1 year and not later than 5 years	0	1,056	1,056	-	2,775	2,775
	1,773	2,775	4,548	1,258	4,494	5,752

26 Ultimate controlling party

The company is limited by guarantee and there is no ultimate controlling party.

NEWCASTLE THEATRE ROYAL TRUST LIMITED

England & Wales - Charity number 504473

Accounts

Newcastle Theatre Royal Trust Limited

(a company limited by guarantee)

Annual report and financial statements

for the year ended 31 March 2022

Registered Number: 01217427

Charity Number: 504473

Legal and administrative details

Registered charity number: 504473

Registered company number: 01217427

Trustees

Nicholas Swales DL (Chair)
John Carver (Vice-Chair)
Julie Blackie
Lorna Edwards
Ben Fletcher-Watson
Scott Holland
Joan Louw
Raymond Mills

Chief Executive

Philip Bernays (resigned 30 September 2021)

Marianne Locatori (appointed 1 October 2021)

Management Team

Jo Kirby	Director of IT, Sales, Marketing & Development
Marcia Lant	Director of Finance (resigned 14th January 2022)
Siobhan Lightfoot	Director of Operations
Aynsley Cowan-Young	Director of Operations maternity cover
Colin Johnston	Director of Finance (appointed 16th January 2022)

Company Secretary

Marcia Lant (resigned 15th January 2022)
Colin Johnston (appointed 16th January 2022)

Bankers

HSBC UK Bank plc
3rd Floor
Central Square South
Orchard Street
Newcastle upon Tyne
NE1 3AZ

The Cooperative Bank
Grey Street
Newcastle upon Tyne
NE1 6BR

Funds are also held on behalf of the Trust by Newcastle City Council

Independent Auditors

Azets Audit Services
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Principal address and registered office

Newcastle Theatre Royal Trust Limited
100 Grey Street
Newcastle upon Tyne
NE1 6BR

Trustees' report for the year ended 31 March 2022

The Trustees (who are also the directors for the purpose of company law) submit their report including the Strategic Report and the audited financial statements of the Newcastle Theatre Royal Trust Limited ("the Trust") for the year ended 31 March 2022.

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

Structure, governance and management

The Trust is a charitable company limited by guarantee and is a registered charity. The members have no shareholdings but in the event of a winding up they have each undertaken to contribute to the payment of liabilities, such amount as may be required, not exceeding a total of £1.

The Trust is governed by its Articles of Association (last amended by special resolution on 13 December 2019). As stated in the Articles of Association, the Trust shall have up to eleven trustees who shall be appointed at the Annual General Meeting. Trustees are appointed for a three-year term of service, with reappointment being permitted provided that the maximum period of service is 3 x three-year terms.

All Trustees served for the full year. Details of the current Trustees can be found on page one.

The Board of Trustees normally meets five times per year and all major decisions are put forward for consideration at Board Meetings. There is a Finance & General Purposes Committee, with a membership of up to five Board Members, which normally meets five times per year and is from time to time given delegated authority for certain matters. The senior management team are responsible for the day-to-day running of the charity. Due to the impact of coronavirus, the Board met on a more frequent basis during the year in order to monitor the impact of the virus on the Theatre. As the Theatre fully reopened, the normal meeting schedule resumed from September 2021.

Where there is a vacancy for the role of Chair, Vice Chair or Trustee, the Board will appoint a nominations committee of three of its members, to receive nominations and undertake interviews, and to make a recommendation to the Board. Nominations for Chair and Vice Chair shall be from within the membership of the Trust, nominations for trustees may be sought by a combination of public advertisement and nominations from Trustees and the Trust's management.

New Trustees meet with the Chair and Chief Executive and a briefing is given on the organisation and its practices and procedures, as well as the responsibilities of Trustees. An introduction to the operational aspects of the Trust is given together with a tour of the Theatre Royal and all new Trustees receive a comprehensive induction pack. Specific training for all Trustees is also arranged as required.

The Trustees set the salary and remuneration package for the Chief Executive taking into account industry norms and the need to attract high quality candidates. The salaries of the Trust's key management personnel are set by the Chief Executive in conjunction with the Finance & General Purposes Committee. Both are benchmarked against salaries of comparable positions in the industry. Subsequently any increase is generally in line with the pay award made to all staff.

Trustees' report for the year ended 31 March 2022 (continued)

Marianne Locatori was appointed as Chief Executive on 1 October 2021 following the retirement of Philip Bernays.

All Trustees give their time freely and no remuneration or expenses were paid in the year.

The Trustees are responsible for maintaining a sound system of internal control in order to safeguard the assets of the charity. Internal audit services are contracted from Newcastle City Council to provide assurance to the Trustees on the effectiveness of internal controls however, due to the impact of coronavirus, no audits were carried out during the year.

The senior management team reports to the Board of Trustees and runs the charity on a daily basis in conjunction with the managers in each department. An annual budget is presented and approved by the Board in March each year, having been reviewed in advance by the Finance & General Purposes Committee. Management accounts in which actual results are compared against budgeted results are prepared monthly.

Due to the pandemic, the majority of staff were furloughed until July 2021 and the theatre reopened, subject to restrictions, with the production *SIX!*. A small team of staff were responsible for managing the business during the closure period. Staff are employed on a permanent full or part-time basis together with a large number of casual staff employed to meet the differing requirements of touring productions and varying selling and audience patterns.

One volunteer also normally assists the Trust as an archivist, and the Trustees and senior management team are very grateful for the contributions made by our volunteer.

Objectives and activities

The Trust's primary charitable objectives are to promote, maintain, improve and advance education, particularly by the production of educational plays and encouragement of the arts, including the arts of drama, mime, dance, singing and music.

The Trust's mission is: to engage, to entertain, to inspire – on and off the stage, a theatre of ambition and excellence for the North East.

This is normally achieved by the presentation of a wide ranging and broadly populist programme of drama, dance, musicals, opera, ballet, pantomime, live music and comedy performed in the 1,247 seat, Grade 1 Listed, Theatre Royal, which has an accompanying community and education programme. As a result of the pandemic the Theatre was closed between 1st April and 11th July 2021 and was unable to present any performance programme during that period.

The performance programme is a careful balance of creative endeavour, commercial appeal and financial prudence, in order to ensure that the Trust's primary source of income, ticket sales, covers the cost of operating and maintaining the Theatre Royal building.

The Trustees have complied with the duty in the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission. In delivering its objectives, the Trust achieves its charitable purposes for the benefit of the public.

Trustees' report for the year ended 31 March 2022 (continued)

Strategic Report

The theatre has successfully navigated the last 12 months under the continued impact of the second year of the pandemic. Having suffered a complete 12 month closure the previous year, it was essential for the Trust to return to normal operations and generate audience and ticket income to support the Theatre's recovery in 2021/22 and 2022/23. Despite everyone's best efforts, the ongoing pandemic resulted in a return to normal operations much later in the year than planned, and we continued to incur cancelled performances and productions throughout. Despite these challenges, the theatre was for 72% of the year, and we welcomed over 202,000 audience members, presenting 244 performances. However, the unpredictable impacts of the pandemic, whilst trying to re-build audience confidence and operational resilience, resulted in a net expenditure of (£727,439) in the year which, whilst certainly not sustainable in a usual operating environment, was a relatively reasonable outturn in the circumstances.

Achievements and performance

At the end of 2019 the Trust agreed a 3-year strategy for the theatre. However, the pandemic meant it was not possible for this strategy to be implemented and realised. Once government guidance enabled theatres to open and operate, the Trust's focus was on ensuring an operating environment that was safe for audiences, staff and visiting production companies and to rebuild audience confidence to return to enjoy live performance after such an extended period of closure.

The Theatre reopened, initially with socially distanced audiences, and returned to full operating capacity on 19 July 2021. In the period since opening there have been 244 performances relating to 34 productions, welcoming 202,246 audience members back to enjoy theatre. Average audience occupancy was 69.5% and the total gross box office income was £6,104,189. It is evident that, despite the challenges presented by the pandemic, there is a genuine appetite for audiences to return to the Theatre.

Production highlights include the world premiere of *The Drifters Girl*, prior to the show transferring to the West End, *Everyone's Talking About Jamie* which sold 96.9% capacity, the National Theatre's *The Curious Incident of the Dog in the Night-time* and the welcome return of our longstanding partners Opera North and Scottish Ballet. Bringing internationally renowned dance company NDT2 into the UK (as part of Dance Consortium) was a particular achievement in the context of the ongoing impact of the pandemic.

The pantomime, *Snow White & The Seven Dwarfs*, was a significant moment for the Theatre after an absence of nearly 3 years and is always one of the highlights of the year for audiences and the Theatre staff. Until the Omicron Covid-19 variant emerged the panto was on track to hit record sales and attendances. Unfortunately, the company were impacted by the resurgence of the virus and a total of 10 performances were cancelled. Nonetheless the show played to 69,755 people and took £1,849,616 at the box office.

The Theatre's management and staff teams constantly adapted and adjusted policy and procedure as Covid-19 government guidance changed, in order to protect audiences and staff and to mitigate the spread of the virus.

The Learning Programme was adapted and continued to engage with participants during the closure period returning to near full capacity in September. A new youth theatre programme was launched, running 120 weekly sessions and a full scale production for people from the ages of 5 to 19, engaging with 130 young people each term.

The flagship Project A Actor Training programme recruited a full time cohort of 16 young people (from 81 applicants), who are due to graduate from the yearlong training course in July 2022.

Trustees' report for the year ended 31 March 2022 (continued)

Given the post-pandemic operating context, new leadership and significant numbers of new staff across the Trust (due to the pandemic) the board and executive team developed a new, one-year, transition of business plan to create a roadmap for recovery for the Trust. The plan sets out to ensure the Theatre Royal is fit for purpose following the pandemic, with a focus on recovery, creating financial stability and supporting transition to new ways of working.

Financial review

The Theatre closed on 16 March 2020 following government advice that the public should not attend theatres and remained closed until 12 July 2021 when it reopened with *SIX!*.

The Trust does not normally receive any external funding and relies entirely on ticket sales and related income. Due to the closure of the Theatre between 1st April and 11th July, the Trust did not generate any show related income during that period. However, it received £144,998 of funding under the Coronavirus Job Retention Scheme in the year and this enabled the Trust to continue to retain a small management team during the period of closure. Despite support received from this scheme, the Trust has incurred an operational deficit of £727,439 during the year.

The Trustees would like to thank all the members and customers of the Theatre who continued to support us by continuing their membership, maintaining donations and holding their tickets while performances were rescheduled. At the time the Theatre reopened in July 2021 the Trust held over £4.6m in advanced ticket sales and this enabled the Trust to maintain adequate cash balances during the period of closure.

Other than implementing increases to the real living wage, there was no general staff pay award during the financial year to 31st March, however, a 2% pay increase was given to staff on 1st April 2022. Lower paid staff have been paid the real living wage since 1st April, rather than the statutory minimum wage. The Trust brought the management of the theatre bars back inhouse on 12th July 2021 when the licence with Gusto/Tynehead had expired. Operating the hospitality function was a new endeavour for the Trust as it had been leased to external operators for many years. Whilst there were, inevitably, some initial challenges due to new staff, new EPOS software and new systems and procedures overall it has been successful, generating £296k gross profit for the charity.

It was a challenging year financially due to the theatre only opening on 12th July 2021. This is illustrated by the statement of financial activities set out on page 15. Expenditure on charitable activities was £8,066k and with income of only £7,339k, the Trust incurred a net expenditure of £727k during this financial year.

Pension scheme

The last full triennial actuarial valuation was at 31 March 2019. The Trust continues to benefit from lower employer contributions following the new subsumption agreement with Newcastle City Council and the Tyne & Wear Pension Fund. The lower rate will continue until at least 31st March 2023.

The accounting valuation of the balance sheet pension scheme liability for LGPS funded benefits decreased to £3,060,000 as at 31 March 2022 (2021: increase to £4,690,000) and for LGPS unfunded benefits, made on a discretionary basis upon early retirement, the liability reduced to £80,000 (2021: £90,000). The decrease in the liability reflects changes in the financial assumptions used to value the liability from an accounting perspective, these are different to the assumptions used by the actuaries in determining the employer contribution rates. Further details on this decrease are given in note 13.

Trustees' report for the year ended 31 March 2021 (continued)

An actuarial gain of £1,720,000 has been recognised on the LGPS funded benefits including the £10,000 gain on unfunded LGPS benefits in the year (2021: £1,650,000 loss), which reflects the movement on the net defined benefit pension scheme obligations following the actuary's annual review of this liability for accounting purposes. As a result of this actuarial gain, the overall net movement in funds for the year is an increase of £992,561 (2021: decrease of £1,189,217).

The pension liability represents a snapshot of the pension deficit at the year end, however, it should be noted that the average duration for the LGPS funded scheme liability is 23.8 years (as calculated by the actuarial advisors to the Tyne and Wear Pension Fund) and the deficit for this scheme of £3,060,000 should be assessed this context.

In simple terms, the LGPS funded deficit is likely to be addressed over this period of time and is not an immediate cost to the Trust. The accounting adjustment has no bearing on the amounts that the Trust actually pays into the Fund, this being determined with reference to the on-going funding position with contributions being reviewed every three years as part of the Pension Fund's triennial valuation.

A guarantee is in place between Newcastle City Council and South Tyneside Council (as Administering Authority for the Tyne and Wear Pension Fund) in relation to the Trust's admission to the Fund and covers any amounts due or payable to the Fund in the event of default by the Trust in paying or reimbursing the Authority excluding any enhanced service awards.

Reserves policy and going concern

The Trust aims to generate sufficient funds to invest in cultural/artistic activities in furtherance of its charitable objectives (education through the arts). Its aim is to hold sufficient reserves to cover the normal operating costs for a 2-3 month period in order to manage an orderly wind up of the business (if ever required) and to retain sufficient cash funds to repay any deferred income balances held in relation to advance ticket sales.

The trustees have reviewed the Trust's reserves policy during the year and have made some changes to reflect the current circumstances of the Trust.

Restricted reserves were held to meet the costs of the restoration of the auditorium for the 175th birthday in 2012, and alterations to 5-7 Market Street, which increased the size of the theatre building, now known as Royal House. Restricted reserves are also held to fund ongoing restoration and refurbishment of the Theatre Royal building. Now that all contributions in respect of the earlier work have been paid to Newcastle City Council and have been charged against the restricted reserve, the trustees have decided that it is no longer necessary to maintain a restricted reserve for this purpose. Future planned restoration and refurbishment will now be funded by a designated reserve to be held as part of general reserves. A designated reserve for refurbishment and restoration costs will always hold sufficient funds to cover the cost of 3 years planned work.

Net unrestricted funds amounted to £1,636,334 at 31 March 2022 (2021:-£527,964). The net unrestricted funds balance of £1,077,893 is made up of an unrestricted revenue funds balance of £4,696,334 (2021: £4,252,036) offset by a negative pension reserve balance of -£3,060,000 (2021: -£4,780,000). £559,000 (2021: £95,097) of the unrestricted reserves have been designated to meet the cost of planned future expenditure.

Total funds held at 31 March 2022 amounted to £1,638,916 (2021: £646,355).

The Trustees appreciate the careful balance required in maintaining reserves whilst continuing investment in building maintenance and improvements, and ensuring funds are available to protect against fluctuations in audience alongside the challenge of offering a varied artistic programme.

Trustees' report for the year ended 31 March 2022 (continued)

Going concern

In light of ongoing prudent management and the steps taken above, the Trustees are confident that the Trust is a going concern and as such the going concern basis has been adopted in the preparation of the financial statements. The Trustees consider there are sufficient reserves and cash to enable the Theatre to continue in operation for the foreseeable future and the financial position of the Trust continues to be closely monitored.

The Theatre continues to take all necessary steps to ensure the safety of its staff, customers and visiting companies.

Investment powers policy and performance

The Trustees have the power, as detailed in the Trust's governing document, to invest the funds of the Trust as they see fit. The investment policy is to hold the funds needed for the day-to-day operations as cash. Should surplus funds arise they are invested with a view to maximise income return whilst maintaining the liquidity requirements of the Trust. During the year, excess funds have been placed with Newcastle City Council and HSBC.

NTRT Trading Ltd (Non-trading)

On 27 October 2017 NTRT Trading Ltd was incorporated. This company is a wholly owned subsidiary of the Trust which has yet to commence trading. The company is limited by guarantee and the Trust, as the parent charity, guarantees to pay up to one pound towards the costs of dissolution and the debts and liabilities of the company.

Principal risks and uncertainties

In delivering the charitable objectives, the Trustees are mindful of the risk involved and has established systems and procedures for identifying, reviewing and mitigating the key risks. However, no one could have predicted the onset of the coronavirus pandemic in March 2020 and the significant impact this has had and continues to have on the Theatre and the whole arts and culture sector within the UK economy. A risk register is maintained which is reviewed regularly by the Senior Management Team, Finance & General Purposes Committee and then annually by the Board of Trustees. The register details the significant risks to which the Trust is exposed and the steps taken to mitigate those risks. The risks are reviewed by management throughout the year.

