



## **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**

# Newcastle Theatre Royal Trust Limited

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## 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 14<sup>th</sup> January 2022)

Siobhan Lightfoot Director of Operations

Aynsley Cowan-Young Director of Operations maternity cover

Colin Johnston Director of Finance (appointed 16<sup>th</sup> January 2022)

### Company Secretary

Marcia Lant (resigned 15<sup>th</sup> January 2022)

Colin Johnston (appointed 16<sup>th</sup> January 2022)

### Bankers

HSBC UK Bank plc

3<sup>rd</sup> 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.

# Newcastle Theatre Royal Trust Limited

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## 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 1<sup>st</sup> April and 11<sup>th</sup> 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 1<sup>st</sup> April and 11<sup>th</sup> 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 31<sup>st</sup> March, however, a 2% pay increase was given to staff on 1<sup>st</sup> April 2022. Lower paid staff have been paid the real living wage since 1<sup>st</sup> April, rather than the statutory minimum wage. The Trust brought the management of the theatre bars back inhouse on 12<sup>th</sup> 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 12<sup>th</sup> 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 31<sup>st</sup> 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 175<sup>th</sup> 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 31<sup>st</sup> 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.

# Newcastle Theatre Royal Trust Limited

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## 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 intend 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 significantly 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 14:26:15 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:

  
Nick Swales 19 Oct 2022 14:26:16 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.

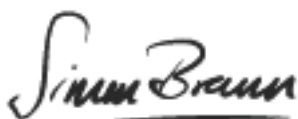
Because of the field in which the client operates, we identified the following areas as those most likely to have a material impact on the financial statements: health and safety and food hygiene regulations, anti-bribery and corruption, and compliance with the UK Companies Act, and the Charities Act.

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](http://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:** 7/7/2022

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

# Newcastle Theatre Royal Trust 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 £
<b>Income from</b>						
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
<b>Total income</b>		7,338,549	-	-	7,338,549	4,475,821
<b>Expenditure</b>						
Expenditure on charitable activities:						
Operation of Theatre	9	(7,307,323)	(36,764)	(721,901)	(8,065,988)	(4,015,038)
<b>Total expenditure</b>		(7,307,323)	(36,764)	(721,901)	(8,065,988)	(4,015,038)
<b>Net (expenditure)/income</b>		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		-	-	-	-	-
<b>Net movement in funds</b>		1,620,395	463,903	(1,171,737)	912,561	(1,189,217)



# Newcastle Theatre Royal Trust Limited

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## 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)
<b>Reconciliation of funds:</b>						
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.

# Newcastle Theatre Royal Trust Limited

## Balance Sheet

as at 31 March 2022

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	15	604,647	533,634
Investments in subsidiaries	16	1	1
		<u>604,648</u>	<u>533,635</u>
<b>Long term debtors (non-liquid)</b>	18 (a)	-	236,418
<b>Current assets</b>			
Stocks	17	15,771	4,670
Debtors	18 (b)	634,151	999,335
Cash	24	11,672,333	8,079,746
		<u>12,322,255</u>	<u>9,083,751</u>
<b>Creditors:</b>			
Amounts falling due within one year	20	(8,227,987)	(4,427,449)
<b>Net current assets</b>		<u>4,094,268</u>	<u>4,656,302</u>
<b>Total assets less current liabilities</b>		4,698,916	5,426,355
<b>Creditors falling due after more than one year</b>			
Defined benefit pension liability	13 (c), (l)	(3,140,000)	(4,780,000)
<b>Net assets</b>		<u><u>1,558,916</u></u>	<u><u>646,355</u></u>
<b>The funds of the charity:</b>			
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		<u>997,334</u>	<u>(623,061)</u>
Designated funds	22	559,000	95,097
<b>Total funds</b>		<u><u>1,558,916</u></u>	<u><u>646,355</u></u>

The financial statements on pages 15 to 40 were approved for issue by the Board on 3<sup>rd</sup> October 2022 and were signed on its behalf by:

*N Swales*

Nick Swales 18 Oct 2022 14:20:16 BST (UTC +1)

