



Newcastle Theatre Royal Trust Limited

(a company limited by guarantee)

Annual Report and Financial Statements

for the year ended 31 March 2024

Registered Number: 01217427

Charity Number: 504473

Newcastle Theatre Royal Trust Limited

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Newcastle Theatre Royal Trust Limited

Legal and administrative details

Registered charity number: 504473

Registered company number: 01217427

Trustees

Nicholas Swales, OBE, DL (Chair)

John Carver (Vice-Chair) (resigned 29th September 2023)

Raymond Mills (Vice-Chair) (appointed 16th October 2023)

Julie Blackie

Lorna Edwards

Ben Fletcher-Watson

Scott Holland

Andrew Roberts (appointed 5th June 2023)

Alison Jones (appointed 5th June 2023)

Chief Executive

Marianne Locatori

Management Team

Jo Kirby

Director of Audience & Communications

Siobhan Lightfoot

Director of Operations

Colin Johnston

Director of Finance

Company Secretary

Colin Johnston

Bankers

HSBC UK Bank plc

3rd Floor

Central Square South

Orchard Street

Newcastle upon Tyne

NE1 3AZ

Independent Auditors

Azets Audit Services

Bulman House

Regent Centre

Gosforth

Newcastle upon Tyne

NE3 3LS

Principal address and registered office

Newcastle Theatre Royal Trust Limited

100 Grey Street

Newcastle upon Tyne

NE1 6BR

Newcastle Theatre Royal Trust Limited

Trustees' report for the year ended 31 March 2024

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

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

Structure, governance and management

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

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

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

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

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

Newcastle Theatre Royal Trust Limited

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

All Trustees give their time freely and receive no remuneration.

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

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

Objectives and activities

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

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

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

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

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

Strategic Report

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

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

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

Our Values:

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

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

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

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

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

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

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

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

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

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

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

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

Our key strategic objectives

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

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

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

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

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

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

Achievements and performance

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Newcastle Theatre Royal Trust Limited

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

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

Financial review

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

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

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

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

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

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

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

Pension scheme

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

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

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

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

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

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

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

Reserves policy and going concern

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

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

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

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

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

Going concern

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

Newcastle Theatre Royal Trust Limited

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

Investment powers policy and performance

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

NTRT Trading Ltd (Non-trading)

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

NTR Green Room Limited (Non-trading)

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

Principal risks and uncertainties

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

The key risks which the charity faces are:

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

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

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

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

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

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

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

Plans for future years

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

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

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

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

Newcastle Theatre Royal Trust Limited

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

Public benefit

Fundraising

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

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

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

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

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

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

Fixed assets

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

Directors' and officers' liability insurance

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

Statement as to disclosure of information to auditors

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

Independent Auditors

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

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



Mr Nicholas R. Swales, OBE, DL
Chair

Date: 14 October 2024

Statement of Trustees' responsibilities

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

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

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

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

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

Approved and signed on behalf of the Board by:



Mr Nicholas R. Swales, OBE, DL

Chair

Date: 14 October 2024

Newcastle Theatre Royal Trust Limited

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

Opinion

We have audited the financial statements of Newcastle Theatre Royal Trust Limited (the 'Charity') for the year ended 31 March 2024, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Going Concern

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

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Other information (continued)

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 12, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

Use of our report

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



Simon Brown BA ACA DChA (Senior Statutory Auditor)

For and on behalf of Azets Audit Services

Chartered Accountants

Statutory Auditor

Bulman House, Regent Centre, Gosforth

Newcastle upon Tyne, NE3 3LS

Date: 16th October 2024

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

Newcastle Theatre Royal Trust Limited

Statement of Financial Activities

for the year ended 31 March 2024

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

Newcastle Theatre Royal Trust Limited

Statement of Financial Activities (continued)

for the year ended 31 March 2024

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

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

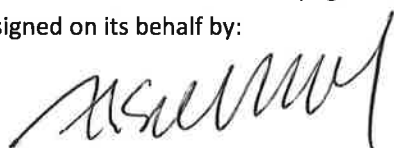
Newcastle Theatre Royal Trust Limited

Balance Sheet

as at 31 March 2024

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

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



Mr Nicholas R. Swales, OBE, DL
Chair

Date: 14th October 2024

Registered number: 01217427

Newcastle Theatre Royal Trust Limited

Statement of Cash Flows

for the year ended 31 March 2024

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

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

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

1 Principal Accounting Policies

a) Basis of preparation

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

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

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

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

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

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

b) Areas of judgement and estimates

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

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

c) Income recognition

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

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

c) Income recognition (continued)