The key risks which the charity faces are:

Economic risk – the financial success of the Trust rests on generating sufficient income from box office sales together with maintaining/increasing audience attendance rates. Although the Theatre has re-opened, it will take time for the performing arts sector to recover. The pandemic has resulted in reduced consumer confidence and changing working and social habits. This is now compounded by the cost of living crisis, the war in Ukraine, record high inflation and economic uncertainty. It is therefore likely that consumer discretionary spend will be impacted. Ticket sales are closely monitored by management and the achievement of financial targets are regularly reported to both the Finance & General Purposes Committee and Board. The Trust has employed The Results Group Arts (TRG) to develop strategies to sustain and increase customer loyalty and manage pricing and inventory dynamically based on market demand. The Trust therefore has the flexibility and agility to respond to changes in the market.

Artistic Risk – a failure to maintain the quality, diversity and popularity of the artistic programme will directly impact box office sales. Uncertainty remains regarding the stability of commercial theatre touring in the UK as many venues on the national circuit have not recovered to pre-pandemic sales levels. Actions taken to mitigate this risk include ensuring the relationships with commercial producers are strong, maintaining close and regular contact as touring plans are developed. A regular Programming Team meeting has been introduced to ensure all key creative staff at the theatre contribute to the programme planning. The board receives regular updates on the status of both the current and future programme.

Trustees' report for the year ended 31 March 2022 (continued)

Pension scheme risk – as the Trust participates in the Tyne & Wear Pension Fund, is a defined benefit local government pension scheme, the Trust is exposed to increases in the required employer contribution rate. Following the 2019 actuarial valuation and, by the entering of a new subsumption agreement with Newcastle City Council and the Tyne and Wear Pension Fund, the Trust's employer contribution rate has been set at 14% for the three years ended 31st March 2023. Whilst this is a significant reduction compared to the rates prior to April 2020, the exposure to future rate increases remains.

Staff Recruitment and Retention risk – post-pandemic, the recruitment of staff across the theatre sector has been difficult, as many people moved into better paid jobs with more sociable hours in other industries. Retaining staff, particularly those employed on a casual basis, has become more challenging as work/life balance and employment flexibility become more of a priority. All staff are paid the Real Living Wage Foundation wage; however, the result is that differentials between pay grades continue to be squeezed. Improved benefits including an Employee Assistance Scheme, the introduction of mental health first aiders and flexible working have all been introduced this year. The Finance & General Purposes Committee scrutinises the annual budget in detail before it is approved by the Board and close attention is given to the level of pay awards made.

Terrorism & Cyber Security, IT resilience risk – the charity relies heavily on its computerised booking systems and other supporting IT systems. The risk of criminal cyber activity continues to increase. The Trust engages specialist IT providers and has payment card industry compliance certification. All staff receive IT security training and the Trust implements regular training updates; however, this remains an area where ongoing vigilance is required throughout the organisation and by all levels of staff at all times. The Trust monitors and endeavours to improve the Counter Terrorism procedures taking advice from CT specialists to inform policy changes.

Outbreak of infectious disease risk – this remains a risk as Covid-19 rates continue to fluctuate. Robust procedures are in place to protect staff and audiences and can be implemented at short notice if deemed necessary.

Plans for future years

The Trust has developed a one-year business plan 'road map' to focus on recovery from the pandemic, a return to financial stability and a transition to new ways of working. The 6 key strategic objectives in this plan are:

Creative Programme – to deliver one cohesive Creative Programme, of breadth and quality both on stage and through our learning and participation programme, ensuring audiences in Newcastle and the North East have access to world class theatre and an engagement programme that is embedded in all that we do. We will re-build audience and participant confidence, engage with a more diverse audience whilst ensuring we reconnect and establish relationships with our existing loyal audiences.

Financial Stability – to focus on financial stability following two pandemic deficit budgets. A focus on cost control will sit alongside activity to maximise income, both ticket income and via catering and retail. Trust and Foundation fundraising will be introduced.

Our People – to support and develop our teams promoting health and well-being, inclusivity and professional development. As a people focused, building based organisation we will reconnect with each other and our stakeholders and supporters.

Our Building – to explore future opportunities to exploit our iconic Grade 1 listed building, developing it's earning potential and accessibility.

Our Processes – to review our operational processes to make sure they are fit for purpose and maximise effectiveness, sustainability and environmental responsibility.

Trustees' report for the year ended 31 March 2022 (continued)

Our Future – during this time we will redefine our vision, mission and values to create a new three-year strategy from 2023 onwards, defining how Newcastle Theatre Royal will contribute to the future cultural vitality of our city and our communities. During 2022-23 the executive and trustees will develop a 3-year business plan based on the above objectives setting out how they intent to develop the creative programme alongside long term financial stability.

Public benefit

Fundraising

Income generated from the Trust's core charitable activities is used to fund its day to day operations. Donation and legacy income therefore usually represent only a small percentage of the Trust's overall income, most of which is generated from on-line ticket sales where customers are able to make an optional donation to the Trust if they so wish.

In April 2020, due to the continuing impact of the coronavirus, the Trust launched an on-line "Acts of Kindness" campaign asking the public to consider making a donation, or to name a seat or to buy tickets for future events to help the Theatre through a difficult period. Customers, where shows had been cancelled, were also asked to consider donating part of their refund to support the Trust. As there were signficiantly fewer cancelled tickets, compared to the previous year of complete closure, donations in lieu of cancelled performances are lower than the previous year. During the year £83,265 of donations were received (2021: £421,015) and the Trustees are extremely grateful to all donors for their support during the year.

The Trust does not engage any professional fundraisers or commercial participators to carry out its fundraising activities. Due to the limited nature of its activities, the Trust has not formally subscribed to any fundraising schemes or codes although reference is made to the Fundraising Regulator's Fundraising Code of Practice. In the future, when developing its fundraising activities the Trust would look to formally subscribe to such schemes or codes.

The Trust seeks to protect all members of the public (including vulnerable people) in all of its fundraising activities. The Trust's "Data Promise", which is available on the Theatre's website, outlines how the Trust treats the personal data of its customers.

The Trust did not receive any complaints about its fundraising activities during the year.

The Board regularly receives information on the level of donations received and sponsorship income generated and any activities being carried out which enables them to monitor fundraising activities.

Fixed assets

Movements in tangible fixed assets are set out in note 15 to the financial statements.

Directors' and officers' liability insurance

The Newcastle Theatre Royal Trust Limited holds liability insurance on behalf of the directors and officers at a cost of £2,593 (2021: £1,721).

Statement as to disclosure of information to auditors

The Trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the Trustees has confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditors.

Trustees' report for the year ended 31 March 2022 (continued)

Independent Auditors

Azets Audit Services have indicated their willingness to continue in office.

The Trustees' Report including the Strategic Report has been approved by the Board and is signed on its behalf of by:

N Swales

Nick Swales 19 Oct 2022 14:20:15 BST (UTC +1)

Mr Nicholas R. Swales
Chair

Date: 19 October 2022

Statement of Trustees' responsibilities

The Trustees (who are also directors of Newcastle Theatre Royal Trust Limited for the purposes of company law) are responsible for preparing the Trustees' Report (including the Strategic Report) and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for the maintenance and integrity of the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved and signed on behalf of the Board by:

N Swales

Nick Swales 19 Oct 2022 14:20:15 BST (UTC +1)

Mr Nicholas R. Swales
Chair
Date: 19 October 2022

Independent auditors' report to the members of Newcastle Theatre Royal Trust Limited

Opinion

We have audited the financial statements of Newcastle Theatre Royal Trust Limited (the 'Charity') for the year ended 31 March 2022, which comprise the Statement of Financial Activities, Balance Sheet, 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 United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 March 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity 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.

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 charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements were 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 Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

Independent auditors' report to the members of Newcastle Theatre Royal Trust Limited (continued)

Other information (continued)

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.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where 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; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 13, 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 the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or

Independent auditors' report to the members of Newcastle Theatre Royal Trust Limited (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiries with management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing board minutes;
- Review of legal expenses incurred by the charity;
- Challenging assumptions and judgements made by management in their significant accounting estimates;
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

Because of the field in which the client operates, we identified the following areas as those most likely to have a material impact on the financial statements: health and safety and food hygiene regulations, anti-bribery and corruption, and compliance with the UK Companies Act, and the Charities Act.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or recognise the non-compliance.

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.

Use of our report

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



Simon Brown BA ACA DChA (Senior Statutory Auditor)
For and on behalf of Azets Audit Services
Chartered Accountants
Statutory Auditor
Bulman House, Regent Centre, Gosforth
Newcastle upon Tyne, NE3 3LS

Date: 7/9/2022

Azets Audit Services is a trading name of Azets Audit Services Limited.

Statement of Financial Activities

for the year ended 31 March 2022

	Note	Unrestricted General funds £	Unrestricted Designated Funds £	Restricted funds £	**Total 2022 £**	Total 2021 **£**
Income from						
Donations and legacies	4	85,678	-	-	85,678	423,944
Charitable activities:						
Operation of Theatre	5	7,062,330	-	-	7,062,330	175,720
Other including Government Grant funding	6	176,998	-	-	176,998	3,859,628
Investments	7	328	-	-	328	6,274
Misc. income	8	13,215	-	-	13,215	10,255
Total income		7,338,549	-	-	7,338,549	4,475,821
Expenditure						
Expenditure on charitable activities:						
Operation of Theatre	9	(7,307,323)	(36,764)	(721,901)	(8,065,988)	(4,015,038)
Total expenditure		(7,307,323)	(36,764)	(721,901)	(8,065,988)	(4,015,038)
Net (expenditure)/income		31,226	(36,764)	(721,901)	(727,439)	460,783
Actuarial gains/(losses) on defined benefit pension schemes	13 (h) & (l)	1,640,000	-	-	1,640,000	(1,650,000)
Transfer to designated funds		(50,831)	500,667	(449,836)	-	-
Transfer to restricted funds		-	-	-	-	-
Net movement in funds		1,620,395	463,903	(1,171,737)	912,561	(1,189,217)

Statement of Financial Activities (continued)

for the year ended 31 March 2022

	Note	Unrestricted General funds £	Unrestricted Designated Funds £	Restricted funds £	**Total 2022** £	Total 2021 £
Net movement in funds		1,620,395	463,903	(1,171,737)	912,561	(1,189,217)
Reconciliation of funds:						
Total funds brought forward	22	(623,061)	95,097	1,174,319	646,355	646,355
Total funds carried forward	22	997,334	559,000	2,582	1,558,916	646,355

The statement of financial activities includes all gains and losses recognised in the year. Income and expenditure for the year covers activities at the Theatre Royal and for the year ended 31 March 2022.

Balance Sheet

as at 31 March 2022

	Note	2022	2021
		£	£
Fixed assets			
Tangible assets	15	604,647	533,634
Investments in subsidiaries	16	1	1
		604,648	533,635
Long term debtors (non-liquid)	18 (a)	-	236,418
Current assets			
Stocks	17	15,771	4,670
Debtors	18 (b)	634,151	999,335
Cash	24	11,672,333	8,079,746
		12,322,255	9,083,751
Creditors:			
Amounts falling due within one year	20	(8,227,987)	(4,427,449)
Net current assets		4,094,268	4,656,302
Total assets less current liabilities		4,698,916	5,426,355
Creditors falling due after more than one year			
Defined benefit pension liability	13 (c), (l)	(3,140,000)	(4,780,000)
Net assets		1,558,916	646,355
The funds of the charity:			
Restricted funds	22	2,582	1,174,319
Unrestricted funds			
Revenue funds	22	4,137,334	4,156,939
Pension reserve	22	(3,140,000)	(4,780,000)
General		997,334	(623,061)
Designated funds	22	559,000	95,097
Total funds		1,558,916	646,355

The financial statements on pages 15 to 40 were approved for issue by the Board on 3rd October 2022 and were signed on its behalf by:

N Swales

Nick Swales 19 Oct 2022 14:20:15 BST (UTC +1)

Mr Nicholas R. Swales

Chair

Date: 19 October 2022

Registered number: 01217427

Statement of Cash Flows

for the year ended 31 March 2022

	Note	2021/22 £	2020/21 £
Net cash generated in operating activities	24 (a)	3,612,969	(4,860,087)
Cash flows from investing activities			
Interest received		328	6,274
Purchase of tangible fixed assets		(165,708)	(46,020)
Disposal of tangible fixed assets		-	545
Net cash used in investing activities		(165,380)	(39,201)
Cash flows from financing activities			
Government grant – Culture Recovery Fund		-	2,700,000
Government grant – Coronavirus Job Retention Scheme		144,998	828,465
Cash inflow from financing activities		144,998	3,528,465
Increase/(Decrease) in cash and cash equivalents	24 (b)	3,592,587	(1,370,823)
Cash and cash equivalents at the beginning of the year		8,079,746	9,450,569
Cash and cash equivalents at the end of the year	24 (c)	11,672,333	8,079,746

The reconciliation of net cash flow to movement in funds is shown in note 24(a).

Notes to the financial statements for the year ended 31 March 2022

1 Principal Accounting Policies

a) Basis of preparation

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

Newcastle Theatre Royal Trust Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless stated in the relevant accounting policy note(s).

The future operations of the Trust are dependent on sufficient net income generation. The Trust is constantly looking at ways to maintain high levels of ticket sales and increase revenue streams in order to create financial security. The majority of show programming is put in place at least 12 months in advance and is monitored very carefully against targets when it goes on sale.

The Trust's forecasts and projections for the next twelve months show that the Trust should be able to continue in operational existence for that period, taking into account reasonable possible changes in trading performance and the potential impact on the Trust of possible future scenarios arising from the on-going impact of Covid-19. The Trust has strong positive cash balances and is forecasting for this to continue to be the case. The Trustees have stress-tested their forecasts, taking into account various scenarios, and remain confident that the uncertainties do not cast significant doubt on the company's ability to continue as a going concern.

The Trustees have considered the reserves and financial plans for the Trust and are of the view that, at the date of approval of the financial statements, the Trust has sufficient reserves to continue to operate for the foreseeable future. The Trustees consider the charitable company to be a going concern and the financial statements have been prepared on that basis.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are set out in the following notes.

b) Areas of judgement and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenditure. These are based on historic and other factors that are believed to be reasonable, the results of which form the basis for making judgements. The estimates and underlying assumptions are reviewed on an on-going basis.

Specific areas of estimation include depreciation and useful economic lives of assets, provisions and impairment. The nature of the estimation means that actual outcomes could differ from those estimates. None of the judgements or estimates have a significant effect on the financial statements.

c) Income recognition

Income from government and other grants, whether 'capital' or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met and it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Notes to the financial statements for the year ended 31 March 2022 (continued)

c) Income recognition (continued)

Income from charitable activities, Future Levy Fund income and sponsorship and business membership income is recognised as it is earned and is deferred when it is received in advance of the performance or period to which it relates. Ticket sales income comprises of gross income receivable. No Value Added Tax ('VAT') is due on it because the activity falls within VAT exemption for cultural services.

Gift vouchers, credit notes and tickets sold in advance are included in creditors as deferred income and are recognised as income when the performance is held or when the expiry date is reached.

Interest on funds held on deposit is recognised when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank or Newcastle City Council.

d) Resources expended & irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following headings:

- Charitable activities include expenditure associated with performances and educational activities and include both direct costs and support costs relating to these activities.
- Support costs include expenses incurred for the management and administration of the Trust. These costs have been allocated to the charitable activities on the basis of time spent on activities.
- Governance costs comprise expenses relating to governance of the company and are primarily associated with constitutional and statutory requirements.
- All resources expended are classified under activity headings that aggregate all costs related to the category. Where applicable, irrecoverable VAT is apportioned to expenditure based on the total department spend.

e) Fund accounting

Unrestricted funds

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. They may be designated or undesignated.

Designated funds

The designated funds include funds set aside by the Trustees to cover the refurbishment and restoration of the building, repair and renewal of equipment, a contribution towards learning projects, potential technical upgrades and minor one-off projects.

Restricted funds

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for a particular purpose.

Notes to the financial statements for the year ended 31 March 2022 (continued)

f) Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses. Assets with a value of below £10,000 are not capitalised. Depreciation of fixed assets is charged by equal annual instalments commencing with the period of acquisition at rates estimated to write off their cost less any residual value over the expected useful lives, which are as follows:

Computer hardware and software	3 years
Box office system	5 years
Other equipment	5 years
Buildings - fixtures & fittings	between 5 years and 10 years
Buildings - Royal House	depreciated over asset life

g) Stock

Stock of goods for resale have been included at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs expected to be incurred to disposal.

h) Debtors

Trade and other debtors which are receivable within one year are initially recognised at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

i) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

j) Trade creditors & other liabilities

Trade creditors and other liabilities are recognised where the charity 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 estimated reliably. Trade creditors and other liabilities are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amount settled.

k) Financial instruments

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

l) Pension costs

Employees are entitled to join the Tyne and Wear Pension Fund which operates a Local Government Pension Scheme (LGPS). The LGPS is one of the largest public sector pension schemes in the UK. It is a nationwide pension scheme for people working in local government or working for other types of employer participating in the Scheme. Newcastle Theatre Royal Trust Limited has admitted body status in the scheme. Contributions are paid by the Trust and by its employees.