**Mr Nicholas R. Swales**

**Chair**

**Date:** 18 October 2022

Registered number: 01217427

# Newcastle Theatre Royal Trust Limited

## Statement of Cash Flows

for the year ended 31 March 2022

	Note	2021/22 £	2020/21 £
<b>Net cash generated in operating activities</b>	24 (a)	3,612,969	(4,860,087)
<b>Cash flows from investing activities</b>			
Interest received		328	6,274
Purchase of tangible fixed assets		(165,708)	(46,020)
Disposal of tangible fixed assets		-	545
<b>Net cash used in investing activities</b>		<u>(165,380)</u>	<u>(39,201)</u>
<b>Cash flows from financing activities</b>			
Government grant – Culture Recovery Fund		-	2,700,000
Government grant – Coronavirus Job Retention Scheme		144,998	828,465
<b>Cash inflow from financing activities</b>		<u>144,998</u>	<u>3,528,465</u>
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		<u>8,079,746</u>	<u>9,450,569</u>
<b>Cash and cash equivalents at the end of the year</b>	24 (c)	<u><u>11,672,333</u></u>	<u><u>8,079,746</u></u>

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)

### I) 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.

# Newcastle Theatre Royal Trust Limited

## 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 £
<b>Income from</b>				
Donations and legacies	398,454	2,929	22,561	423,944
<i>Operation of Theatre &amp; City Hall</i>	157,540	-	18,180	175,720
Other	3,859,628	-	-	3,859,628
Investments	6,274	-	-	6,274
Misc. income	10,255	-	-	10,255
<b>Total income</b>	<b>4,432,151</b>	<b>2,929</b>	<b>40,741</b>	<b>4,475,821</b>
<b>Expenditure</b>				
Expenditure on charitable activities:				
<i>Operation of Theatre &amp; City Hall</i>	(3,439,704)	(19,217)	(556,117)	(4,015,038)
<b>Total expenditure</b>	<b>(3,439,704)</b>	<b>(19,217)</b>	<b>(556,117)</b>	<b>(4,015,038)</b>
<b>Net income/(expenditure)</b>	<b>992,447</b>	<b>(16,288)</b>	<b>(515,376)</b>	<b>460,783</b>
Actuarial gains/(losses) on defined benefit pension schemes	(1,650,000)	-	-	(1,650,000)
<b>Net movement in funds</b>	<b>(657,553)</b>	<b>(16,288)</b>	<b>(515,376)</b>	<b>(1,189,217)</b>



# Newcastle Theatre Royal Trust Limited

## 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

	Turnover £	2022 Cost of sales £	Net income £	Turnover £	2021 Cost of sales £	Net income £
<b>Unrestricted funds</b>						
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
<b>Restricted funds</b>						
Other	-	-	-	18,180	-	18,180
	-	-	-	18,180	-	18,180
<b>Total</b>	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.

# Newcastle Theatre Royal Trust Limited

## 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
	<u>176,998</u>	<u>3,859,628</u>

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 £
<b>Cost of charitable activities:</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
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
<b>Total cost of charitable activities</b>	<b>7,307,323</b>	<b>36,764</b>	<b>721,901</b>	<b>8,065,988</b>	<b>4,015,038</b>

# Newcastle Theatre Royal Trust Limited

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## 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
<b>Total</b>	<b>918,689</b>	<b>7,921</b>	<b>926,610</b>	<b>1,128,485</b>

### 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

# Newcastle Theatre Royal Trust Limited

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## 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
	<u>3,050,375</u>	<u>2,699,846</u>

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 Number	2021 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 Number	2021 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
<b>Total estimated pension expense</b>	<b>0.98</b>

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
<b>Closing pension liability at 31 March 2022</b>	<b>(3,060,000)</b>

#### (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:

# Newcastle Theatre Royal Trust Limited

## 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
<b>Males</b>		
Pension member aged 65 at accounting date	21.8	21.9
Active member aged 45 at accounting date	23.5	23.6
<b>Females</b>		
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	14,600,000	13,680,000
Present value of funded defined benefit obligation	(17,660,000)	(18,370,000)
<b>Funded status - liability recognised on the balance sheet</b>	<b>(3,060,000)</b>	<b>(4,690,000)</b>

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 £
<b>Operating cost</b>		
Current service cost	1,010,000	640,000
Past service cost	-	-
Curtailment cost	-	(60,000)
Settlement cost	-	-
<b>Financing cost</b>		
Interest on net defined benefit liability	90,000	60,000
<b>Pension expense recognised in income statement</b>	<b>1,100,000</b>	<b>640,000</b>