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

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

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

d) Resources expended & irrecoverable VAT

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

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

e) Fund accounting

Unrestricted funds

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

Designated funds

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

Restricted funds

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

Newcastle Theatre Royal Trust Limited

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

f) Tangible fixed assets

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

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

g) Stock

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

h) Debtors

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

i) Cash at bank and in hand

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

j) Trade creditors & other liabilities

Trade creditors and other liabilities are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Trade creditors and other liabilities are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amount settled.

k) Financial instruments

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

l) Pension costs

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

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

l) Pension costs (continued)

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

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

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

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

2 Legal status of the Trust

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

Newcastle Theatre Royal Trust Limited

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

3 Comparative Information – Prior Year Statement of Financial Activities

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

Newcastle Theatre Royal Trust Limited

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

4 Income from donations and legacies

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

5 Income from charitable activities

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

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

Newcastle Theatre Royal Trust Limited

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

6 Other

	2024 £	2023 £
Sponsorship	59,110	37,724
All of this Other income relates to unrestricted funds.		

7 Investments

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

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

8 Analysis of expenditure on charitable activities

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

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

Newcastle Theatre Royal Trust Limited

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

9 Analysis of support and governance costs

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

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

10 Net income/(expenditure)

Net income/(expenditure) is stated after charging:

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

Newcastle Theatre Royal Trust Limited

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

11 Employee information

a) Average number of employees

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

b) The costs incurred in respect of employees were:

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

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

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

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

c) Key Management Personnel

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

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

Newcastle Theatre Royal Trust Limited

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

11 Employee information (continued)

d) Trustees' emoluments

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

12 Pensions

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

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

(a) Funding / Governance Arrangements of the LGPS

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

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

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

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

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

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

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

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

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

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

(c) Changes to the Pension Liability

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

(d) Principal Assumptions

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

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

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

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

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

Newcastle Theatre Royal Trust Limited

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

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

(e) Reconciliation of Funded Status to Balance Sheet

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

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

Active members	33%
Deferred pensioners	21%
Pensioners	46%

(f) Amounts Recognised in Income Statement

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

(g) Amounts Recognised in Other Comprehensive Income

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

Newcastle Theatre Royal Trust Limited

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

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

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

(i) Changes to the Fair Value of Assets

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

(j) Actual Return on Assets

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

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

(k) Unfunded Benefits

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

(l) Contingent liabilities

Guaranteed Minimum Pension (GMP) Equalisation

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

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

(m) Exit of the LGPS

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

Newcastle Theatre Royal Trust Limited

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

13 Taxation

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

14 Tangible assets

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

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

Newcastle Theatre Royal Trust Limited

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

14 Tangible assets (continued)

Prior year note

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

15 Investments in subsidiaries

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

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

Newcastle Theatre Royal Trust Limited

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

16 Stock

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

17 Debtors

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

18 Amounts owed by related parties

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

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

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

Newcastle Theatre Royal Trust Limited

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

19 Creditors: amounts falling due within one year

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

20 Deferred income

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

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

	£
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>
Balance as at 31 March 2023	<u>5,853,353</u>

Newcastle Theatre Royal Trust Limited

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

21 Funds

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

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

Unrestricted funds

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

Restricted funds

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

Pension reserve

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

Newcastle Theatre Royal Trust Limited

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

22 Analysis of net assets between funds

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

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

Newcastle Theatre Royal Trust Limited

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

23 Notes to the cash flow statement

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

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

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

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

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

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

Newcastle Theatre Royal Trust Limited

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

24 Lease and other financial commitments

Operating leases

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

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

25 Ultimate controlling party

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