Notes to the financial statements for the year ended 31 March 2022 (continued)

l) Pension costs (continued)

The LGPS is a defined benefit plan with benefits earned up to 31 March 2014 being linked to final salary. Benefits after 31 March 2014 are based on a Career Average Revalued Earnings scheme. Members of the LGPS may also contribute towards added years or join the Additional Voluntary Contribution Scheme, each of which is funded by the employee alone. Members also have the flexibility to join the 50/50 part of the scheme whereby they will pay half of the normal contribution but their benefits will also be reduced.

Benefits in the LGPS built up before 1 April 2014 are based on the final pay of the member when they leave the Scheme. New employees are automatically enrolled into the LGPS scheme unless they have exercised their right to opt out of scheme membership.

All benefits built up in the LGPS for membership after 31 March 2014 are calculated under the rules of the new career average scheme. Pension is built up at a rate of 1/49th of the amount of pensionable pay received in that Scheme year, or at a rate of 1/98th if in the 50/50 section of the Scheme.

An actuarial review on 31 March 2022 valued the Newcastle Theatre Royal Trust Limited's share of the scheme's shortfall to be a net pension deficit of £3,060,000 (2021: £4,690,000) in relation to funded benefits which is held as a liability on the balance sheet in accordance with the requirements of Financial Reporting Standard FRS 102. Further information is given in note 13.

2 Legal status of the Trust

The Trust is a charitable company limited by guarantee, incorporated in England. The members have no shareholdings but in the event of a winding up they have each undertaken to contribute to the payment of liabilities such amount as may be required, not exceeding a total of £1.

Notes to the financial statements for the year ended 31 March 2022 (continued)

3 Comparative Information – Prior Year Statement of Financial Activities

	Unrestricted General funds £	Unrestricted Designated Funds £	Restricted funds £	Total 2021 £
Income from				
Donations and legacies	398,454	2,929	22,561	423,944
Operation of Theatre & City Hall	157,540	-	18,180	175,720
Other	3,859,628	-	-	3,859,628
Investments	6,274	-	-	6,274
Misc. income	10,255	-	-	10,255
Total income	4,432,151	2,929	40,741	4,475,821
Expenditure				
Expenditure on charitable activities:				
Operation of Theatre & City Hall	(3,439,704)	(19,217)	(556,117)	(4,015,038)
Total expenditure	(3,439,704)	(19,217)	(556,117)	(4,015,038)
Net income/(expenditure)	992,447	(16,288)	(515,376)	460,783
Actuarial gains/(losses) on defined benefit pension schemes	(1,650,000)	-	-	(1,650,000)
Net movement in funds	(657,553)	(16,288)	(515,376)	(1,189,217)

Notes to the financial statements for the year ended 31 March 2022 (continued)

4 Income from donations and legacies

	Unrestricted General £	Unrestricted Designated £	Restricted £	2022 £	2021 £
Individual Giving Scheme	2,413	-	-	2,413	2,929
Other donations	83,265			83,265	421,015
	85,678	-	-	85,678	423,944

The Trustees would like to thank all our customers who chose to support the theatre by retaining their ticket for cancelled shows rather than receive refunds. In the year to March 2022 there were significantly fewer cancelled tickets compared to the previous year of complete closure, and hence, donations in lieu of cancelled performances are reduced.

5 Income from charitable activities

	2022			2021		
Unrestricted funds	Turnover £	Cost of sales £	Net income £	Turnover £	Cost of sales £	Net income £
Box office (incl. booking fee)	6,104,189	(2,848,270)	3,255,919	-	2,749	2,749
Ancillary	302,541	(145,935)	156,606	-	(15,192)	(15,192)
Catering & bar	458,265	(116,764)	341,501	26,667	-	26,667
Memberships	123,254	-	123,254	-	-	-
Learning	30,555	(23,406)	7,149	18,361	(3,416)	14,945
Miscellaneous	43,526	-	43,526	112,512	-	112,512
	7,062,330	(3,134,374)	3,927,955	157,540	(15,859)	141,681
Restricted funds						
Other	-	-	-	18,180	-	18,180
	-	-	-	18,180	-	18,180
Total	7,062,330	(3,134,374)	3,927,956	175,720	(15,859)	159,861

Miscellaneous income includes postage income relating to ticket sales and member events as well as funds arising from the cancellation of expired historic gift vouchers and credit notes.

Notes to the financial statements for the year ended 31 March 2022 (continued)

6 Other

	2022	2021
	£	£
Sponsorship	32,000	771
Government grant (Cultural Recovery Fund)	0	3,000,000
Government grant (Coronavirus Job Retention Scheme)	144,998	858,857
	176,998	3,859,628

All of this Other income relates to unrestricted funds.

7 Investments

	2022	2021
	£	£
Interest receivable	328	6,274

Interest receivable relates to interest earned on the funds held with HSBC. All investment income relates to unrestricted funds.

8 Misc. income

	2022	2021
	£	£
Misc. income	13,215	10,255

All miscellaneous income relates to unrestricted funds.

9 Analysis of expenditure on charitable activities

The Trust undertakes direct charitable activities only and does not make grant payments.

	Unrestricted General funds	Unrestricted Designated funds	Restricted funds	2022	2021
Cost of charitable activities:	£	£	£	£	£
Cost of sales (see note 5)	3,134,374	-	-	3,134,374	15,859
Marketing	661,633	-	-	661,633	229,445
Box office	391,497	-	-	391,497	326,376
Front of house management	782,062	-	-	782,062	344,641
Building overhead costs	534,972	11,105	643,253	1,189,330	1,017,106
Development	43,582	-	-	43,582	60,116
Technical	802,119	-	-	802,119	692,973
Learning	28,670	-	78,648	107,318	110,104
Depreciation	27,462	-	-	27,462	89,933
Support costs (see note 10)	893,030	25,659	-	918,689	1,122,267
Governance costs (see note 10)	7,921	-	-	7,921	6,218
Total cost of charitable activities	7,307,323	36,764	721,901	8,065,988	4,015,038

Notes to the financial statements for the year ended 31 March 2022 (continued)

10 Analysis of support and governance costs

The Trust allocates its support costs as shown in the table below. Support costs are allocated on a basis consistent with the use of resources.

	Support costs (Note 9)	Governance (Note 9)	**2022**	2021
	£	£	**£**	£
Central Office, Admin & HR	312,758	-	312,758	252,315
Finance Office	287,378	-	287,378	696,479
Information Technology	318,553	-	318,553	173,473
External Audit	-	7,921	7,921	6,218
Total	918,689	7,921	926,610	1,128,485

11 Net income/(expenditure)

Net income/(expenditure) is stated after charging:

	2022	2021
	£	£
Depreciation of tangible fixed assets	94,695	89,333
Operating lease rentals – plant & equipment	**-**	3,520
Auditors' remuneration		
- Audit fee	10,000	10,000
Directors' and officers' liability insurance	2,593	1,721
Cost of stock recognised as an expense – stock write off	5,035	15,192

Notes to the financial statements for the year ended 31 March 2022 (continued)

12 Employee information

a) Average number of employees

The average monthly number of employees, including temporary staff, employed during the year was 158 (2021: 150) split between Theatre Royal operations 140 (2021: 136) and management and administration 18 (2021: 14).

b) The costs incurred in respect of employees were:

	2022	2021
	£	£
Wages and salaries	2,274,690	1,924,304
Social security costs	180,060	141,172
Pension charges	595,625	634,370
	3,050,375	2,699,846

Pension charges for the year include employer contributions of £293,153 (2021: £305,258) into the Tyne and Wear Pension Fund in respect of employees' pension costs. The employer's contribution rate for the year was 14% of pensionable pay (2021: 14%). Employee contributions vary according to their annual pay. In relation to LGPS scheme benefits, pension charges also include £380,000 in respect of the current service charges and net interest costs for the year (2021: £320,000). In relation to unfunded LGPS benefits, the Trust also paid £9,159 to the Fund during the year (2021: £9,113). Further details regarding on these charges and the pension scheme are given in Note 13. At the year end £39,485 (2021: £29,640) was owed in respect of employer and employee contributions due to the scheme which were paid across in April 2022.

The number of employees earning over £60,000, excluding pension contributions, is as follows:

	2022	2021
	Number	Number
£60,001 - £70,000	2	-
£90,001 - £100,000	1	-
£130,001 - £140,000	-	1

c) Key Management Personnel

For the purpose of this disclosure Key Management Personnel are defined as the Trustees, Chief Executive, Director of Finance, Director of Operations, Director of Operations (maternity cover) and Director of Sales & Marketing whose aggregate remuneration in the year, excluding employer pension and national insurance contributions, was £373,667 (2021: £312,751). Aggregate remuneration including employer pension and national insurance contributions was £467,733 (2021:£394,310):

	2022	2021
	Number	Number
£60,001 - £70,000	1	-
£70,001 - £80,000	1	3
£80,001 - £90,000	1	-
£90,001 - £100,000	1	-
£140,001 - £150,000	1	-
£160,001 - £170,000	-	1

Notes to the financial statements for the year ended 31 March 2022 (continued)

12 Employee information (continued)

d) Trustees' emoluments

None of the Trustees received any remuneration or expenses during the year ended 31 March 2022 for services rendered to the Trust (2021: £nil). Directors normally attend a number of performances each year in order to monitor the quality of productions and maintain a Board presence at the Theatre. In 2021/22 the value of tickets for performances attended by the Directors was £409.

13 Pensions

The disclosures (below) relate to the funded liabilities within the Tyne and Wear Pension Fund (the "Fund") which is part of the Local Government Pension Scheme (the "LGPS").

The LGPS is a funded defined benefit plan with benefits earned up to 31 March 2014 being linked to final salary. Benefits after 31 March 2014 are based on a Career Average Revalued Earnings scheme. Details of the benefits earned over the period covered by this disclosure are set out in "The Local Government Pension Scheme Regulations 2013" and The Local Government Pension Scheme (Transition Provisions, Savings and Amendment) Regulations 2014.

(a) Funding / Governance Arrangements of the LGPS

The funded nature of the LGPS requires participating employers and its employees to pay contributions into the Fund, calculated at the level intended to balance the pension liabilities with investment assets. Information on the framework for calculating contributions to be paid is set out in LGPS Regulations 2013 and the Fund's Funding Strategy Statement.

An actuarial valuation was carried out as at 31 March 2019 and the contributions to be paid from 1 April 2020 until 31 March 2023 resulting from this valuation are set out in the Fund's Rates and Adjustment Certificate. Employer contributions for this period have been set at 14% of pensionable pay. This compares to an employer contribution rate of 26.7% for the year ended 31 March 2020. The Fund's Administering Authority, South Tyneside Council, is responsible for the governance of the Fund.

An actuarial review for accounting purposes, using the roll-forward method, was undertaken to review the funded status of the Scheme as at 31 March 2022. As a result of this review, the Trust's share of the difference between the fair value of the Scheme's assets and the present value of funded defined benefit obligations has reduced from £4.69m as at 31 March 2021 to £3.06m as at 31 March 2022. During the year the fair value of assets increased by £0.92m and the present value of the defined benefit obligation reduced by £0.71m. The decrease in this net pension obligation has been recognised on the balance sheet.

In accordance with the requirements of FRS 102, disclosure of certain information concerning assets, liabilities, income and expenditure relating to the pension scheme is required and is set out below.

(b) Estimated pension expense for the accounting year ending 31 March 2023

The actuarial review for accounting purposes provides an estimate of the charges to the income and expenditure account in future periods based on the assumptions as at 31 March 2022.

Notes to the financial statements for the year ended 31 March 2022 (continued)

13 Pensions (continued)

(b) Estimated pension expense for the accounting year ending 31 March 2022 (continued)

Analysis of amounts charged to profit and loss	Period ending 31 March 2023
	£m
Current service cost	0.90
Net interest on net defined benefit liability	0.08
Total estimated pension expense	0.98

An allowance for administrative expenses of £0.01m is included in the current service cost. The estimated expense is based on an estimated pensionable payroll over the period of £2.14m.

(c) Changes to the Pension Liability

Reconciliation of pension liability	£
Opening pension liability at 1 April 2021	(4,690,000)
Current service cost	(1,010,000)
Interest on net defined benefit liability	(90,000)
Contributions by the employer	290,000
Curtailments	0
Actuarial gains/(losses)	2,440,000
Closing pension liability at 31 March 2022	(3,060,000)

(d) Principal assumptions

The principal assumptions used by the actuary in updating the latest valuation of the Fund for FRS 102 purposes were:

Assumptions	**31 March 2022 %**	31 March 2021 %	31 March 2020 %
Discount rate	2.70%	2.10%	1.90%
CPI inflation	2.90%	2.70%	3.40%
Pension accounts revaluation rate	2.90%	2.70%	1.90%
Pension increases	2.90%	2.70%	1.90%
Salary increases	4.40%	4.20%	2.30%

The mortality assumptions are based on the actual mortality experience of members within the Fund based on analysis carried out as part of the 2019 Actuarial Valuation and allow for expected future mortality improvements. Sample life expectancies at age 65 resulting from these mortality assumptions are shown below:

Notes to the financial statements for the year ended 31 March 2022 (continued)

13 Pensions (continued)

(e) Principal assumptions (continued)

Mortality assumptions	**31 March 2022 Years**	31 March 2021 Years
Males		
Pension member aged 65 at accounting date	21.8	21.9
Active member aged 45 at accounting date	23.5	23.6
Females		
Pensioner member aged 65 at accounting date	25.0	25.1
Active member aged 45 at accounting date	26.7	26.9

Asset allocation	Value at 31 March 2022	Value at 31 March 2021
Equities	57.0%	55.5%
Property	8.4%	7.9%
Government bonds	2.0%	2.2%
Corporate bonds	18.8%	19.8%
Cash	1.8%	4.0%
Other	12.0%	10.6%
Total	100.0%	100.0%

(f) Reconciliation of funded status to Balance Sheet

	Value as at 31 March 2022 £	Value as at 31 March 2021 £
Fair value of assets	14,600,0000	13,680,0000
Present value of funded defined benefit obligation	(17,660,000)	(18,370,000)
Funded status - liability recognised on the balance sheet	(3,060,000)	(4,690,000)

The split of the liabilities at the last valuation between the various categories of members is as follows:

Active members	50%
Deferred pensioners	19%
Pensioners	31%

(g) Amounts recognised in income statement

	Year ending 31 March 2022 £	Year ending 31 March 2021 £
Operating cost		
Current service cost	1,010,000	640,000
Past service cost	-	-
Curtailment cost	-	(60,000)
Settlement cost	-	-
Financing cost		
Interest on net defined benefit liability	90,000	60,000
Pension expense recognised in income statement	1,100,000	640,000

Notes to the financial statements for the year ended 31 March 2022 (continued)

13 Pensions (continued)

(h) Amounts recognised in other comprehensive income

	Year ending 31 March 2022 £	Year ending 31 March 2021 £
Asset gains/(losses) arising during the year	470,000	2,100,000
Liability gains/(losses) arising during the year	1,970,000	(3,740,000)
Total amount recognised in other comprehensive income	2,440,000	(1,640,000)

(i) Changes to the present value of the defined benefit obligation

	Year ending 31 March 2022 £	Year ending 31 March 2021 £
Opening defined benefit obligation	18,370,000	13,950,000
Current service cost	1,010,000	640,000
Interest expense on defined benefit obligation	380,000	320,000
Contributions by participants	140,000	120,000
Actuarial (gains)/losses on liabilities	(1,970,000)	3,740,000
Net benefits paid out	(270,000)	(340,000)
Curtailment cost	-	(60,000)
Closing present value of liabilities	17,660,000	18,370,000

(j) Changes to the fair value of assets

	Year ending 31 March 2022 £	Year ending 31 March 2021 £
Opening fair value of assets	13,680,000	11,230,000
Interest income on assets	290,000	260,000
Re-measurement gains/(losses) on assets	470,000	2,100,000
Contributions by the employer	290,000	310,000
Contributions by participants	140,000	120,000
Net benefits paid out	(270,000)	(340,000)
Closing fair value of assets	14,600,000	13,680,000

Notes to the financial statements for the year ended 31 March 2022 (continued)

13 Pensions (continued)

(k) Actual return on assets

	Year ending 31 March 2022 £	Year ending 31 March 2021 £
Interest income on assets	290,000	260,000
Gain/(loss) on assets	470,000	2,100,000
Actual return on assets	760,000	2,360,000

(l) Unfunded benefits

The liability recognised in respect of the unfunded LGPS benefits is £80,000 (2021: £90,000). These benefits are termination benefits made on a discretionary basis upon early retirement in respect of members of the LGPS. No pension fund exists to meet these benefits. This amount forms part of the pension liability recognised on the balance sheet. An actuarial gain of £10,000 has been recognised in the period in respect of these liabilities.

