

Charity registration number 509458

Company registration number 01437514 (England and Wales)

THE EMPIRE THEATRE (MERSEYSIDE) TRUST LIMITED
COMPANY LIMITED BY GUARANTEE
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

THE EMPIRE THEATRE (MERSEYSIDE) TRUST LIMITED
COMPANY LIMITED BY GUARANTEE
LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr D Morgan (Chairman) His Honour G A Ensor Mrs P J McGaffney Miss L Marshall Mr J J Thompson Mr S P Marley	
Secretary	Ms C Mason Mr D Morgan	(Appointed 14 February 2022) (Resigned 14 February 2022)
Charity number	509458	
Company number	01437514	
Principal address	Hillcrest Montgomery Hill Wirral CH48 1NF	
Registered office	Tempest Suite 5.1 12 Tithebarn Street Liverpool L2 2DT	
Independent examiner	Tony Stanley ACA BWM Tempest Suite 5.1 12 Tithebarn Street Liverpool L2 2DT	
Bankers	Virgin Money Jubilee House Gosforth Newcastle upon Tyne NE3 4PL Redwood Bank The Nexus Building Broadway Letchworth Garden City Hertfordshire SC6 3TA The Co-Operative Bank Team 605 P O Box 250 Skelmersdale Lancashire WN8 6WT	

THE EMPIRE THEATRE (MERSEYSIDE) TRUST LIMITED

COMPANY LIMITED BY GUARANTEE

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THE EMPIRE THEATRE (MERSEYSIDE) TRUST LIMITED
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 MARCH 2022

The trustees present their report and financial statements for the year ended 31 March 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

The principal objectives of the charitable company are to promote, maintain, improve, and advance education, particularly by the production of educational plays and the encouragement of the arts, including the arts of drama, mime, dance, singing and music for the benefit of the community living in the areas of Merseyside, Wirral and outlying districts including North Wales, Cheshire, and West Lancashire.

The activities throughout each year are designed to encourage interest, enthusiasm, and appreciation for the wide variety of performances at the Empire Theatre (musical theatre, opera, ballet, drama, singing and dance).

The Trustees consider the continued development of the education and community programme within the Creative Learning Department ('the Department') and the activities managed by the Trust to be the cornerstone of its charitable aims to assist in delivering a new and wider audience for the Theatre in part by developing young persons' interest in the arts and dance.

The Trustees are committed to making these activities available to as wider part of the community as possible and to extend these activities to all who are interested to take part and experience a full Arts programme. The Trustees are supportive in increasing diversity and providing opportunity to those from disadvantaged backgrounds.

In conjunction with its managers, the Ambassador Theatre Group (ATG) and through a variety of programmes, the Trust aims to develop the audience of the future and to increase the occupancy rate of the Theatre, and in particular to help young persons in the appreciation of the arts.

The Trust supports and encourages an active Department and its variety of programmes, some of which are linked to and supported by the companies, producers and performers visiting the Theatre. In addition, some activities of the Department receive financial support from local businesses and organisations as well as from the Trust. Assistance with fees is provided where otherwise applicants may not be able to take part.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in its dialogue with ATG.

Representatives of the ATG (the Business Director (UK Venues), the Theatre Director, the Head of Operations (North), the Head of Marketing (Liverpool), the Back of House Operation Manager (Liverpool) and the Head of Creative Learning) attend board meetings to present their respective management reports, which are circulated to the Trustees prior to the meetings and discussed in advance of the ATG representatives joining the meeting.

THE EMPIRE THEATRE (MERSEYSIDE) TRUST LIMITED
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

An overview of developments, activities and achievements

The theatre re-opened on 5 August 2021 following the reduction of restrictions due to the Covid pandemic. Since then the Trustees have supported the theatre and the managers in reaching out to and re engaging with the Public and supporting the Creative Learning Team to build back up to pre Covid numbers and activities.

The Trustees continue to hold Trust meetings throughout the year and in between meetings liaise with ATG on a variety of matters as required.

