



## **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**

# Newcastle Theatre Royal Trust Limited

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# 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) (resigned 29<sup>th</sup> September 2023)

Julie Blackie

Lorna Edwards

Ben Fletcher-Watson

Scott Holland

Joan Louw (resigned 3<sup>rd</sup> October 2022)

Raymond Mills

Andrew Roberts (appointed 5<sup>th</sup> June 2023)

Alison Jones (appointed 5<sup>th</sup> June 2023)

### 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

3<sup>rd</sup> 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 Trockadero 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,



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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 significantly lower at £328 (2022).

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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 31<sup>st</sup> 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 artistic 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



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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 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 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.

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**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 nurture 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



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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.

# Newcastle Theatre Royal Trust Limited

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## 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).

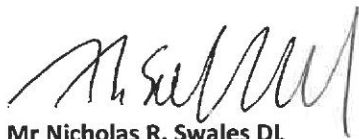
## Statement as to disclosure of information to auditors

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

# Newcastle Theatre Royal Trust Limited

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## 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.

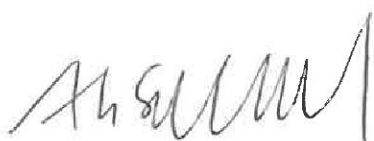
Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic 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](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: 23/11/2023

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 2023

	Note	Unrestricted General funds £	Unrestricted Designated Funds £	Restricted funds £	Total 2023 £	Total 2022 £
<b>Income from</b>						
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
<b>Total income</b>		<b>17,271,092</b>	<b>-</b>	<b>10,899</b>	<b>17,281,991</b>	<b>7,338,549</b>
<b>Expenditure</b>						
Expenditure on charitable activities:						
Operation of Theatre	9	(15,615,501)	-	(10,899)	(15,626,400)	(8,065,988)
<b>Total expenditure</b>		<b>(15,615,501)</b>	<b>-</b>	<b>(10,899)</b>	<b>(15,626,400)</b>	<b>(8,065,988)</b>
<b>Net income/(Expenditure)</b>		<b>1,655,591</b>	<b>-</b>	<b>-</b>	<b>1,655,591</b>	<b>(727,439)</b>
Actuarial gains/(losses) on defined benefit pension schemes	13 (h) & (l)	3,140,000	-	-	3,140,000	1,640,000
Transfer to designated funds		(577,000)	577,000	0	-	-
Transfer to restricted funds		-	-	-	-	-
<b>Net movement in funds</b>		<b>4,218,591</b>	<b>577,000</b>	<b>-</b>	<b>4,795,591</b>	<b>912,561</b>

# Newcastle Theatre Royal Trust Limited

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## 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.



# Newcastle Theatre Royal Trust Limited

## Balance Sheet

as at 31 March 2023

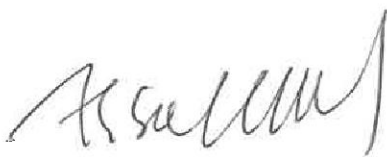
	Note	2023 £	2022 £
<b>Fixed assets</b>			
Tangible assets	15	506,398	604,647
Investments in subsidiaries	16	<u>1</u>	<u>1</u>
		<u>506,399</u>	<u>604,648</u>
<b>Current assets</b>			
Stocks	17	16,446	15,771
Debtors	18 (a)	881,589	634,151
Cash	24	<u>13,042,143</u>	<u>11,672,333</u>
		<u>13,940,178</u>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

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

Mr Nicholas R. Swales  
Chair

Date: 17/11/2023

Registered number: 01217427



# Newcastle Theatre Royal Trust Limited

## Statement of Cash Flows

for the year ended 31 March 2023

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

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

# Newcastle Theatre Royal Trust Limited

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## 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.

# Newcastle Theatre Royal Trust Limited

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## 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.

# Newcastle Theatre Royal Trust Limited

## 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 £
<b>Income from</b>				
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
<b>Total income</b>	<b>7,338,549</b>	<b>-</b>	<b>-</b>	<b>7,338,549</b>
<b>Expenditure</b>				
Expenditure on charitable activities:				
Operation of Theatre	(7,307,323)	(36,764)	(721,901)	(8,065,988)
<b>Total expenditure</b>	<b>(7,307,323)</b>	<b>(36,764)</b>	<b>(721,901)</b>	<b>(8,065,988)</b>
<b>Net income/(expenditure)</b>	<b>31,226</b>	<b>(36,764)</b>	<b>(721,901)</b>	<b>(727,439)</b>
Actuarial gains/(losses) on defined benefit pension schemes	1,640,000	-	-	1,640,000
Transfer to designated funds	(50,831)	500,667	(449,836)	
<b>Net movement in funds</b>	<b>1,620,395</b>	<b>463,903</b>	<b>(1,171,737)</b>	<b>912,561</b>

# Newcastle Theatre Royal Trust Limited

## 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

	Turnover £	2023 Cost of sales £	Net income £	Turnover £	2022 Cost of sales £	Net income £
<b>Unrestricted funds</b>						
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.