(m) Contingent liabilities

The McCloud judgement

The Government was unsuccessful in its attempt to overturn the Court of Appeal's decision in the McCloud case relating to transitional protection arrangements when the firefighter and judges pension schemes were reformed. Although the judgement did not relate directly to the LGPS, the Government has confirmed that the implications of the judgement will extend to all public service schemes as they had comparable provisions which were deemed to amount to age discrimination. The actuarial valuation undertaken as at 31 March 2019 includes an allowance for the possible additional liabilities arising from the McCloud case although there are not, as yet, any confirmed details of any benefit changes for the LGPS. The Fund has stated that it does not intend to revisit employer contribution rates as a result of McCloud and the funding position and contribution rates of individual employers will be reassessed at the next local fund valuation (currently expected to commence in 2022).

Guaranteed Minimum Pension (GMP) equalisation

In March 2016 the Government made the LGPS responsible for paying the full increases on GMPs for individuals reaching State Pension Age (SPA) from 5 April 2016 through to 6 December 2018 as an "interim solution". In January 2018 this interim solution was extended to individuals reaching SPA before 5 April 2021 – passing further cost on to the LGPS.

The 31 March 2019 actuarial valuation allowed for the extension of the interim solution to those reaching State Pension Age by 5 April 2021 as already required under legislation. However, the valuation did not allow for the impact of potentially extending this interim solution indefinitely, providing full pension increases on GMP for members reaching State Pension Age after 5 April 2021. Based on approximate calculations, at a whole fund level, the Scheme's actuary has indicated that the impact of providing full pension increases on GMPs for those members reaching State Pension Age after 5 April 2021 is an increase in past service liabilities of between 0.1% to 0.2% across the Fund as a whole.

Notes to the financial statements for the year ended 31 March 2022 (continued)

14 Taxation

The Trust is a charity established under the Charities Act 1993 (now Charities Act 2011). It is therefore exempt from taxation in respect of income and capital gains received within categories covered by section 505 Income and Corporation Taxes Act 1988 and section 256 Taxation of Chargeable Gains Act 1992, to the extent that such income and gains are applied to charitable purposes only.

15 Tangible assets

	Buildings (incl. leasehold improvements)	Other Equipment	Computer Equipment	Box Office & HR systems	Total
	£	£	£	£	£
Cost					
At 1 April 2021	1,198,015	310,371	52,200	235,360	1,795,946
Additions during the year	156,327	-	-	9,381	165,708
Disposals	-	-	-	-	-
At 31 March 2022	1,354,342	310,371	52,200	244,741	1,961,654
Accumulated depreciation					
At 1 April 2021	723,371	304,323	52,200	182,418	1,262,312
Charge for the year	74,716	2,420	-	17,560	94,695
Disposals	-	-	-	-	-
At 31 March 2022	798,087	306,743	52,200	182,418	1,357,007
Net book value					
At 31 March 2022	556,255	3,628	-	44,763	604,647
At 31 March 2021	474,644	6,048	-	52,942	533,634

The main Theatre Royal premises is leased from Newcastle City Council which owns the property. A new 125-year lease commenced on 1st April 2016 at a peppercorn rent. The Trustees consider the nature of the Theatre Royal's business to be such that realistic quantification of the true value of this gift in kind is impossible with any accuracy, and hence no value has been attributed to it within the financial statements.

Notes to the financial statements for the year ended 31 March 2022 (continued)

15 Tangible assets (continued)

Prior year note

	Buildings (incl. leasehold improvements)	Other Equipment	Computer Equipment	Box Office & HR systems	Total
	£	£	£	£	£
Cost					
At 1 April 2020	1,198,560	310,371	82,092	223,675	1,814,698
Additions during the year	-	-	-	46,020	46,020
Disposals	(545)	-	(29,892)	(34,335)	(64,772)
At 31 March 2021	1,198,015	310,371	52,200	235,360	1,795,946
Accumulated depreciation					
At 1 April 2020	673,676	281,757	82,092	199,081	1,236,606
Charge for the year	49,695	22,566	-	17,672	89,933
Disposals	-	-	(29,892)	(34,335)	(64,227)
At 31 March 2021	723,371	304,323	52,200	182,418	1,262,312
Net book value					
At 31 March 2021	474,644	6,048	-	52,942	533,634
At 31 March 2020	524,884	28,614	-	24,594	578,092

16 Investments in subsidiaries

On 27 October 2017 NTRT Trading Ltd was incorporated. This company is a wholly owned subsidiary of the Trust and has yet to commence trading. The company is limited by guarantee and the Trust, as the parent charity, guarantees to pay up to one pound towards the costs of dissolution and the debts and liabilities of the company. NTRT Trading Ltd is incorporated in England, registration number 11036273 and its registered office is 100 Grey Street, Newcastle upon Tyne, NE1 6BR.

Notes to the financial statements for the year ended 31 March 2022 (continued)

17 Stock

	2022	2021
	£	£
Goods for resale	15,771	4,670

18 Debtors

(a) Long term debtors (non-liquid)	2022	2021
	£	£
Advance contribution payment to Newcastle City Council	-	236,418

£236,418 was charged to restricted funds in 2021/22

(b) Debtors	2022	2021
	£	£
Trade debtors	61,708	20,238
Subsumption security monies held by Newcastle City Council – note 19	380,000	380,000
Other debtors	56,428	454,538
Prepayments and accrued income	136,015	144,559
	634,151	999,335

19 Amounts owed by related parties

Amounts owed by related parties are the cash balances and pension bond held by Newcastle City Council. The cash balance of £11,672,333 at 31 March 2022 includes £3,189,909 (2021: £3,189,909) which is held on deposit with Newcastle City Council.

£380,000 is also held by Newcastle City Council as security for the Council agreeing to the pension scheme subsumption agreement (2021: £380,000). When the Trust arranges for a pension bond to be put in place to cover the potential risk of increased liabilities on cessation to the Council, then the monies held as security will be returned to the Trust.

The agreements in place allow for the Council to request further security to be provided in the future either via monies held or via an appropriate pension bond.

Notes to the financial statements for the year ended 31 March 2022 (continued)

20 Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	1,287,985	765,725
Taxation and social security	270,091	79,289
Other creditors	101,896	51,427
Accruals	637,596	163,383
Deferred income (note 21)	5,930,419	3,367,625
	8,227,987	4,427,449

21 Deferred income

Deferred income comprises advance ticket sales, booking fees and heritage fund income for performances after 31 March 2022.

	£
Balance as at 1 April 2021	3,367,625
Amount released to income earned from charitable activities	(3,083,935)
Amounts refunded net of show transfers	(283,690)
Amount of advanced receipts at year end	5,930,419
Balance as at 31 March 2022	5,930,419

	£
Balance as at 1 April 2020	3,873,206
Amount released to income earned from charitable activities	(76,304)
Amounts refunded net of show transfers	(429,277)
Balance as at 31 March 2021	3,367,625

Notes to the financial statements for the year ended 31 March 2022 (continued)

22 Funds

	Unrestricted					Restricted	
	Revenue funds	Pension reserve	Sub-total	Designated funds	Unrestricted Funds	Restricted Funds	Total
	£	£	£	£	£	£	£
At 1 April 2021	4,156,939	(4,780,000)	(623,061)	95,097	(527,964)	1,174,319	646,335
Net incoming/ (outgoing) resources for the year	31,226	-	31,226	(36,764)	(5,538)	(721,901)	(727,439)
Transfers	(50,831)	-	(50,831)	500,667	449,836	(449,836)	-
Actuarial loss	-	1,640,000	1,640,000	-	1,640,000	-	1,640,000
At 31 March 2022	**4,137,334**	**(3,140,000)**	**997,334**	**559,000**	**1,556,334**	**2,582**	**1,558,916**

Previous year	Unrestricted					Restricted	
	Revenue funds	Pension reserve	Sub-total	Designated funds	Unrestricted Funds	Restricted Funds	Total
	£	£	£	£	£	£	£
At 1 April 2020	2,844,492	(2,810,000)	34,492	111,385	145,877	1,689,695	1,835,572
Net incoming/ (outgoing) resources for the year	1,312,447	(320,000)	992,447	(16,288)	976,159	(515,376)	460,783
Actuarial loss	-	(1,650,000)	(1,650,000)	-	(1,650,000)	-	(1,650,000)
At 31 March 2021	4,156,939	(4,780,000)	(623,061)	95,097	(527,964)	1,174,319	646,355

Unrestricted funds

The designated funds include funds set aside by the Trustees to cover the refurbishment and restoration of the building, repair and renewal of equipment, a contribution towards learning projects, potential technical upgrades and minor one off projects.

Restricted funds

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for a particular purpose.

Pension reserve

Note 13 provides information on the Trust's pension reserve balance.

Notes to the financial statements for the year ended 31 March 2022 (continued)

23 Analysis of net assets between funds

	Unrestricted funds	Designated funds	Restricted funds	Total 2022
	£	£	£	£
Tangible fixed assets	604,647	-	-	604,647
Investment in subsidiary	1	-	-	1
Current assets & long term debtor	11,760,673	559,000	2,582	12,322,255
Current liabilities	(8,227,987)	-	-	(8,227,987)
Pension liability	(3,140,000)	-	-	(3,140,000)
Total net assets as at 31 March 2022	997,334	559,000	2,582	1,558,916

Previous year	Unrestricted funds	Designated funds	Restricted funds	Total 2021
	£	£	£	£
Tangible fixed assets	46,369	12,620	474,645	533,634
Investment in subsidiary	1	-	-	1
Current assets & long term debtor	8,520,489	82,477	717,203	9,320,169
Current liabilities	(4,409,920)	-	(17,529)	(4,427,449)
Pension liability	(4,780,000)	-	-	(4,780,000)
Total net assets as at 31 March 2021	(623,061)	95,097	1,174,319	646,355

Notes to the financial statements for the year ended 31 March 2022 (continued)

24 Notes to the cash flow statement

(a) Reconciliation of net outgoing resources to net cash used in operating activities

	2022	2021
	£	£
Net outgoing resources	912,561	(1,189,217)
Depreciation	94,695	89,933
Government grants receivable	(144,998)	(3,858,857)
Bad debt provision	-	34,997
(Decrease)/Increase in pension liability	(1,640,000)	1,970,000
Interest receivable	(328)	(6,274)
(Increase)/Decrease in stocks and work in progress	(11,101)	1,793
Decrease in advance contribution payment to Newcastle City Council	236,418	418,927
Decrease/(Increase) in debtors	365,184	(62,450)
Increase/(Decrease) in creditors	3,800,538	(2,258,939)
Net cash (used in)/generated from operating activities	3,612,969	(4,860,087)

As set out in Note 19 and shown below, the cash held with Newcastle City Council (excluding the subsumption security monies) has been shown as cash in the cash flow statement.

(b) Analysis of changes in net cash & net debt

	At 1 April 2021	Change in year	**At 31 March 2022**
	£	£	**£**
Cash at bank and in hand	4,889,837	3,592,587	8,482,424
Cash held with Newcastle City Council	3,189,909	-	3,189,909
Net cash	8,079,746	3,592,587	11,672,333

(c) Reconciliation of net cash flow to movement in net cash

	£
Increase in cash in the year	3,592,587
Net cash at 1 April 2021	8,079,746
Net cash at 31 March 2022	11,672,333

Notes to the financial statements for the year ended 31 March 2022 (continued)

25 Lease and other financial commitments

Operating leases

Total future minimum lease payments under operating leases are given in the table below:

	At 31 March 2022			At 31 March 2021		
	£	**£**	**£**	£	£	£
	Other equipment	Office equipment	**Total**	Other equipment	Office equipment	Total
Not later than 1 year	1,258	1,719	2,977	1,379	1,896	3,275
Later than 1 year and not later than 5 years	0	2,775	2,775	911	6,854	7,765
	1,258	4,493	5,752	2,290	8,750	11,040

26 Ultimate controlling party

The company is limited by guarantee and there is no ultimate controlling party.

Contents

Legal and administrative details 1

Trustees' report (including Strategic report) for the year ended 31 March 2022 2

Statement of Trustees' responsibilities 11

Independent auditors' report to the members of Newcastle Theatre Royal Trust Limited 12

Statement of Financial Activities (including income and expenditure account) for the year ended 31 March 2022 15

Balance Sheet as at 31 March 2022 17

Statement of Cash Flows for the year ended 31 March 2022 18

Notes to the financial statements for the year ended 31 March 2022 19

NEWCASTLE THEATRE ROYAL TRUST LIMITED

England & Wales - Charity number 504473

Accounts



Newcastle Theatre Royal Trust Limited

(a company limited by guarantee)

Annual report and financial statements

for the year ended 31 March 2021

Registered Number: 01217427

Charity Number: 504473

Contents

Legal and administrative details 1

Trustees' report (including Strategic report) for the year ended 31 March 2021 2

Statement of Trustees' responsibilities 12

Independent auditors' report to the members of Newcastle Theatre Royal Trust Limited 13

Statement of Financial Activities (including income and expenditure account) for the year ended 31 March 2021 16

Balance Sheet as at 31 March 2021 18

Statement of Cash Flows for the year ended 31 March 2021 19

Notes to the financial statements for the year ended 31 March 2021 20

Newcastle Theatre Royal Trust Limited

Legal and administrative details

Registered charity number: 504473

Registered company number: 01217427

Trustees

Nicholas Swales DL (Chair)
John Carver (Vice-Chair)
Julie Blackie
Sheila Chapman (resigned 10 December 2020)
Lorna Edwards
Ben Fletcher-Watson
Scott Holland
Joan Louw
Raymond Mills

Chief Executive

Philip Bernays

Management Team

Jo Kirby	Director of IT, Sales, Marketing & Development
Marcia Lant	Director of Finance
Siobhan Lightfoot	Director of Operations

Company Secretary

Marcia Lant

Bankers

HSBC UK Bank plc
3rd Floor
Central Square South
Orchard Street
Newcastle upon Tyne
NE1 3AZ

The Cooperative Bank
Grey Street
Newcastle upon Tyne
NE1 6BR

Funds are also held on behalf of the Trust by Newcastle City Council

Independent Auditors

MHA Tait Walker
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Principal address and registered office

Newcastle Theatre Royal Trust Limited
100 Grey Street
Newcastle upon Tyne
NE1 6BR

Trustees' report for the year ended 31 March 2021

The Trustees (who are also the directors for the purpose of company law) submit their report including the Strategic Report and the audited financial statements of the Newcastle Theatre Royal Trust Limited ("the Trust") for the year ended 31 March 2021.

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

Structure, governance and management

The Trust is a charitable company limited by guarantee and is a registered charity. The members have no shareholdings but in the event of a winding up they have each undertaken to contribute to the payment of liabilities, such amount as may be required, not exceeding a total of £1.

The Trust is governed by its Articles of Association (last amended by special resolution on 13 December 2019). As stated in the Articles of Association, the Trust shall have up to eleven trustees who shall be appointed at the Annual General Meeting. Trustees are appointed for a three-year term of service, with reappointment being permitted provided that the maximum period of service is 3 x three-year terms.

During the year, Mrs S Chapman resigned as a trustee on 10 December 2020. All other Trustees served for the full year. Details of the current Trustees can be found on page one.

The Board of Trustees normally meets five times per year and all major decisions are put forward for consideration at Board Meetings. There is a Finance & General Purposes Committee, with a membership of up to five Board Members, which normally meets five times per year and is from time to time given delegated authority for certain matters. The senior management team are responsible for the day-to-day running of the charity. Due to the impact of the coronavirus, the Board met on a more frequent basis during the year in order to monitor the impact of the virus on the Theatre, with meetings taking place weekly in the early stages of the pandemic. Matters normally reserved for the Finance & General Purposes Committee were also covered by these meetings. Once the Theatre has fully reopened, the normal meeting schedule will resume.

Where there is a vacancy for the role of Chair, Vice Chair or Trustee, the Board will appoint a nominations committee of three of its members, to receive nominations and undertake interviews, and to make a recommendation to the Board. Nominations for Chair and Vice Chair shall be from within the membership of the Trust, nominations for trustees may be sought by a combination of public advertisement and nominations from Trustees and the Trust's management.

New Trustees meet with the Chair and Chief Executive and a briefing is given on the organisation and its practices and procedures, as well as the responsibilities of Trustees. An introduction to the operational aspects of the Trust is given together with a tour of the Theatre Royal and all new Trustees receive a comprehensive induction pack. Specific training for all Trustees is also arranged as required.

The Trustees set the salary and remuneration package for the Chief Executive taking into account industry norms and the need to attract high quality candidates. The salaries of the Trust's key management personnel are set by the Chief Executive in conjunction with the Finance & General Purposes Committee. Both are benchmarked against salaries of comparable positions in the industry. Subsequently any increase is generally in line with the pay award made to all staff.