By the end of the financial year there were clear signs of recovery to the Theatre Industry and a desire for Audiences to get back in touch and attend performances. The Trustees have supported the initiatives of ATG wherever possible to do this and to raise their own profile in the media and on social media to make the public aware of the Trustees role.

There are regular updates from the Chair of Trustees in the "in house" programme for performances and increasing support to the Creative Learning Team to re-engage with the Youth Programme which is proving to be popular and playing a major role in helping Youngsters to adjust after Covid.

Creative learning

This extraordinary period saw the department navigating a global pandemic. Some of the work took place online and in alternative venues including external dance studios, shop floors, outside in the park and on the beach and finally enjoyed a staggered return to work in the venue. Our permanent, casual, and freelance workforce have proved that they are extremely resilient during this time. Adapting to new methods of working and responding with good grace and humour each time a project had to change or once again postponed due to another lockdown and delay in reopening.

Whilst difficult, this period introduced new ways of working. It strengthened relationships with new and existing funders, partners and within local cultural and educational communities. It helped us recognise the talent and strength that we have within our permanent and freelance staff and the integral role the Liverpool Empire Theatre and in particular, Creative Learning, play in the recovery of the local cultural ecology.

This report will not go into detail on the work created and delivered through the Cultural Recovery Funding. However, it does incorporate this work into the overall participant engagement numbers for this period time. It must be acknowledged that through this funding and the specific opportunities it provided it also allowed time for meaningful reflection, learning and this has shaped the plans for the forthcoming year.

The Trust supportive Creative learning through this difficult period and they were able to continue to deliver 456 sessions and engage with 15,812 participants. They produced 6 performances attracting audiences of 1,050 in person and 4 digital events attracting audiences of 12,000 people.

They worked with 22 local schools, providing continual professional development opportunities for 122 teachers including 30 PCGE Students and made a positive connection with people of ages to combat loneliness and isolation by providing regular activity for 90 older people and 82 families.

They were able to nurture new talent via the youth theatre programme delivering 265 sessions for young people and provide paid work for 37 freelance practitioners and artists.

All the above was partly funded by the Trust and other outside Funders including the Cultural Recovery Fund.

The Liverpool Empire Youth Academy was re-activated in November 2020 and enabled participants to take part in masterclasses led by industry professionals from across the UK digitally.

Returning to in person sessions, albeit under strict covid-19 guidelines, enabled the groups to work towards a more traditional end of term culmination of work which included an outdoor performance of Midsummer Night's Dream and a full scale performance of Chess the Musical as part of the Empire Theatre in August 2021.

THE EMPIRE THEATRE (MERSEYSIDE) TRUST LIMITED
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

The groups performed as part of the 2022 Dance Festival at The Regent Theatre in Stoke and in a production of Chat Back by David Judge as part of the National Theatre Connections Project at The Lowry Theatre Manchester.

Many alumni who have participated in the Liverpool Empire Youth Theatre provision and gone on to work in the industry as performers. The Trust is proud of the ongoing achievements of those performers and seeks to support them wherever possible and recognise their achievements.

Provision for bursary places for young people from low socio-economic and underrepresented backgrounds continues to be developed and has been incorporated in to the new Secondary Schools Partnership Project and the future ideas for the "Terry Smith Legacy" created by The Trust to support young people from the Liverpool Empire Youth Theatre in their future chosen career in performing Arts.

The "Creative Generation" project focused on providing teachers with digital professional development and then in person as part of the Let's Make it up and Let's Play project delivered in partnership with The National Theatre. In addition, 17 schools took part in Let's Play 2022. Schools received ongoing support from the Creative Learning team who visited the schools to offer specialist support to help the teachers achieve the outcome.

In person, CPD also took place inspired by Disney's Beauty & the Beast and Glyndebourne Operas Autumn Season. Creative Learning worked in partnership with Disney and the National Literacy Trust to develop the session and resources for teachers to equip them with a creative toolkit to use back in school with their pupils. 830 school children attended matinee performances at the Liverpool Empire.