## 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)
<b>Total amount recognised in other comprehensive income</b>	<b>2,440,000</b>	<b>(1,640,000)</b>

#### (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)
<b>Closing present value of liabilities</b>	<b>17,660,000</b>	<b>18,370,000</b>

#### (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)
<b>Closing fair value of assets</b>	<b>14,600,000</b>	<b>13,680,000</b>



## 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
<b>Actual return on assets</b>	<b>760,000</b>	<b>2,360,000</b>

#### (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.

# Newcastle Theatre Royal Trust Limited

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## 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

	<b>Buildings</b> (incl. leasehold improvements)	<b>Other Equipment</b>	<b>Computer Equipment</b>	<b>Box Office &amp; HR systems</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>					
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	-	-	-	-	-
<b>At 31 March 2022</b>	<b>1,354,342</b>	<b>310,371</b>	<b>52,200</b>	<b>244,741</b>	<b>1,961,654</b>
<b>Accumulated depreciation</b>					
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	-	-	-	-	-
<b>At 31 March 2022</b>	<b>798,087</b>	<b>306,743</b>	<b>52,200</b>	<b>182,418</b>	<b>1,357,007</b>
<b>Net book value</b>					
<b>At 31 March 2022</b>	<b>556,255</b>	<b>3,628</b>	<b>-</b>	<b>44,763</b>	<b>604,647</b>
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.

# Newcastle Theatre Royal Trust Limited

## 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
	£	£	£	£	£
<b>Cost</b>					
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)
<b>At 31 March 2021</b>	<b>1,198,015</b>	<b>310,371</b>	<b>52,200</b>	<b>235,360</b>	<b>1,795,946</b>
<b>Accumulated depreciation</b>					
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)
<b>At 31 March 2021</b>	<b>723,371</b>	<b>304,323</b>	<b>52,200</b>	<b>182,418</b>	<b>1,262,312</b>
<b>Net book value</b>					
<b>At 31 March 2021</b>	<b>474,644</b>	<b>6,048</b>	<b>-</b>	<b>52,942</b>	<b>533,634</b>
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.

# Newcastle Theatre Royal Trust Limited

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## 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.

# Newcastle Theatre Royal Trust Limited

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## 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
	<u>8,227,987</u>	<u>4,427,449</u>

### 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	<u>5,930,419</u>
<b>Balance as at 31 March 2022</b>	<u><u>5,930,419</u></u>

	£
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	<u>(429,277)</u>
<b>Balance as at 31 March 2021</b>	<u><u>3,367,625</u></u>

# Newcastle Theatre Royal Trust Limited

## 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
<b>At 31 March 2022</b>	<b>4,137,334</b>	<b>(3,140,000)</b>	<b>997,334</b>	<b>559,000</b>	<b>1,556,334</b>	<b>2,582</b>	<b>1,558,916</b>

	Unrestricted			Restricted			
Previous year	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)
<b>At 31 March 2021</b>	<b>4,156,939</b>	<b>(4,780,000)</b>	<b>(623,061)</b>	<b>95,097</b>	<b>(527,964)</b>	<b>1,174,319</b>	<b>646,355</b>

#### 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.

# Newcastle Theatre Royal Trust Limited

## 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)
<b>Total net assets as at 31 March 2022</b>	<b>997,334</b>	<b>559,000</b>	<b>2,582</b>	<b>1,558,916</b>

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)
<b>Total net assets as at 31 March 2021</b>	<b>(623,061)</b>	<b>95,097</b>	<b>1,174,319</b>	<b>646,355</b>

# Newcastle Theatre Royal Trust Limited

## 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)
<b>Net cash (used in)/generated from operating activities</b>	<b>3,612,969</b>	<b>(4,860,087)</b>

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
<b>Net cash</b>	<b>8,079,746</b>	<b>3,592,587</b>	<b>11,672,333</b>

#### (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
<b>Net cash at 31 March 2022</b>	<b>11,672,333</b>



## 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
	<u>1,258</u>	<u>4,493</u>	<u>5,752</u>	<u>2,290</u>	<u>8,750</u>	<u>11,040</u>

### 26 Ultimate controlling party

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

# Newcastle Theatre Royal Trust Limited

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