Trustees' report for the year ended 31 March 2021 (continued)

Having postponed his original retirement date due to the impact of the coronavirus on the Theatre, the current Chief Executive, Philip Bernays, will now be retiring at the end of September 2021. Following a stringent recruitment process, he will be succeeded by Marianne Locatori. The Trustees wish to take this opportunity to express their gratitude for his support, guidance and dedication to the Theatre over the last 16 years.

All Trustees give their time freely and no remuneration or expenses were paid in the year.

The Trustees are responsible for maintaining a sound system of internal control in order to safeguard the assets of the charity. Internal audit services are contracted from Newcastle City Council to provide assurance to the Trustees on the effectiveness of internal controls however due to the impact of the coronavirus, no audits were carried out during the year.

The senior management team reports to the Board of Trustees and runs the charity on a daily basis in conjunction with the managers in each department. An annual budget is presented and approved by the Board in March each year, having been reviewed in advance by the Finance & General Purposes Committee. Management accounts in which actual results are compared against budgeted results are prepared monthly.

Due to the coronavirus, the majority of staff have been furloughed for most of the year with the exception of a small team who have been responsible for managing the business during the closure period. Staff are employed on a permanent full or part-time basis together with a large number of casual staff employed to meet the differing requirements of touring productions and varying selling and audience patterns. The impact of the coronavirus on the Theatre and its staffing levels are covered in more detail on page 4.

One volunteer also normally assists the Trust as an archivist, and the Trustees and senior management team are very grateful for the contributions made by our volunteer.

Objectives and activities

The Trust's primary charitable objectives are to promote, maintain, improve and advance education, particularly by the production of educational plays and encouragement of the arts, including the arts of drama, mime, dance, singing and music.

The Trust's mission is: to engage, to entertain, to inspire – on and off the stage, a theatre of ambition and excellence for the North East.

This is normally achieved by the presentation of a wide ranging and broadly populist programme of drama, dance, musicals, opera, ballet, pantomime, live music and comedy performed in the 1,247 seat, Grade 1 Listed, Theatre Royal, which has an accompanying community and education programme. The Theatre has however remained closed during 2020/21 and was unable to present any performance programme this financial year due to the coronavirus.

The performance programme is normally a careful balance of creative endeavour, commercial appeal and financial prudence, in order to ensure that the Trust's primary source of income, ticket sales, covers the cost of operating and maintaining the Theatre Royal building.

The Trustees have complied with the duty in the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission. In delivering its objectives, the Trust achieves its charitable purposes for the benefit of the public.

Trustees' report for the year ended 31 March 2021 (continued)

Strategic Report

Achievements and performance

The aim of the Trust is to focus its resources and fundraising on its continued evolution as the region's flagship venue for the presentation of high quality theatre and educational outreach.

During the course of 2019/20, the Board developed its strategy for the Theatre for the next 3-5 years in pursuance of the Trust's mission as set out on page 3. The strategic objectives agreed are summarised below:

- *Artistic* – to deliver a diverse programme of ambition and excellence, on stage and off
- *Learning and Participation* – to deepen and expand engagement across our learning and participation programme
- *Audiences* – to retain, to grow and to diversify our audiences
- *Theatre Royal* – to realise the potential of our building to welcome, to earn and to be sustainable
- *Finance* – to be financially sustainable, generating surpluses and supporting the ongoing development of our operation and programme
- *Organisation* – to work with our staff team so that we are always our best
- *Environment* – to work towards the highest levels of environmental awareness and sustainability
- *Stakeholders* – to continually strengthen our reputation and relationships with all our stakeholders.

In addition, a series of action plans were developed to enable the Trust to meet these strategic objectives. Progress in implementing the Strategy has been significantly impacted by the coronavirus pandemic.

Financial review

The Theatre closed on 16 March 2020 following government advice that the public should not attend theatres and remained closed until 12 July 2021 when it reopened with *SIX!*.

The Trust does not normally receive any external funding and relies entirely on ticket sales and related income. Due to the closure of the Theatre on 16 March 2020, the Trust did not generate any show related income in the 2020/21 financial year and has also had to refund a significant amount of advance ticket sales for cancelled or rescheduled shows. By comparison in 2019/20 there were 394 performances with audiences of 373,391 people; an average capacity of 76% which generated £12.3m in Box Office income (excluding booking fees) of which the Trust's share was 30%.

The Coronavirus Job Retention Scheme launched by the Government in March 2020 enabled the Trust to continue employment for all staff until 31 July 2020. The Trust had to take action to reduce its expenditure over the closure period. Building service contracts and development work was put on hold or cancelled and a redundancy programme was implemented under which 42 staff were given notice of redundancy on 1 August 2020.

Without any further support, the Trust was facing a potential deficit of circa £2.8 million for the year. In October 2020, the Trust was informed that it had been successful in its application for a £3m grant from the Culture Recovery Fund. This funding and the extension of the Coronavirus Job Retention Scheme at the end of October 2020 has enabled the Trust to continue its operations until it was able to reopen.

The Trust received £858,857 of funding under the Coronavirus Job Retention Scheme in the year.

The £3m Culture Recovery Fund grant received was to cover operating costs from 1 October 2020 to 31 March 2021 as well as providing a top up to the Trust's unrestricted reserves to help cover losses already incurred.

Trustees' report for the year ended 31 March 2021 (continued)

However, due to the third lockdown in January 2021, the period covered by the grant funding was extended to 30 June 2021.

The full £3 million grant is reflected as income in this financial year. However circa £350,000 of expenditure relating to this grant will be incurred in the period from April 2021 to June 2021. This timing difference results in the Trust reflecting a surplus in the current financial year and the delayed expenditure will cause a corresponding shortfall in the 2021/22 financial year.

The Trust received £2.7m of cash in the financial year with the final grant instalment of £300,000 being received in August 2021.

Overall, net income reported for the year is £460,783 (2020: £380,543). However, the results are not directly comparable due to the significant level of government support received in the financial year whilst the Theatre has been closed. Excluding the £3m CRF grant, net expenditure for the year was -£2.5m. The Trust expects to incur a deficit of approximately £1m in 2021/22 reflecting the costs of reopening and a further 3.5 months of closure.

No general staff pay award was made in the year due to the Theatre being closed although the increase in national minimum wage from 1 April 2020 was implemented. A lower employer pension contribution rate came into effect from 1 April 2020 which resulted in a significant decrease in employer pension contributions for the year.

The Theatre had expected to be able to reopen on 12 July 2021 at full capacity but the date for the lifting of restrictions of mass gatherings was delayed until 19 July 2021. Due to the strong ticket sales for the show, The Trust decided to allow *SIX!* to go ahead on a socially distanced basis with additional performances added to minimise losses incurred.

The reopening of the Theatre was an emotional event for staff, customers and the visiting company given the long period of closure. The Theatre's first show with no audience restrictions was *Looking Good Dead*, a drama, which took place on 19 July 2021. Due to the high infection rates in the North East, ticket sales for this show were relatively subdued but there is strong demand for shows such as *Bedknobs & Broomsticks* as the Theatre moves into its autumn programme.

The Trust has benefited from its high level of advance tickets sales due to the continuing support of its customer base who have left funds with the Theatre when shows have been cancelled or rescheduled. This has resulted in over £3.3m being held as deferred income at the year end compared to £3.8m at 31 March 2020. A strong cash position has therefore been maintained with cash balances of £8,079,746 reported at the year end (2020: £9,450,569).

Pension scheme

Following the triennial actuarial valuation at 31 March 2019, and by the entering into a new subsumption agreement with Newcastle City Council and the Tyne & Wear Pension Fund, the Trust's employer contribution rate has significantly reduced for the 3 year period commencing 1 April 2020.

The accounting valuation of the balance sheet pension scheme liability for LGPS funded benefits increased to £4,690,000 as at 31 March 2021 (2020: £2,720,000) and for LGPS unfunded benefits, made on a discretionary basis upon early retirement, the value remained at £90,000 (2020: £90,000). The increase in the liability reflects changes in the financial assumptions used to value the liability from an accounting perspective which are different to the assumptions used by the actuaries in determining the employer contribution rates. Further details on this increase are given in note 13.

Trustees' report for the year ended 31 March 2021 (continued)

An actuarial loss of £1,640,000 has been recognised on the LGPS funded benefits and £10,000 on unfunded LGPS benefits in the year (2020: £1,310,000 loss) which reflects the movement on the net defined benefit pension scheme obligations following the actuary's annual review of this liability for accounting purposes. As a result of this actuarial loss, the overall net movement in funds for the year is a decrease of £1,265,521 (2020: decrease of £929,457).

The pension liability represents a snapshot of the pension deficit at the year end, however, it should be noted that the average duration for the LGPS funded scheme liability is 23.8 years (as calculated by the actuarial advisors to the Tyne and Wear Pension Fund) and therefore the deficit for this scheme of £4,690,000 should be looked at in this context.

In simple terms, the LGPS funded deficit is likely to be addressed over this period of time and is not an immediate cost to the Trust. The accounting adjustment has no bearing on the amounts that the Trust actually pays into the Fund, this being determined with reference to the on-going funding position with contributions being reviewed every three years as part of the Pension Fund's triennial valuation.

A guarantee is in place between Newcastle City Council and South Tyneside Council (as Administering Authority for the Tyne and Wear Pension Fund) in relation to the Trust's admission to the Fund and covers any amounts due or payable by the Trust to the Fund in the event of default by the Trust in paying or reimbursing the Authority excluding any enhanced service awards.

Reserves policy and going concern

The Trust aims to generate sufficient funds to invest in cultural/artistic activities in furtherance of its charitable objectives (education through the arts). Its aim is to hold sufficient reserves to cover the normal operating costs of the business for a 2-3 month period in order to manage an orderly wind up of the business (if ever required) plus sufficient cash funds to repay any deferred income balances held in relation to advance ticket sales.

Designated funds of £95,097 are held for technical upgrades and equipment and learning projects (2020: £111,385). The restricted reserve is specifically for the restoration and refurbishment of the Theatre Royal for the benefit of all patrons along with any funds received for specific purposes. The advance contribution payment to Newcastle City Council of £1,493,199 in 2017/18 was treated as a prepayment and is being charged against the restricted reserve over four years with a charge of £418,927 being made in 2020/21. The balance on the restricted reserve at 31 March 2021 is £1,174,319 (2020: £1,689,695).

Net unrestricted funds amounted to -£623,061 at 31 March 2021 (2020: £34,492). The net unrestricted funds balance of -£623,061 is made up of an unrestricted revenue funds balance of £4,156,939 (2020: £2,844,492) offset by a negative pension reserve balance of -£4,780,000 (2020: -£2,810,000). The increase in the revenue funds balance reflects the recognition of the full CRF grant in 2020/21 although costs will be incurred in the 2021/22 financial year to which this funding relates. The decrease in net unrestricted funds is mainly due to the recognition of a net £1,650,000 actuarial loss arising on the defined benefit pension scheme obligation at the year end and the increase in the overall pension scheme liability.

Total funds held at 31 March 2021 amounted to £646,355 (2020: £1,835,572).

The Trustees appreciate the careful balance required in continuing investment in building maintenance and improvements, whilst protecting against fluctuations in audience demand and the flow of appropriate productions alongside the challenge of offering a varied artistic programme.

Trustees' report for the year ended 31 March 2021 (continued)

Going concern

In light of the Trustees' prudent management and steps taken above, the Trustees are confident that the Trust is a going concern and the going concern basis has been adopted in the preparation of the financial statements.

The rollout of the vaccination programme and testing regimes have enabled the Theatre to reopen and the Trustees are grateful to the large number of customers who have been prepared to leave their bookings with the Theatre where shows have been rescheduled to 2021, 2022 or 2023 and also to the producers for rescheduling as opposed to cancelling shows which has enabled the Trust to conserve cash and avoid administration. The Trustees are also extremely grateful for all donations made in the year and look forward to welcoming audiences back for the excellent programme in place for the autumn of 2021.

The Theatre continues to take all necessary steps to ensure the safety of its staff, customers and visiting companies. The Trust are anticipating reduced audience levels initially as it will take a while for audiences to feel confident to return to the Theatre in their pre COVID19 numbers and this will have a negative impact on the financial results for 2021/22.

The Trustees consider there are sufficient reserves and cash to enable the Theatre to continue in operation for the foreseeable future and the financial position of the Trust continues to be closely monitored.

Investment powers policy and performance

The Trustees have the power, as detailed in the Trust's governing document, to invest the funds of the Trust as they see fit. The investment policy is to hold the funds needed for the day-to-day operations as cash. Should surplus funds arise they are invested with a view to maximise income return whilst maintaining the liquidity requirements of the Trust. During the year, excess funds have been placed with Newcastle City Council and HSBC.

NTRT Trading Ltd (Non-trading)

On 27 October 2017 NTRT Trading Ltd was incorporated. This company is a wholly owned subsidiary of the Trust which has yet to commence trading. The company is limited by guarantee and the Trust, as the parent charity, guarantees to pay up to one pound towards the costs of dissolution and the debts and liabilities of the company.

Principal risks and uncertainties

The Trust has established systems and procedures for identifying and reviewing the key risks facing the day to day operations of the business. However, no one could have predicted the onset of the coronavirus pandemic in March 2020 and the significant impact this has had and continues to have on the Theatre and the whole arts and culture sector of the UK economy. The principal risk currently facing the Theatre is its long term survival and this has already been covered on page 4 of this report. Established procedures include the Trustees reviewing the major risks to which the Trust is exposed on an on-going basis with systems established to manage these risks. A risk register is maintained which is reviewed regularly by the Finance & General Purposes Committee and then annually by the Board of Trustees. The register details the significant risks to which the Trust is exposed and the steps taken to mitigate those risks. The risks are reviewed by management throughout the year.

The other major risks which the charity faces are:

Trustees' report for the year ended 31 March 2021 (continued)

(a) ***Economic recovery risk*** - the financial success of the Trust rests on generating sufficient income from box office sales together with maintaining/increasing audience attendance rates. Although the Theatre has re-opened, it will take time for both the economy as well as the performing arts sector to recover. The threat of increased levels of unemployment and reduced consumer confidence means it is likely that consumer discretionary spend will be impacted. This in turn could then result in budgeted ticket sales not being achieved as audience numbers are not guaranteed.

Ticket sales are closely monitored by management and the achievement of financial targets are regularly reported to both the Finance & General Purposes Committee and Board. In addition, the Trust operates in a very competitive market place and it is therefore important that the balance of artistic programming against financial considerations is carefully made whilst the Trust's charitable objectives are being achieved. The Board therefore receives regular updates on the status of both the current and future programme.

(b) ***Pension scheme risk*** – as the Trust participates in the Tyne & Wear Pension Fund, which is a defined benefit local government pension scheme, the Trust is exposed to increases in the required employer contribution rate. Following the 2019 actuarial valuation and, by the entering of a new subsumption agreement with Newcastle City Council and the Tyne and Wear Pension Fund, the Trust's employer contribution rate has been set at 14% for the next three years. Whilst this is a significant reduction compared to the rates over the last three years, the exposure to future rate increases remains.

(c) ***Impact of National Living Wage increases*** - as a result of increases to the National Living Wage levels, the differentials between pay grades continue to be squeezed. The Board is very aware of the need to maintain the affordability of tickets whilst at the same time ensuring the level of staffing is appropriate to meet the needs of the business. The Finance & General Purposes Committee scrutinises the annual budget in detail before it is approved by the Board and close attention is given to the level of pay awards made.

(d) ***IT resilience and cyber security*** – the charity relies heavily on its computerised booking systems and other supporting IT systems. The risk of criminal cyber activity continues to increase e.g. the possibility of denial of service attacks, system hacking, viruses, on-line fraud etc. and these are all potential threats to the day-to-day operations of the charity. The Trust engages specialist IT providers to provide on-site support and security services and has payment card industry compliance certification. All staff receive IT security training however this remains an area where ongoing vigilance is required throughout the organisation and by all levels of staff at all times.

(e) ***Terrorism and physical security*** – following the terrorist incidents in major cities across the UK in 2017, the risk of potential attacks continues to be a threat across the country. The Trust continues to undertake checks on entry to its performances however the on-going vigilance by all members of the staff as well as members of the general public continues to be of paramount importance.

Plans for future years

Future plans are very much dependent on the Theatre being able to remain open following its long period of closure and it operating on a financially viable basis. It is expected that it will take several years for the audience levels to fully recover to those pre-coronavirus. Financial stability will therefore be a key objective going forwards as well as continuing to provide a high quality and diverse programme that provides entertainment and inspiration.

The Trust will also be seeking to develop its educational outreach. Following successful fundraising, the Trust continued to offer its nationally renowned actor training programme, *"Project A"*, for the academic year 2020/21.

Trustees' report for the year ended 31 March 2021 (continued)

In terms of the programme, The Trust is also looking forward to hosting a number of excellent productions during 2021/22 including *Bedknobs & Broomsticks, The Drifters' Girl*, and *Six!*. The pantomime for 2021 will be Snow White starring once again the record-breaking trio of Clive Webb, Danny Adams & Chris Haywood along with Joe McElderry.