30 PGCE students from Liverpool John Moore's University and local schoolteachers took part in a half day CPD workshop designed to support teachers to develop music and singing skills with their pupils and ignite a love of Opera. Led by the education team, singers and musicians from Glyndebourne Opera, the students and teachers took part in practical exercises that they could adapt for use back in the classroom.

Pre-performance presentations offered an exclusive insight into both operas, presented by Glyndebourne's Chorus Director Aidan Oliver. The pre-performance talks offered a bite-sized introduction into Stravinsky's The Rake's Progress & Donizetti's Don Pasquale.

There were ongoing workshops exploring new and existing skills and working with outside providers and especially focussing on those isolated and lonely because of the pandemic. The Trust has supported these projects throughout which have been well received and recognised.

Further projects and performances are planned for the coming year and the Trust will continue to monitor, support and help finance those projects to benefit the local community and Creative learning team to deliver their vision to develop and train performers of the future.

Productions, Attendances and Plans

The Theatre has a capacity is 2,365 seated with 16 wheelchair spaces and the occupancy rate for the period August 2021 to March 2022 was 69.2% for the 214 shows with a total audience figure of 352,598. As it was only open for part of the financial year this was considered a very successful re opening and subsequent eight months trading.

Property

The Trust has a lease of the Empire Theatre building from Liverpool City Council for a term of 125 years; the lease expires in 2127. The charity sub-lets the Theatre to ATG, for commercial use. ATG, as the tenant, is responsible for all property care and maintenance and takes all commercial risks for theatrical activities. ATG makes a management contribution to the Trust.

Following completion of the refurbishment and extension of the Theatre (incorporating the adjoining Legs of Man public house acquired by compulsory purchase) some years ago (the finance for which was provided by grants from the Arts Council and ERDF together with substantial contributions from ATG and individuals), the Trust takes all necessary steps to ensure ATG complies with its leasing obligations and in particular that the Theatre is properly managed and kept in good repair and condition.

At the time the lease was granted, the Trust took advice (having regard to the charitable status of the Trust) from Irving Rice, Surveyors of Liverpool on the structure of the lease arrangements from Liverpool City Council and ATG. No premium was paid to Liverpool City Council by the Trust for the lease although Liverpool City Council placed a value of £350,000 on the lease and this was taken as matched funding towards the Arts Council grant.

THE EMPIRE THEATRE (MERSEYSIDE) TRUST LIMITED
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

The Trustees do not consider any merit in seeking a professional valuation of the Lease with Liverpool City Council in view of the user restriction and the obligations of the Trust in maintaining the building as a Theatre. The value of £350,000 calculated by Liverpool City Council has been accepted by the Trustees for the purposes of these accounts and is reflected as such in the designated reserves in the balance sheet.

The upkeep and development of one of the City's best known and most loved buildings are always a major concern of the Trust and that view is shared by ATG.

The presentation of the fabric and facilities of the Empire to the public is constantly reviewed and the Trust receives regular reports on the state of the building and facilities for successful theatre productions. The report is discussed between the Trustees and ATG thus ensuring that ongoing maintenance issues are attended to and, in addition, future capital expenditure is proposed for the enhancement and development of the theatre and its facilities.

Some Main projects were able to proceed following the re-opening of the theatre part way through the financial year (funded by ATG).

Financial review

The results for the year and the charity's financial position at the end of the year are shown on pages 6 to 19.

The surplus of income over expenditure for the year amounted to £24,621 (2020-21: Deficit of £14,611)

The Trustees believe that sufficient assets are presently available to fulfil the obligations and aims of the charity. However, there is also awareness that in the longer term and in view of uncertainties in the worldwide economy there will be an increasing cost for professional services (accountants and building surveyors, for example) and other expenditures, which will require the Trust to reappraise its future levels of income and donations.

To achieve its main objectives, the financial viability of the theatre remains fundamental and the Trust will liaise closely with ATG to identify any issues that might affect the long-term viability of the theatre as and when necessary

At 31 March 2022, total reserves were £630,959 (2020-21: £606,338) of which £350,000 (2020-21: £350,000) is a designated fund representing the fair value of the lease between Liverpool City Council and the charity.