# Newcastle Theatre Royal Trust Limited

## 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
	<u>37,724</u>	<u>176,998</u>

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
	£	£	£	£	£
<b>Cost of charitable activities:</b>					
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
<b>Total cost of charitable activities</b>	<b>15,615,501</b>	<b>-</b>	<b>10,899</b>	<b>15,626,400</b>	<b>8,065,988</b>

# Newcastle Theatre Royal Trust Limited

## 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
<b>Total</b>	<b>1,103,511</b>	<b>13,543</b>	<b>1,117,054</b>	<b>926,610</b>

### 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

# Newcastle Theatre Royal Trust Limited

## 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
	<u>3,200,342</u>	<u>2,747,903</u>

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	2022
	Number	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	2022
	Number	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.

# Newcastle Theatre Royal Trust Limited

## 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
<b>Total estimated pension expense</b>	<b>0.25</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 £2.26m.

#### (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)
<b>Closing pension liability at 31 March 2023</b>	<b>0</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 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:

# Newcastle Theatre Royal Trust Limited

## 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
<b>Males</b>		
Pension member aged 65 at accounting date	21.6	21.8
Active member aged 45 at accounting date	22.9	23.5
<b>Females</b>		
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	14,960,000	14,600,000
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)	-
<b>Funded status - liability recognised on the balance sheet</b>	<b>0</b>	<b>(3,060,000)</b>

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 £
<b>Operating cost</b>		
Current service cost	980,000	1,010,000
<b>Financing cost</b>		
Interest on net defined benefit liability	70,000	90,000
<b>Pension expense recognised in income statement</b>	<b>1,050,000</b>	<b>1,100,000</b>



# Newcastle Theatre Royal Trust Limited

## 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
<b>Total amount recognised in other comprehensive income</b>	<b>6,490,000</b>	<b>2,440,000</b>

#### (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	-	-
<b>Closing present value of liabilities</b>	<b>12,280,000</b>	<b>17,660,000</b>

#### (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)
<b>Closing fair value of assets</b>	<b>14,960,000</b>	<b>14,600,000</b>

## 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
<b>Actual return on assets</b>	<b>220,000</b>	<b>760,000</b>

#### (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.

# Newcastle Theatre Royal Trust Limited

## 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

	<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 2022	1,354,342	310,371	52,200	244,741	1,961,654
Additions during the year	-	-	-	-	-
Disposals	(275,179)	-	-	-	(275,179)
<b>At 31 March 2023</b>	<b>1,079,163</b>	<b>310,371</b>	<b>52,200</b>	<b>244,741</b>	<b>1,686,475</b>
<b>Accumulated depreciation</b>					
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)
<b>At 31 March 2023</b>	<b>607,656</b>	<b>309,163</b>	<b>52,200</b>	<b>211,058</b>	<b>1,180,077</b>
<b>Net book value</b>					
<b>At 31 March 2023</b>	<b>471,508</b>	<b>1,208</b>	<b>-</b>	<b>33,683</b>	<b>506,398</b>
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.



# 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 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>199,978</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

### 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 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.

# Newcastle Theatre Royal Trust Limited

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## 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
	<u>8,092,070</u>	<u>8,227,987</u>

### 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	<u>13,937,924</u>
<b>Balance as at 31 March 2023</b>	<u><b>5,853,353</b></u>
	£
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><b>5,930,419</b></u>



# Newcastle Theatre Royal Trust Limited

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

### 22 Funds

	Unrestricted			Restricted			Total
	Revenue	Pension	Sub-total	Designated	Unrestricted	Restricted	
	funds	reserve		funds	Funds	Funds	
	£	£	£	£	£	£	£
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
<b>At 31 March 2023</b>	<b>5,215,925</b>	<b>-</b>	<b>5,215,925</b>	<b>1,136,000</b>	<b>6,351,925</b>	<b>2,582</b>	<b>6,354,507</b>

Previous year	Unrestricted			Restricted			Total
	Revenue	Pension	Sub-total	Designated	Unrestricted	Restricted	
	funds	reserve		funds	Funds	Funds	
	£	£	£	£	£	£	£
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 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.

# Newcastle Theatre Royal Trust Limited

## 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	-	-	-	-
<b>Total net assets as at 31 March 2022</b>	<b>5,215,925</b>	<b>1,136,000</b>	<b>2,582</b>	<b>6,354,507</b>

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)
<b>Total net assets as at 31 March 2021</b>	<b>997,334</b>	<b>559,000</b>	<b>2,582</b>	<b>1,558,916</b>

# Newcastle Theatre Royal Trust Limited

## 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
<b>Net cash (used in)/generated from operating activities</b>	<b>1,132,845</b>	<b>3,612,969</b>

#### (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)	-
<b>Net cash</b>	<b>11,672,333</b>	<b>1,369,810</b>	<b>13,042,143</b>

#### (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
<b>Net cash at 31 March 2023</b>	<b>13,042,143</b>



# Newcastle Theatre Royal Trust Limited

## 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.