Public benefit

The charity's aim is to ensure that everyone feels welcome at all productions as the Trust believes in the value of a shared experience of live performance across a diverse range of productions. The Trustees aim to keep ticket prices affordable and to encourage current and new audiences to further engage with the Trust's programme through creative learning opportunities such as projects, workshops, tours and school educational programmes.

Every year the Theatre films the pantomime which is broadcast freely in all NHS hospitals reaching an audience of over 160,000 patients nationwide over the Christmas period although this was not possible in 2020/21 due to the coronavirus.

Access

The charity wants to ensure that it meets the needs of all members of its audience, whether it is looking after an assistance dog, providing sound enhancement for the hard of hearing or a free ticket to enable someone who could not come on their own to attend a performance with a companion. An access requirement register has been established in order to improve this service. In doing this, the Trust is ensuring that its meets its legal duty to make reasonable adjustment to enable individuals with physical and/or mental disabilities (as defined by the Equality Act of 2010) to be able to access performances, whilst ensuring that free companion tickets are provided to people who need to be accompanied. During the year ended 31 March 2021, and due to its continued closure, the Theatre was unable to provide any free companion tickets (2020: 5,478 tickets).

Assisted performances

Wherever possible, the Trust offers audio described and captioned performances at the Theatre Royal. However, due to its continued closure, the Theatre Royal was unable to offer any such shows compared to 2019/20 where it offered nine audio-described and captioned performances including *The Girl on the Train, Motown the Musical, Tom Gates, Les Miserables, We Will Rock You, La boheme, Beauty and the Beast, Mamma Mia! and As You Like It.*

Relaxed Performance

Relaxed performances are designed to welcome people with an autistic spectrum condition, learning disability or sensory and communication disorders to give those who otherwise might feel excluded the chance to experience live theatre. This year, due to COVID19, the Trust was unable to present a "relaxed" pantomime performance. The visual story delivered to patrons prior to their attendance, pre-production visits, chill out room and sensory room all help to create autism friendly environments. In 2019, a total 741 audience members attended the relaxed event. which made for an almost full house owing to the adaptations made within the auditorium to accommodate our access patrons.

Creative Learning

In 2020/21 the Learning department had significantly less engagements than previous years due to the coronavirus. The department's engagement programme was placed on hold, with the exception of full time delivery of Project A, consisting of the graduating class of 2020 and the new intake of the 2021 class. Across both cohorts, the number of engagements amounted to 12,411.

Trustees' report for the year ended 31 March 2021 (continued)

Project A class of 2020

The volume of applications for Project A 19/20 amounted to 372, with 15 young people being awarded a place on the full time course. All 15 young people graduated in July 2020. As a result of the coronavirus pandemic, only 3 students achieved agent representation.

Teaching of the course moved entirely online in March 2020 and continued until the cohort graduated in July 2020. The volume of engagements between the students and professional artists increased this year, allowing for additional expert advice and insight from across the industry.

The final major production this year was undertaken remotely, filmed across multiple locations, with each student working independently of one another, in line with social distancing and lockdown measures. The production was a film of Caryl Churchill's "Love and Information" and was edited before being streamed live on YouTube to 107 live audience members. The production was then available to stream for 2 weeks, achieving 1,036 unique views.

Project A class of 2021

The volume of applications for Project A 20/21 was less than normal, with only 149 applicants. However, the standard was incredibly high and 18 young people were awarded a place on the course. 61 young people were shortlisted to take part in virtual auditions.

The cohort were taught in person for the vast majority of the first and second terms of the course, to April 2021.

Funding Project A

The coronavirus pandemic severely affected the operations of Newcastle Theatre Royal and in turn, the opportunities available to the Learning department. Without external support from generous funders, the course would not have been delivered from September 2020 onwards. Funding was provided by the Sunday for Sammy Trust and Barbour Foundation in the first instance, to secure the future of Project A. Additional donations were also generously provided by St James' Place, Pink Boutique, Esmee Fairbairn Trust & the Percy Hedley Foundation.

Fundraising

Income generated from the Trust's core charitable activities is used to fund its day to day operations. Donation and legacy income therefore usually represent only a small percentage of the Trust's overall income, most of which is generated from on-line ticket sales where customers are able to make an optional donation to the Trust if they so wish.

In April 2020, due to the continuing impact of the coronavirus, the Trust launched an on-line "Acts of Kindness" campaign asking the public to consider making a donation, or to name a seat or to buy tickets for future events to help the Theatre through these difficult times. Customers, where shows had been cancelled, were also asked to consider donating part of their refund to support the Trust. During the year £423,944 of donations were received (2020: £180,742) and the Trustees are extremely grateful to all donors for their support during the year.

The Trust does not engage any professional fundraisers or commercial participators to carry out its fundraising activities. Due to the limited nature of its activities, the Trust has not formally subscribed to any fundraising schemes or codes although reference is made to the Fundraising Regulator's Fundraising Code of Practice. In the future, when developing its fundraising activities the Trust would look to formally subscribe to such schemes or codes.

The Trust seeks to protect all members of the public (including vulnerable people) in all of its fundraising activities. The Trust's "Data Promise", which is available on the Theatre's website, outlines how the Trust treats the personal data of its customers.

Trustees' report for the year ended 31 March 2021 (continued)

The Trust did not receive any complaints about its fundraising activities during the year.

The Board regularly receives information on the level of donations received and sponsorship income generated and any activities being carried out which enables them to monitor fundraising activities.

Fixed assets

Movements in tangible fixed assets are set out in note 15 to the financial statements.

Directors' and officers' liability insurance

The Newcastle Theatre Royal Trust Limited holds liability insurance on behalf of the directors and officers at a cost of £1,721 (2020: £1,616).

Statement as to disclosure of information to auditors

The Trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the Trustees has confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditors.

Independent Auditors

MHA Tait Walker has indicated its willingness to continue in office.

The Trustees' Report including the Strategic Report has been approved by the Board and is signed on its behalf of by:

Mr Nicholas R Swales
Chair

Date: 23/09 2021

Statement of Trustees' responsibilities

The Trustees (who are also directors of Newcastle Theatre Royal Trust Limited for the purposes of company law) are responsible for preparing the Trustees' Report (including the Strategic Report) and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for the maintenance and integrity of the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved and signed on behalf of the Board by:

Mr Nicholas R Swales
Chair
Date: 23/09 2021

Independent auditors' report to the members of Newcastle Theatre Royal Trust Limited

Opinion

We have audited the financial statements of Newcastle Theatre Royal Trust Limited (the 'Charity') for the year ended 31 March 2021, which comprise the Statement of Financial Activities, Balance Sheet, 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 United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity 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.

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 charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements were 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 Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

Independent auditors' report to the members of Newcastle Theatre Royal Trust Limited (continued)

Other information (continued)

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.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where 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; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 12, 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 the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or

Independent auditors' report to the members of Newcastle Theatre Royal Trust Limited (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiries with management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing board minutes;
- Review of legal expenses incurred by the charity;
- Challenging assumptions and judgements made by management in their significant accounting estimates;
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

Because of the field in which the client operates, we identified the following areas as those most likely to have a material impact on the financial statements: health and safety and food hygiene regulations, anti-bribery and corruption, and compliance with the UK Companies Act, and the Charities Act.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or recognise the non-compliance.

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.

Use of our report

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

Simon Brown

Simon Brown BA ACA DChA (Senior Statutory Auditor)
For and on behalf of MHA Tait Walker
Chartered Accountants
Statutory Auditor
Bulman House, Regent Centre, Gosforth
Newcastle upon Tyne, NE3 3LS

Date: 28TH September 2021
MHA Tait Walker is a trading name of Tait Walker LLP.

Statement of Financial Activities

for the year ended 31 March 2021

	Note	Unrestricted General funds £	Unrestricted Designated Funds £	Restricted funds £	**Total 2021 £**	Total 2020 £
Income from						
Donations and legacies	4	398,454	2,929	22,561	**423,944**	180,742
Charitable activities:						
Operation of Theatre & City Hall	5	157,540	-	18,180	**175,720**	15,369,922
Other including Government Grant funding	6	3,859,628	-	-	**3,859,628**	66,554
Investments	7	6,274	-	-	**6,274**	52,362
Misc. income	8	10,255	-	-	**10,255**	-
Total income		4,432,151	2,929	40,741	**4,475,821**	15,669,580
Expenditure						
Expenditure on charitable activities:						
Operation of Theatre & City Hall	9	(3,439,704)	(19,217)	(556,117)	**(4,015,038)**	(15,289,037)
Total expenditure		(3,439,704)	(19,217)	(556,117)	**(4,015,038)**	(15,289,037)
Net income/(expenditure)		**992,447**	**(16,288)**	**(515,376)**	**460,783**	380,543
Actuarial gains/(losses) on defined benefit pension schemes	13 (h) & (l)	(1,650,000)	-	-	**(1,650,000)**	(1,310,000)
Transfer to designated funds		-	-	-	-	-
Transfer to restricted funds		-	-	-	-	-
Net movement in funds		**(657,553)**	**(16,288)**	**(515,376)**	**(1,189,217)**	(924,457)

Statement of Financial Activities (continued)

for the year ended 31 March 2021

	Note	Unrestricted General funds £	Unrestricted Designated Funds £	Restricted funds £	**Total 2021** £	Total 2020 £
Net movement in funds		(657,553)	(16,288)	(515,376)	**(1,189,217)**	(929,457)
Reconciliation of funds:						
Total funds brought forward	22	34,492	111,385	1,689,695	**1,835,572**	2,765,029
Total funds carried forward	22	**(623,061)**	**95,097**	**1,174,319**	**646,355**	1,835,572

The statement of financial activities includes all gains and losses recognised in the year. Income and expenditure for the year covers activities at the Theatre Royal and for the year ended 31 March 2020 also includes City Hall until 1 May 2019 (the date of transfer to the Academy Music Group).

Balance Sheet

as at 31 March 2021

	Note	2021	2020
		£	£
Fixed assets			
Tangible assets	15	**533,634**	578,092
Investments in subsidiaries	16	**1**	1
		533,635	578,093
Long term debtors (non-liquid)	18 (a)	**236,418**	655,345
Current assets			
Stocks	17	**4,670**	6,463
Debtors	18 (b)	**999,335**	641,490
Cash	24	**8,079,746**	9,450,569
		9,083,751	10,098,522
Creditors:			
Amounts falling due within one year	20	**(4,427,449)**	(6,686,388)
Net current assets		**4,656,302**	3,412,134
Total assets less current liabilities		**5,426,355**	4,645,572
Creditors falling due after more than one year			
Defined benefit pension liability	13 (c), (l)	**(4,780,000)**	(2,810,000)
Net assets		**646,355**	1,835,572
The funds of the charity:			
Restricted funds	22	**1,174,319**	1,689,695
Unrestricted funds			
Revenue funds	22	**4,156,939**	2,844,492
Pension reserve	22	**(4,780,000)**	(2,810,000)
General		**(623,061)**	34,492
Designated funds	22	**95,097**	111,385
Total funds		**646,355**	1,835,572

The financial statements on pages 16 to 41 were approved for issue by the Board on 23 September 2021 and were signed on its behalf by:

Mr Nicholas R Swales
Chair
Date: 23/09 2021

Registered number: 01217427

Statement of Cash Flows

for the year ended 31 March 2021

	Note	20120/21 £	2019/20 £
Net cash used in operating activities	24 (a)	**(4,860,087)**	(2,026,578)
Cash flows from investing activities			
Interest received (investment income)		**6,274**	47,711
Purchase of tangible fixed assets		**(46,020)**	(552,318)
Disposal of tangible fixed assets		**545**	6,751
Net cash used in investing activities		**(39,201)**	(497,856)
Cash flows from financing activities			
Government grant – Culture Recovery Fund		**2,700,000**	-
Government grant – Coronavirus Job Retention Scheme		**828,465**	-
Cash inflow from financing activities		**3,528,465**	-
Decrease in cash and cash equivalents	24 (b)	**(1,370,823)**	(2,524,434)
Cash and cash equivalents at the beginning of the year		**9,450,569**	11,975,003
Cash and cash equivalents at the end of the year	24 (c)	**8,079,746**	9,450,569

The reconciliation of net cash flow to movement in funds is shown in note 24(a).

Notes to the financial statements for the year ended 31 March 2021

1 Principal Accounting Policies

a) Basis of preparation

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

Newcastle Theatre Royal Trust Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless stated in the relevant accounting policy note(s).

The future operations of the Trust are dependent on sufficient net income generation. The Trust is constantly looking at ways to maintain high levels of ticket sales and increase revenue streams in order to create financial security. The majority of show programming is put in place at least 12 months in advance and is monitored very carefully against targets when it goes on sale.

The Trust's forecasts and projections for the next twelve months show that the Trust should be able to continue in operational existence for that period, taking into account reasonable possible changes in trading performance and the potential impact on the Trust of possible future scenarios arising from the on-going impact of COVID-19. The Trust has strong positive cash balances and is forecasting for this to continue to be the case. The Trustees have stress tested their forecasts, taking into account various scenarios, and remain confident that the uncertainties do not cast significant doubt on the company's ability to continue as a going concern.

The Trustees have considered the reserves and financial plans for the Trust and are of the view that, at the date of approval of the financial statements, the Trust has sufficient reserves to continue to operate for the foreseeable future. The Trustees consider the charitable company to be a going concern and the financial statements have been prepared on that basis.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are setting out in the following notes.

b) Areas of judgement and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenditure. These are based on historic and other factors that are believed to be reasonable, the results of which form the basis for making judgements. The estimates and underlying assumptions are reviewed on an on-going basis.

Specific areas of estimation include depreciation and useful economic lives of assets, provisions and impairment. The nature of the estimation means that actual outcomes could differ from those estimates. None of the judgements or estimates have a significant effect on the financial statements.

c) Income recognition

Income from government and other grants, whether 'capital' or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met and it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Notes to the financial statements for the year ended 31 March 2021 (continued)

c) Income recognition (continued)

Income from charitable activities, Heritage Fund income and sponsorship and business membership income is recognised as it is earned and is deferred when it is received in advance of the performance or period to which it relates. Ticket sales income comprises of gross income receivable. No Value Added Tax ('VAT') is due on it because the activity falls within VAT exemption for cultural services.

Gift vouchers, credit notes and tickets sold in advance are included in creditors as deferred income and are recognised as income when the performance is held or when the expiry date is reached.

Interest on funds held on deposit is recognised when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank or Newcastle City Council.

d) Resources expended & irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following headings:

- Charitable activities include expenditure associated with performances and educational activities and include both direct costs and support costs relating to these activities.
- Support costs include expenses incurred for the management and administration of the Trust. These costs have been allocated to the charitable activities on the basis of time spent on activities.
- Governance costs comprise expenses relating to governance of the company and are primarily associated with constitutional and statutory requirements.
- All resources expended are classified under activity headings that aggregate all costs related to the category. Where applicable irrecoverable VAT is apportioned to expenditure based on the total department spend.

e) Fund accounting

Unrestricted funds

Unrestricted funds are available to spend on activities that further any of the purposes of charity. They may be designated or undesignated.

Designated funds

The designated funds include funds set aside by the Trustees to cover the repair and renewal of equipment, a contribution towards learning projects, potential technical upgrades and minor one off projects.

Restricted funds

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for a particular purpose. The Heritage Fund contributions are to be used specifically for the restoration and upkeep of the Theatre Royal and the City Hall (up until date of transfer).

Notes to the financial statements for the year ended 31 March 2021 (continued)

f) Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses. Assets with a value of below £10,000 are not capitalised. Depreciation of fixed assets is charged by equal annual instalments commencing with the period of acquisition at rates estimated to write off their cost less any residual value over the expected useful lives, which are as follows:

Computer hardware and software	3 years
Box office system	5 years
Other equipment	5 years
Buildings - fixtures & fittings	between 5 years and 10 years
Buildings - Royal House	depreciated over asset life

g) Stock

Stock of goods for resale have been included at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs expected to be incurred to disposal.

h) Debtors

Trade and other debtors which are receivable within one year are initially recognised at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

i) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

j) Trade creditors & other liabilities

Trade creditors and other liabilities are recognised where the charity 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 estimated reliably. Trade creditors and other liabilities are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amount settled.

k) Financial instruments

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

l) Pension costs

Employees are entitled to join the Tyne and Wear Pension Fund which operates a Local Government Pension Scheme (LGPS). The LGPS is one of the largest public sector pension schemes in the UK. It is a nationwide pension scheme for people working in local government or working for other types of employer participating in the Scheme. Newcastle Theatre Royal Trust Limited has admitted body status in the scheme. Contributions are paid by the Trust and by its employees.

Notes to the financial statements for the year ended 31 March 2021 (continued)

l) Pension costs (continued)

The LGPS is a defined benefit plan with benefits earned up to 31 March 2014 being linked to final salary. Benefits after 31 March 2014 are based on a Career Average Revalued Earnings scheme. Members of the LGPS may also contribute towards added years or join the Additional Voluntary Contribution Scheme, each of which is funded by the employee alone. Members also have the flexibility to join the 50/50 part of the scheme whereby they will pay half of the normal contribution but their benefits will also be reduced.