Risk policy

The charity has continued to review risks which it faces and will establish controls to mitigate risk where necessary. Risks continue to be subject to periodic review.

Reserves policy

The Reserves Policy is reviewed in line with Charity Commission publication on 'Charity Reserves: building resilience'. Whilst the Trustees are looking to spend most of its annual income (which increases annually by the rate of RPI) on charitable objectives, with the balance on administrative costs, part of the sum held as reserves will be made available periodically for the objectives of the charity although the Trustees will take into account the need to hold the reserves against continuing liabilities under its lease with Liverpool City Council in circumstances where the indemnity from its tenants is not available.

The Trustees are further aware that the reserves (which arose from a payment from ATG resulting from a lease negotiation) are not likely to be replaced in the future and for this reason the Trustees consider it is a prudent decision in the long term interests of the charity to maintain the reserves close to their present level, thus allowing the Trustees to apply some of the reserves on charitable function where the annual income has been accounted for.

Investment policy

The charity's investment policy currently is to hold any reserves at the bank on deposit.

THE EMPIRE THEATRE (MERSEYSIDE) TRUST LIMITED
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Structure, governance and management

Legal status

The Empire Theatre (Merseyside) Trust Limited is a charitable company limited by guarantee, incorporated on 16 July 1979 and registered as a charity on 7 January 1980.

The charity was established under a Memorandum of Association, which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up, members are required to contribute an amount not exceeding £1. None of the Trustees have any beneficial interest in the charity.

Governance and management

The directors, who are also Trustees of the charitable company for the purposes of company law, have a variety of specific experience and skills including arts administration, theatre and film productions, journalism, private sector administration and management and legal experience. These skills are all needed for the successful running of the Trust linked to the Theatre managers and the continued work of the Creative Learning department. The Trustees are responsible for all decision-making activities taking account, where appropriate the requirements of the 'public benefit'. The Trustees meet regularly to review progress of the objectives of the Trust and the performance of ATG (its manager and tenant).

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr T D Smith (Chairman)	(Deceased 15 August 2021)
Mr D Morgan (Chairman)	
His Honour G A Ensor	
Mrs P J McGaffney	
Miss L Marshall	
Mr J J Thompson	
Mr S P Marley	

The chairman of the Trust is nominated and seconded by one of the Trustees. David Morgan was appointed as chairman on 15 September 2021.

The secretary was David Morgan, a non-practicing solicitor (having retired in November 2017 from law firm, Brabners LLP, of Horton House, Exchange Flags, Liverpool.) until January 2022 when the role was taken over by Carol Mason a solicitor and partner with the law firm Morecrofts LLP of 7 Church Road, Woolton Liverpool L25 5JE.

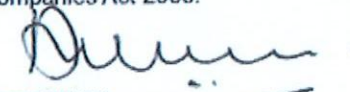
The Trustees are advised by Daniel McEvoy of Trident Building Consultancy, 43 Castle Street Liverpool, on property matters generally and in particular to review compliance by ATG of their Lease obligations.

The Trustees have considered no formal training is required to fulfil their duties and obligations.

The Trustees have assessed the major risks (in conjunction with its managers) to which the Trust is exposed and are satisfied that systems are in place to mitigate exposure to major risks.

Small company provisions

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.


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Mr D Morgan (Chairman)

Trustee

Date: 9th December 2022

THE EMPIRE THEATRE (MERSEYSIDE) TRUST LIMITED
COMPANY LIMITED BY GUARANTEE
STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2022

The trustees, who are also the directors of The Empire Theatre (Merseyside) Trust Limited for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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 judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have 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 charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**THE EMPIRE THEATRE (MERSEYSIDE) TRUST LIMITED
COMPANY LIMITED BY GUARANTEE
INDEPENDENT EXAMINER'S REPORT**

TO THE TRUSTEES OF THE EMPIRE THEATRE (MERSEYSIDE) TRUST LIMITED

I report to the trustees on my examination of the financial statements of The Empire Theatre (Merseyside) Trust Limited (the charity) for the year ended 31 March 2022.

This report is made solely to the charity's trustees, as a body, in accordance with Section 145 of the Charities Act 2011. My examination has been undertaken so that I might state to the charity's trustees those matters that I am required to state to them in an Independent Examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for my examination, for the report, or for the opinions I have formed.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

BWM

**Tony Stanley ACA
Independent Examiner**

BWM
Tempest
Suite 5.1
12 Tithebarn Street
Liverpool
L2 2DT

Dated: 9 December 2022

THE EMPIRE THEATRE (MERSEYSIDE) TRUST LIMITED
COMPANY LIMITED BY GUARANTEE
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2022

Current financial year

		Unrestricted funds general 2022 £	Unrestricted funds designated 2022 £	Total 2022 £	Total 2021 £
	Notes				
<u>Income and endowments from:</u>					
Charitable activities	3	71,672	-	71,672	-
Investments	4	1,115	-	1,115	1,951
Other income	5	4,000	-	4,000	-
Total income		76,787	-	76,787	1,951
<u>Expenditure on:</u>					
Charitable activities	6	52,166	-	52,166	16,562
Net income/(expenditure) for the year/ Net movement in funds		24,621	-	24,621	(14,611)
Fund balances at 1 April 2021		256,338	350,000	606,338	620,949
Fund balances at 31 March 2022		280,959	350,000	630,959	606,338

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE EMPIRE THEATRE (MERSEYSIDE) TRUST LIMITED
COMPANY LIMITED BY GUARANTEE
STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2022

Prior financial year

		Unrestricted funds general 2021 £	Unrestricted funds designated 2021 £	Total 2021 £
	Notes			
<u>Income and endowments from:</u>				
Investments	4	1,951	-	1,951
Total income		1,951	-	1,951
<u>Expenditure on:</u>				
Charitable activities	6	16,562	-	16,562
Net income/(expenditure) for the year/ Net movement in funds		(14,611)	-	(14,611)
Fund balances at 1 April 2020		270,949	350,000	620,949
Fund balances at 31 March 2021		256,338	350,000	606,338

THE EMPIRE THEATRE (MERSEYSIDE) TRUST LIMITED
COMPANY LIMITED BY GUARANTEE
BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	10		350,000		350,000
Current assets					
Debtors	12	790		1,242	
Cash at bank and in hand		281,869		262,086	
		<u>282,659</u>		<u>263,328</u>	
Creditors: amounts falling due within one year	13	(1,700)		(6,990)	
Net current assets			<u>280,959</u>		<u>256,338</u>
Total assets less current liabilities			<u>630,959</u>		<u>606,338</u>
Income funds					
<u>Unrestricted funds</u>					
Designated funds	14	350,000		350,000	
General unrestricted funds		<u>280,959</u>		<u>256,338</u>	
			<u>630,959</u>		<u>606,338</u>
			<u>630,959</u>		<u>606,338</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2022.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 7th November 2022.



 Mr D Morgan (Chairman)
 Trustee

Company registration number 01437514

THE EMPIRE THEATRE (MERSEYSIDE) TRUST LIMITED
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Charity information

The Empire Theatre (Merseyside) Trust Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Tempest, Suite 5.1, 12 Tithebarn Street, Liverpool, L2 2DT.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The accounts are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention, modified to include the revaluation of certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The Charity has taken advantage of the provisions in the SORP for Charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Funds held by the charity are:

Unrestricted general funds - these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.

Designated funds - these are funds set aside by the trustees out of unrestricted general funds for specific future purposes.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Income is recognised in the period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty. Grants, including grants for the purposes of fixed assets, are recognised in full in the statement of financial activities in the year in which they are receivable. Income deferred only when the donor has specified that the income is to be expended in a future period.

THE EMPIRE THEATRE (MERSEYSIDE) TRUST LIMITED
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Expenditure reflects all amounts paid and accrued during the year. All costs are allocated between the expenditure categories of the Statement of Financial Activities (SoFA) on a basis designed to reflect the use of the resource.