Benefits in the LGPS built up before 1 April 2014 are based on the final pay of the member when they leave the Scheme. New employees are automatically enrolled into the LGPS scheme unless they have exercised their right to opt out of scheme membership.

All benefits built up in the LGPS for membership after 31 March 2014 are worked out under the rules of the new career average scheme. Pension is built up at a rate of 1/49th of the amount of pensionable pay received in that Scheme year, or at a rate of 1/98th if in the 50/50 section of the Scheme.

An actuarial review on 31 March 2021 valued the Newcastle Theatre Royal Trust Limited's share of the scheme's shortfall to be a net pension deficit of £4,690,000 (2020: £2,720,000) in relation to funded benefits which is held as a liability on the balance sheet in accordance with the requirements of Financial Reporting Standard FRS 102. Further information is given in note 13.

2 Legal status of the Trust

The Trust is a charitable company limited by guarantee, incorporated in England. The members have no shareholdings but in the event of a winding up they have each undertaken to contribute to the payment of liabilities, such amount as may be required, not exceeding a total of £1.

Notes to the financial statements for the year ended 31 March 2021 (continued)

3 Comparative Information – Prior Year Statement of Financial Activities

	Unrestricted General funds £	Unrestricted Designated Funds £	Restricted funds £	**Total 2020 £**
Income from				
Donations and legacies	104,921	4,591	71,230	**180,742**
Operation of Theatre & City Hall	14,796,461	-	573,461	**15,369,922**
Other	66,554	-	-	**66,554**
Investments	52,362	-	-	**52,362**
Misc. income	-	-	-	**-**
Total income	15,020,298	4,591	644,691	**15,669,580**
Expenditure				
Expenditure on charitable activities:				
Operation of Theatre & City Hall	(14,776,142)	(32,573)	(480,322)	**(15,289,037)**
Total expenditure	(14,776.142)	(32,573)	(480,322)	**(15,289,037)**
Net income/(expenditure)	**244,156**	**(27,982)**	**164,369**	**380,543**
Actuarial gains/(losses) on defined benefit pension schemes	(1,310,000)	-	-	**(1,310,000)**
Transfer to designated funds	-	-	-	-
Transfer to restricted funds	-	-	-	-
Net movement in funds	**(1,065,844)**	**(27,982)**	**164,369**	**(929,457)**

Notes to the financial statements for the year ended 31 March 2021 (continued)

4 Income from donations and legacies

	Unrestricted General £	Unrestricted Designated £	Restricted £	2021 £	2020 £
Individual Giving Scheme	-	**2,929**	-	**2,929**	4,591
Other donations	**398,454**	-	**22,561**	**421,015**	176,151
	398,454	**2,929**	**22,561**	**423,944**	180,742

Restricted donations include donations made to support Project A, the Trust's actor training programme.

5 Income from charitable activities

	2021			2020		
Unrestricted funds	Turnover £	Cost of sales £	Net income £	Turnover £	Cost of sales £	Net income £
Box office (incl. booking fee)	-	2,749	2,749	**13,479,351**	(8,834,520)	4,644,831
Ancillary	-	(15,192)	(15,192)	**474,353**	(177,542)	296,811
Catering & bar	**26,667**	-	26,667	**184,315**	(6,133)	178,182
Memberships	-	-	-	**241,756**	-	241,756
Learning	**18,361**	(3,416)	14,945	**109,574**	(45,379)	64,195
Miscellaneous	**112,512**	-	112,512	**307,112**	-	307,112
	157,540	(15,859)	141,681	**14,796,461**	(9,063,574)	5,732,887
Restricted funds						
Heritage Income	-	-	-	**573,461**	-	573,461
Other	**18,180**	-	18,180	-	-	-
	18,180	-	18,180	**573,461**	-	573,461
Total	**175,720**	(15,859)	159,861	**15,369,922**	(9,063,574)	6,306,348

Miscellaneous income includes postage income relating to ticket sales and member events as well as funds arising from the cancellation of expired historic gift vouchers and credit notes. The lease of City Hall was transferred to the Academy Music Group on 1 May 2019. 2019/20 unrestricted income relating to City Hall amounted to £347k and restricted income was £29k.

6 Other

	2021 £	2020 £
Sponsorship	**771**	49,229
Government grant (Cultural Recovery Fund)	**3,000,000**	-
Government grant (Coronavirus Job Retention Scheme)	**858,857**	17,325
	3,859,628	66,554

All of this Other income relates to unrestricted funds.

Notes to the financial statements for the year ended 31 March 2021 (continued)

7 Investments

	2021	2020
	£	£
Interest receivable	**6,274**	52,362

Interest receivable relates to interest earned on the funds held with HSBC and Newcastle City Council. All investment income relates to unrestricted funds.

8 Misc. income

	2021	2020
	£	£
Misc. income	**10,255**	-

This income relates to refunds of VAT from HM Revenue and Customs ("HMRC"). All miscellaneous income relates to unrestricted funds.

9 Analysis of expenditure on charitable activities

The Trust undertakes direct charitable activities only and does not make grant payments.

	Unrestricted General funds	Unrestricted Designated funds	Restricted funds	2021	2020
Cost of charitable activities:	£	£	£	£	£
Cost of sales (see note 5)	15,859	-	-	**15,859**	9,063,574
Marketing	229,445	-	-	**229,445**	927,951
Box office	326,376	-	-	**326,376**	501,324
Front of house management	344,641	-	-	**344,641**	821,944
Building costs	510,684	-	506,422	**1,017,106**	1,166,495
Development	60,116	-	-	**60,116**	101,225
Technical	692,973	-	-	**692,973**	1,112,204
Learning	110,104	-	-	**110,104**	156,647
Depreciation	21,021	19,217	49,695	**89,933**	78,841
Support costs (see note 10)	1,122,267	-	-	**1,122,267**	1,332,790
Governance costs (see note 10)	6,218	-	-	**6,218**	26,042
Total cost of charitable activities	3,439,704	19,217	556,117	**4,015,038**	15,289,037

Notes to the financial statements for the year ended 31 March 2021 (continued)

9 Analysis of expenditure on charitable activities (continued)

In 2017/18 £1,912,126 was paid to Newcastle City Council as a final contribution towards the refurbishment of their theatre building. £418,927 of this amount was included within building costs in 2017/18 and the remaining £1,493,199 at 31 March 2018 was treated as a prepaid contribution payment. This prepaid amount is being charged to expenditure over a four year period. Consequently £418,927 has been charged to the income & expenditure statement in the year within building costs. At 31 March 2021 the remaining balance of £236,418 is included within long term debtors (2020: £655,345). The contribution amount expensed in the year has been charged against restricted funds.

10 Analysis of support and governance costs

The Trust allocates its support costs as shown in the table below. Support costs are allocated on a basis consistent with the use of resources.

	Support costs (Note 9)	Governance (Note 9)	**2021**	2020
	£	£	**£**	£
Central Office, Admin & HR	252,315	-	**252,315**	478,728
Finance Office	696,479	-	**696,479**	603,259
Information Technology	173,473	-	**173,473**	258,959
City Hall	-	-	**-**	(8,156)
Internal Audit	-	-	**-**	6,250
External Audit	-	6,218	**6,218**	19,792
Total	1,122,267	6,218	**1,128,485**	1,358,832

11 Net income/(expenditure)

Net income/(expenditure) is stated after charging:

	2021	2020
	£	£
Depreciation of tangible fixed assets	**89,333**	78,841
Impairment loss	**-**	-
Operating lease rentals – plant & equipment	**3,520**	8,251
Auditors' remuneration		
- Audit fee	**10,000**	10,000
Directors' and officers' liability insurance	**1,721**	1,616
Cost of stock recognised as an expense – stock write off	**15,192**	3,126

Notes to the financial statements for the year ended 31 March 2021 (continued)

12 Employee information

a) Average number of employees

The average monthly number of employees, including temporary staff, employed during the year was 150 (2020: 192) split between Theatre Royal operations 136 (2020: 178) and management and administration 14 (2020: 15).

b) The costs incurred in respect of employees were:

	2021 £	2020 £
Wages and salaries	**1,924,304**	**2,548,164**
Social security costs	**141,172**	**210,061**
Pension charges	**634,370**	**912,120**
	2,699,846	**3,670,345**

Wages and salary costs include statutory redundancy payments of £92,328 in relation to redundancy programme that took place in August 2020. Forty two staff were given notice of redundancy on 1 August 2020 due to the impact of the coronavirus on the Theatre's operations. Pension charges for the year include employer contributions of £305,258 (2019: £643,162) into the Tyne and Wear Pension Fund in respect of employees' pension costs. This includes £62,161 of strain on the fund costs in relation to staff made redundant during the period. The employer's contribution rate for the year was 14% of pensionable pay which has reduced following the 31 March 2019 actuarial valuation (2020: 26.7%). Employee contributions vary according to their annual pay. In relation to LGPS scheme benefits, pension charges also include £320,000 in respect of the current service charges and net interest costs for the year (2020: £260,000). In relation to unfunded LGPS benefits, the Trust also paid £9,113 to the Fund during the year (2020: £8,957). Further details regarding on these charges and the pension scheme are given in Note 13. At the year end £29,640 (2020: £66,118) was accrued in respect of employer and employee contributions due to the scheme which were paid across in April 2021.

The number of employees earning over £60,000, excluding pension contributions, is as follows:

	2021 Number	2020 Number
£60,001 - £70,000	**-**	3
£130,001 - £140,000	**1**	1

c) Key Management Personnel

For the purpose of this disclosure Key Management Personnel are defined as the Trustees, Chief Executive, Director of Finance, Director of Operations, Director of Operations (maternity cover) and Director of Sales & Marketing whose aggregate remuneration in the year, excluding employer pension and national insurance contributions, was £312,751 (2020: £353,541). Aggregate remuneration including employer pension and national insurance contributions was £394,310 (2020:£497,861):

	2021 Number	2020 Number
£70,001 - £80,000	**3**	1
£80,001 - £90,000	**-**	3
£160,001 - £170,000	**1**	-
£190,001 - £200,000	**-**	1

Notes to the financial statements for the year ended 31 March 2021 (continued)

12 Employee information (continued)

d) Trustees' emoluments

None of the Trustees received any remuneration or expenses during the year ended 31 March 2021 for services rendered to the Trust (2020: £nil). Directors normally attend a number of performances each year in order to monitor the quality of productions and maintain a Board presence at the Theatre. However, as the Theatre was closed for the period due to the coronavirus, no performances were attended by the directors. In 2019/20 the value of tickets for performances attended by the Directors was £3,242.

13 Pensions

The disclosures (below) relate to the funded liabilities within the Tyne and Wear Pension Fund (the "Fund") which is part of the Local Government Pension Scheme (the "LGPS).

The LGPS is a funded defined benefit plan with benefits earned up to 31 March 2014 being linked to final salary. Benefits after 31 March 2014 are based on a Career Average Revalued Earnings scheme. Details of the benefits earned over the period covered by this disclosure are set out in "The Local Government Pension Scheme Regulations 2013" and The Local Government Pension Scheme (Transition Provisions, Savings and Amendment) Regulations 2014.

(a) Funding / Governance Arrangements of the LGPS

The funded nature of the LGPS requires participating employers and its employees to pay contributions into the Fund, calculated at the level intended to balance the pension liabilities with investment assets. Information on the framework for calculating contributions to be paid is set out in LGPS Regulations 2013 and the Fund's Funding Strategy Statement.

An actuarial valuation was carried out as at 31 March 2019 and the contributions to be paid from 1 April 2020 until 31 March 2023 resulting from this valuation are set out in the Fund's Rates and Adjustment Certificate. Employer contributions for this period have been set at 14% of pensionable pay. This compares to an employer contribution rate of 26.7% for the year ended 31 March 2020. The Fund's Administering Authority, South Tyneside Council, is responsible for the governance of the Fund.

An actuarial review for accounting purposes, using the roll-forward method, was undertaken to review the funded status of the Scheme as at 31 March 2021. As a result of this review, the Trust's share of the difference between the fair value of the Scheme's assets and the present value of funded defined benefit obligations has increased from £2.72m as at 31 March 2020 to £5.02m as at 31 March 2021. Asset returns over the accounting period have been higher than expected which has led to a gain on assets over the accounting period however there have been changes in the financial assumptions used to value the liabilities which have also resulted in a less positive balance sheet position. The increase in this net pension obligation has been recognised on the balance sheet.

In accordance with the requirements of FRS 102, disclosure of certain information concerning assets, liabilities, income and expenditure relating to the pension scheme is required and is set out below.

(b) Estimated pension expense for the accounting year ending 31 March 2022

The actuarial review for accounting purposes provides an estimate of the charges to the income and expenditure account in future periods based on the assumptions as at 31 March 2021.

Notes to the financial statements for the year ended 31 March 2021 (continued)

13 Pensions (continued)

(b) Estimated pension expense for the accounting year ending 31 March 2022 (continued)

Analysis of amounts charged to profit and loss	Period ending 31 March 2022
	£m
Current service cost	0.98
Net interest on net defined benefit liability	0.10
Total estimated pension expense	**1.08**

An allowance for administrative expenses of £0.01m is included in the current service cost. The estimated expense and is based on an estimated pensionable payroll over the period of £1.96m.

(c) Changes to the Pension Liability

Reconciliation of pension liability	£
Opening pension liability at 1 April 2020	(2,720,000)
Current service cost	(640,000)
Interest on net defined benefit liability	(60,000)
Contributions by the employer	310,000
Curtailments	60,000
Actuarial gains/(losses)	(1,640,000)
Closing pension liability at 31 March 2021	**(4,690,000)**

(d) Principal assumptions

The principal assumptions used by the actuary in updating the latest valuation of the Fund for FRS 102 purposes were:

Assumptions	31 March 2021 %	31 March 2020 %	31 March 2019 %
Discount rate	**2.10%**	1.90%	2.10%
CPI inflation	**2.70%**	3.40%	3.60%
Pension accounts revaluation rate	**2.70%**	1.90%	2.10%
Pension increases	**2.70%**	1.90%	2.10%
Salary increases	**4.20%**	2.30%	2.50%

The mortality assumptions are based on the actual mortality experience of members within the Fund based on analysis carried out as part of the 2019 Actuarial Valuation and allow for expected future mortality improvements. Sample life expectancies at age 65 resulting from these mortality assumptions are shown below:

Notes to the financial statements for the year ended 31 March 2021 (continued)

13 Pensions (continued)

(e) Principal assumptions (continued)

Mortality assumptions	**31 March 2021 Years**	31 March 2020 Years
Males		
Pension member aged 65 at accounting date	**21.9**	**21.8**
Active member aged 45 at accounting date	**23.6**	**23.5**
Females		
Pensioner member aged 65 at accounting date	**25.1**	**25.0**
Active member aged 45 at accounting date	**26.9**	**26.8**

Asset allocation	**Value at 31 March 2021**	Value at 31 March 2020
Equities	**55.5%**	**54.8%**
Property	**7.9%**	**9.0%**
Government bonds	**2.2%**	**4.1%**
Corporate bonds	**19.8%**	**15.3%**
Cash	**4.0%**	**2.3%**
Other	**10.6%**	**14.5%**
Total	**100.0%**	**100.0%**

(f) Reconciliation of funded status to Balance Sheet

	Value as at 31 March 2021 £	Value as at 31 March 2020 £
Fair value of assets	**13,680,0000**	**11,230,000**
Present value of funded defined benefit obligation	**(18,370,000)**	**(13,950,000)**
Funded status - liability recognised on the balance sheet	**(4,690,000)**	**(2,720,000)**

The split of the liabilities at the last valuation between the various categories of members is as follows:

Active members	50%
Deferred pensioners	19%
Pensioners	31%

(g) Amounts recognised in income statement

	Year ending 31 March 2021 £	Year ending 31 March 2020 £
Operating cost		
Current service cost	**640,000**	800,000
Past service cost	**-**	80,000
Curtailment cost	**(60,000)**	-
Settlement cost	**-**	-
Financing cost		
Interest on net defined benefit liability	**60,000**	20,000
Pension expense recognised in income statement	**640,000**	900,000

Notes to the financial statements for the year ended 31 March 2021 (continued)

13 Pensions (continued)

(h) Amounts recognised in other comprehensive income

	Year ending 31 March 2021 £	Year ending 31 March 2020 £
Asset gains/(losses) arising during the year	**2,100,000**	(820,000)
Liability losses arising during the year	**(3,740,000)**	(460,000)
Total amount recognised in other comprehensive income	**(1,640,000)**	(1,280,000)

(i) Changes to the present value of the defined benefit obligation

	Year ending 31 March 2021 £	Year ending 31 March 2020 £
Opening defined benefit obligation	**13,950,000**	12,450,000
Current service cost	**640,000**	800,000
Interest expense on defined benefit obligation	**320,000**	310,000
Contributions by participants	**120,000**	150,000
Actuarial (gains)/losses on liabilities	**3,740,000**	460,000
Net benefits paid out	**(340,000)**	(300,000)
Curtailment cost	**(60,000)**	-
Past service cost	**-**	80,000
Closing present value of liabilities	**18,370,000**	13,950,000

(j) Changes to the fair value of assets

	Year ending 31 March 2021 £	Year ending 31 March 2020 £
Opening fair value of assets	**11,230,000**	11,280,000
Interest income on assets	**260,000**	290,000
Re-measurement gains/(losses) on assets	**2,100,000**	(820,000)
Contributions by the employer	**310,000**	630,000
Contributions by participants	**120,000**	150,000
Net benefits paid out	**(340,000)**	(300,000)
Closing fair value of assets	**13,680,000**	11,230,000

Notes to the financial statements for the year ended 31 March 2021 (continued)

13 Pensions (continued)

(k) Actual return on assets

	Year ending 31 March 2021 £	Year ending 31 March 2020 £
Interest income on assets	**260,000**	290,000
Gain/(loss) on assets	**2,100,000**	(820,000)
Actual return on assets	**2,360,000**	(530,000)

(l) Unfunded benefits

The liability recognised in respect of the unfunded LGPS benefits is £90,000 (2020: £90,000). These benefits are termination benefits made on a discretionary basis upon early retirement in respect of members of the LGPS. No pension fund exists to meet these benefits. This amount forms part of the pension liability recognised on the balance sheet. An actuarial loss of £10,000 has been recognised in the period in respect of these liabilities.

(m) Contingent liabilities

The McCloud judgement

The Government was unsuccessful in its attempt to overturn the Court of Appeal's decision in the McCloud case relating to transitional protection arrangements when the firefighter and judges pension schemes were reformed. Although the judgement did not relate directly to the LGPS, the Government has confirmed that the implications of the judgement will extend to all public service schemes as they had comparable provisions which were deemed to amount to age discrimination. The actuarial valuation undertaken as at 31 March 2019 includes an allowance for the possible additional liabilities arising from the McCloud case although there are not, as yet, any confirmed details of any benefit changes for the LGPS. The Fund has stated that it does not intend to revisit employer contribution rates as a result of McCloud and the funding position and contribution rates of individual employers will be reassessed at the next local fund valuation (currently expected to commence in 2022).

Guaranteed Minimum Pension (GMP) equalisation

In March 2016 the Government made the LGPS responsible for paying the full increases on GMPs for individuals reaching State Pension Age (SPA) from 5 April 2016 through to 6 December 2018 as an "interim solution". In January 2018 this interim solution was extended to individuals reaching SPA before 5 April 2021 - passing further cost on to the LGPS.

The 31 March 2019 actuarial valuation allowed for the extension of the interim solution to those reaching State Pension Age by 5 April 2021 as already required under legislation. However, the valuation did not allow for the impact of potentially extending this interim solution indefinitely, providing full pension increases on GMP for members reaching State Pension Age after 5 April 2021. Based on approximate calculations, at a whole fund level, the Scheme's actuary has indicated that the impact of providing full pension increases on GMPs for those members reaching State Pension Age after 5 April 2021 is an increase in past service liabilities of between 0.1% to 0.2% across the Fund as a whole.

Notes to the financial statements for the year ended 31 March 2021 (continued)

14 Taxation

The Trust is a charity established under the Charities Act 1993 (now Charities Act 2011). It is therefore exempt from taxation in respect of income and capital gains received within categories covered by section 505 Income and Corporation Taxes Act 1988 and section 256 Taxation of Chargeable Gains Act 1992, to the extent that such income and gains are applied to charitable purposes only.

15 Tangible assets

	Buildings (incl. leasehold improvements)	Other Equipment	Computer Equipment	Box Office & HR systems	Total
	£	£	£	£	£
Cost					
At 1 April 2020	1,198,560	310,371	82,092	223,675	1,814,698
Additions during the year	-	-	-	46,020	46,020
Disposals	(545)	-	(29,892)	(34,335)	(64,772)
At 31 March 2021	**1,198,015**	**310,371**	**52,200**	**235,360**	**1,795,946**
Accumulated depreciation					
At 1 April 2020	**673,676**	**281,757**	**82,092**	**199,081**	**1,236,606**
Charge for the year	49,695	22,566		17,672	89,933
Disposals	-	-	(29,892)	(34,335)	(64,227)
At 31 March 2021	**723,371**	**304,323**	**52,200**	**182,418**	**1,262,312**
Net book value					
At 31 March 2021	**474,644**	**6,048**	**-**	**52,942**	**533,634**
At 31 March 2020	524,884	28,614	-	24,594	578,092

The main Theatre Royal premises is leased from Newcastle City Council which owns the property. A new 125 year lease commenced on 1st April 2016 at a peppercorn rent. The Trustees consider the nature of the Theatre Royal's business to be such that realistic quantification of the true value of this gift in kind is impossible with any accuracy, and hence no value has been attributed to it within the financial statements.

The Trust purchased the Royal House lease in full on 1 April 2009 for £310,000. On 1 April 2016 the Trust entered into a long leasehold agreement (125 years) with Fusion Lifestyle to operate Newcastle City Hall. On 1 May 2019 the Trust's lease of City Hall was ended following agreement for a new operator, the Academy Music Group, to enter into a new lease to operate City Hall from this date. Asset disposals relating to this transfer are shown in the 2019/20 accounts.

Notes to the financial statements for the year ended 31 March 2021 (continued)

15 Tangible assets (continued)

Prior year note

	Buildings (incl. leasehold improvements)	Other Equipment	Computer Equipment	Box Office & HR systems	Total
	£	£	£	£	£
Cost					
At 1 April 2019	1,393,989	309,727	82,092	230,425	2,016,233
Additions during the year	551,674	644	-	-	552,318
Disposals	(747,103)	-	-	(6,750)	(753,853)
At 31 March 2020	**1,198,560**	**310,371**	**82,092**	**223,675**	**1,814,698**
Accumulated depreciation					
At 1 April 2019	1,383,802	259,127	82,092	179,847	1,904,868
Charge for the year	36,977	22,630	-	19,234	78,841
Disposals	(747,103)	-	-	-	(747,103)
At 31 March 2020	**673,676**	**281,757**	**82,092**	**199,081**	**1,236,606**
Net book value					
At 31 March 2020	**524,884**	**28,614**	**-**	**24,594**	**578,092**
At 31 March 2019	10,187	50,600	-	50,578	111,365

16 Investments in subsidiaries

On 27 October 2017 NTRT Trading Ltd was incorporated. This company is a wholly owned subsidiary of the Trust and has yet to commence trading. The company is limited by guarantee and the Trust, as the parent charity, guarantees to pay up to one pound towards the costs of dissolution and the debts and liabilities of the company. NTRT Trading Ltd is incorporated in England, registration number 11036273 and its registered office is 100 Grey Street, Newcastle upon Tyne, NE1 6BR.

Notes to the financial statements for the year ended 31 March 2021 (continued)

17 Stock

	2021	2020
	£	£
Goods for resale	**4,670**	6,463

18 Debtors

(a) Long term debtors (non-liquid)	2021	2020
	£	£
Advance contribution payment to Newcastle City Council	**236,418**	655,345

£418,927 was charged to restricted funds in 2020/21 and the remaining balance of £236,418 will be charged in 2021/22.

(b) Debtors	2021	2020
	£	£
Trade debtors	**20,238**	90,954
Subsumption security monies held by Newcastle City Council – note 19	**380,000**	380,000
Other debtors	**454,538**	76,725
Prepayments and accrued income	**144,559**	93,811
	999,335	641,490

19 Amounts owed by related parties

Amounts owed by related parties are the cash balances and pension bond held by Newcastle City Council. The cash balance of £8,079,746 at 31 March 2021 includes £3,189,909 (2020: £5,189,909) which is held on deposit with Newcastle City Council.

£380,000 is also held by Newcastle City Council as security for the Council agreeing to the pension scheme subsumption agreement (2020: £380,000). When the Trust arranges for a pension bond to be put in place to cover the potential risk of increased liabilities on cessation to the Council, then the monies held as security will be returned to the Trust.

The agreements in place allow for the Council to request further security to be provided in the future either via monies held or via an appropriate pension bond.

Notes to the financial statements for the year ended 31 March 2021 (continued)

20 Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	**765,725**	**2,256,683**
Taxation and social security	**79,289**	**138,637**
Other creditors	**51,427**	**72,827**
Accruals	**163,383**	**345,035**
Deferred income (note 21)	**3,367,625**	**3,873,206**
	4,427,449	**6,686,388**

Trade creditors include refund amounts due to customers as a result of show cancellations arising from the coronavirus.

21 Deferred income

Deferred income comprises advance ticket sales, booking fees and heritage fund income for performances after 31 March 2021.

	£
Balance as at 1 April 2020	3,873,206
Amount released to income earned from charitable activities	(76,304)
Amounts refunded net of show transfers	(429,277)
Balance as at 31 March 2021	**3,367,625**

	£
Balance as at 1 April 2019	8,446,953
Amount transferred to The Academy Music Group	(854,818)
Amount released to income earned from charitable activities	(7,427,389)
Amount deferred in year	4,236,266
Reclassified to trade/other creditors re cancelled shows/events	(527,806)
Balance as at 31 March 2020	**3,873,206**

Where a show or event was expected to be cancelled as a result of the coronavirus, the related deferred income balance of was reclassified to trade/ other creditors at 31 March 2020 (£527,806). This balance has reduced to £30,178 at 31 March 2021.

Notes to the financial statements for the year ended 31 March 2021 (continued)

22 Funds

	Unrestricted					Restricted	
	Revenue funds	Pension reserve	Sub-total	Designated funds	Unrestricted Funds	Restricted Funds	Total
	£	£	£	£	£	£	£
At 1 April 2020	2,844,492	(2,810,000)	34,492	111,385	145,877	1,689,695	1,835,572
Net incoming/ (outgoing) resources for the year	1,312,447	(320,000)	992,447	(16,288)	976,159	(515,376)	460,783
Actuarial loss	-	(1,650,000)	(1,650,000)	-	(1,650,000)	-	(1,650,000)
At 31 March 2021	**4,156,939**	**(4,780,000)**	**(623,061)**	**95,097**	**(604,268)**	**1,174,319**	**646,335**

Previous year	Unrestricted					Restricted	
	Revenue funds	Pension reserve	Sub-total	Designated funds	Unrestricted Funds	Restricted Funds	Total
	£	£	£	£	£	£	£
At 1 April 2019	2,340,335	(1,240,000)	1,100,335	139,368	1,239,703	1,525,326	2,765,029
Net incoming/ (outgoing) resources for the year	504,157	(260,000)	244,156	(27,982)	216,174	164,369	380,543
Actuarial loss	-	(1,310,000)	(1,310,000)	-	(1,310,000)	-	(1,310,000)
At 31 March 2020	**2,844,492**	**(2,810,000)**	**34,492**	**111,385**	**145,877**	**1,689,695**	**1,835,572**

Unrestricted funds

Designated funds include funds set aside by the Trustees to cover the repair and renewal of equipment, a contribution towards learning projects, potential technical upgrades and minor one off projects. In 2017/18 a transfer of £700,550 was made from unrestricted funds to restricted reserves to cover the advance contribution payment made to Newcastle City Council.

Restricted funds

Restricted funds comprise a sum of £1,174,319 (2020: £1,689,695). During 2017/18 a final contribution to Newcastle City Council in respect of the restoration work to the Theatre Royal of £1,912,126 was made. £418,927 of this contribution was charged against restricted funds in 2017/18 with the balance being charged to the income & expenditure account over a four year period. The charge for 2020/21 was £418,927. No Heritage Fund income was generated in the year. In 2019/20 £573,461 of Heritage Fund income was generated together with £71,230 from Sir Ian McKellan to develop the Trust's learning activities.

Pension reserve

Note 13 provides information on the Trust's pension reserve balance.

Notes to the financial statements for the year ended 31 March 2021 (continued)

23 Analysis of net assets between funds

	Unrestricted funds	Designated funds	Restricted funds	Total 2021
	£	£	£	£
Tangible fixed assets	46,370	12,620	474,645	**533,635**
Current assets & long term debtor	8,520,489	82,477	717,203	**9,320,169**
Current liabilities	(4,409,920)	-	(17,529)	**(4,427,449)**
Pension liability	(4,780,000)	-	-	**(4,780,000)**
Total net assets as at 31 March 2021	(623,061)	95,097	1,174,319	**646,355**

Previous year	Unrestricted funds	Designated funds	Restricted funds	Total 2020
	£	£	£	£
Tangible fixed assets	33,228	31,838	513,027	578,093
Current assets & long term debtor	9,337,964	79,547	1,336,356	10,753,867
Current liabilities	(6,526,700)	-	(159,689)	(6,686,388)
Pension liability	(2,810,000)	-	-	(2,810,000)
Total net assets as at 31 March 2020	34,492	111,385	1,689,695	1,835,572

Notes to the financial statements for the year ended 31 March 2021 (continued)

24 Notes to the cash flow statement

(a) Reconciliation of net outgoing resources to net cash used in operating activities

	2021	2020
	£	£
Net outgoing resources	**(1,189,217)**	(929,457)
Depreciation	**89,933**	78,841
Government grants receivable	**(3,858,857)**	-
Bad debt provision	**34,997**	-
Increase/(decrease) in pension liability	**1,970,000**	1,570,000
Interest receivable	**(6,274)**	(52,362)
Decrease in stocks and work in progress	**1,793**	9,528
Decrease in advance contribution payment to Newcastle City Council	**418,927**	418,927
(Increase)/decrease in debtors	**(62,450)**	223,542
Decrease in creditors	**(2,258,939)**	(3,345,597)
Net cash (used in)/generated from operating activities	**(4,860,087)**	(2,026,578)

As set out in Note 19 and shown below, the cash held with Newcastle City Council (excluding the subsumption security monies) has been shown as cash in the cash flow statement.

(b) Analysis of changes in net cash & net debt

	At 1 April 2020	Change in year	**At 31 March 2021**
	£	£	**£**
Cash at bank and in hand	2,460,660	2,429,177	**4,889,837**
Money market deposits	1,800,000	(1,800,000)	**-**
Cash held with Newcastle City Council	5,189,909	(2,000,000)	**3,189,909**
Net cash	9,450,569	(1,370,823)	**8,079,746**

(c) Reconciliation of net cash flow to movement in net cash

	£
Decrease in cash in the year	(1,370,823)
Net cash at 1 April 2020	9,450,569
Net cash at 31 March 2021	**8,079,746**

Notes to the financial statements for the year ended 31 March 2021 (continued)

25 Related party transactions

Newcastle City Council holds a significant proportion of the Trust's cash balances and has a cash balance owed to the Trust of £3,189,909 (2020: £5,189,909) together with the subsumption security monies of £380,000 (2020: £380,000).

The Chief Executive of Newcastle Theatre Royal Trust Ltd, Mr P A F Johnston, who works under the name of Philip Bernays, is a director of the Dance Consortium Ltd and the Children's Theatre Partnership Ltd. No transactions took place during the year due to the Theatre being closed as a result of COVID19. In 2019/20 *Pepperland* (produced by the Dance Consortium Ltd) and *Holes* (produced by the Children's Theatre Partnership Ltd) were presented at the Theatre Royal as part of the Trust's artistic programme for the year and payments of £52,283 (to the Dance Consortium) and £52,795 (to the Children's Theatre Partnership Ltd) were made in respect of each company's production. These payments represent the visiting company's agreed share of box office receipts, royalties and programme sales. All payments to visiting companies are made in accordance with agreed contracts.

In 19/20 UNW LLP were engaged to provide assistance with the preparation of the Trust's 2018/19 corporation tax return for a fee of £1,500. The spouse of the Director of Finance is a partner at this firm but has no involvement with the firm's work in relation to the Trust. The work was carried out a normal commercial basis.

26 Lease and other financial commitments

(a) Operating leases

Total future minimum lease payments under operating leases are given in the table below:

			At 31 March 2021			At 31 March 2020
	£ Other equipment	**£** Office equipment	**£ Total**	**£** Other equipment	**£** Office equipment	£ Total
Not later than 1 year	1379	1,896	3,275	1,941	2,062	4,003
Later than 1 year and not later than 5 years	911	6,854	7,765	1,822	7,492	9,314
	2,290	8,750	**11,040**	3,763	9,554	**13,317**

(b) Other financial commitments

Following the Trust's contribution in 2017/18 of £1,912,126 to Newcastle City Council in respect of refurbishment costs relating to the Theatre Royal building, no further payments are required.

The Trust entered into a three year agreement in June 2018 with Tevalis Ltd for the supply and licence of software used on the Theatre Royal's EPOS till system at a quarterly cost of £370 plus VAT. The Trust has also committed to purchase additional till hardware at a cost excluding VAT of £14,301 together with additional monthly support costs of £195.

27 Ultimate controlling party

The company is limited by guarantee and there is no ultimate controlling party.