Charitable expenditure

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries.

Governance costs

These represent costs associated with meeting the constitutional and statutory requirements of the charity and include the independent examination fees and costs linked to the strategic management of the charity.

1.6 Tangible fixed assets

The charity has a lease of the Empire Theatre building from Liverpool City Centre for a term of 125 years; the lease expires in 2127. The charity sub-lets the theatre to ATG, for commercial use. The tenant is responsible for all property care and maintenance and takes all commercial risks for theatrical activities. ATG makes a management contribution to the Trust.

The financial statements include the value of the lease from Liverpool City Council in its current use by the Trust for its charitable purposes (see note 9). This is estimated at £350,000.

The initial valuation of this asset was based on a valuation that was carried out in April 2000. The trustees consider there is no impairment and that the fair value fairly represents the value in use of the property at the year end.

The lease was not depreciated owing to the long useful economic life of the asset (125 years) and currently no dilapidations have been provided for in repairs.

The trustees consider there is no value to the underlease between the charity and ATG and hence this does not appear in the financial statements.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

THE EMPIRE THEATRE (MERSEYSIDE) TRUST LIMITED
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.10 Taxation

The charity benefits from various exemptions from taxation afforded by tax legislation and is not liable to corporation tax on income or gains falling within those exemptions. The charity is also able to recover Value Added Tax.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

THE EMPIRE THEATRE (MERSEYSIDE) TRUST LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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3 Charitable activities

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Charitable rental income	71,672	-

4 Investments

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Interest receivable	1,115	1,951

5 Other income

	2022 £	2021 £
Bank incentive	4,000	-

THE EMPIRE THEATRE (MERSEYSIDE) TRUST LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

6 Charitable activities

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Management contribution	35,836	-
Other professional fees	5,784	3,048
Sundry expenses	-	38
Promotion of the arts	6,998	4,360
Bank charges	-	16
Website costs	16	580
Donations	1,192	5,960
	<u>49,826</u>	<u>14,002</u>
Share of governance costs (see note 7)	2,340	2,560
	<u>52,166</u>	<u>16,562</u>
Analysis by fund		
Unrestricted funds - general	52,166	
	<u>52,166</u>	
For the year ended 31 March 2021		
Unrestricted funds - general		16,562
		<u>16,562</u>

7 Support costs

	Support costs £	Governance costs £	2022 £	2021 £
Accountancy	-	2,340	2,340	2,560
	<u>-</u>	<u>2,340</u>	<u>2,340</u>	<u>2,560</u>
Analysed between Charitable activities	-	2,340	2,340	2,560
	<u>-</u>	<u>2,340</u>	<u>2,340</u>	<u>2,560</u>

Governance costs includes payments to the independent examiner of £1,450 (2021 - £1,410) for year end statutory accounts and £890 (2021 - £1,150) for bookkeeping and other services.

THE EMPIRE THEATRE (MERSEYSIDE) TRUST LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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8 Trustees

One of the trustees received remuneration for services rendered other than as a trustee of £3,000 during the year (2021 one trustee received: £3,000). None of the trustees (or any persons connected with them) received any expenses during the year (2021: £nil).

9 Employees

The average monthly number of employees during the year was:

	2022	2021
	Number	Number
Total	-	-

There were no employees whose annual remuneration was more than £60,000.

10 Tangible fixed assets

	Leasehold property
	£
Cost	
At 1 April 2021	350,000
At 31 March 2022	350,000
Carrying amount	
At 31 March 2022	350,000
At 31 March 2021	350,000

The initial valuation of the lease between the charity and Liverpool City Council is based on a valuation on 28 April 2000 by Irving Rice, Surveyors, in the region of £350,000. The Trustees consider there is no impairment to that value and that the net book value fairly represents the fair value of the lease at the year end.

The trustees do not consider any merit in seeking a professional valuation of the lease with Liverpool City Council due to the undue cost to the charity. Accordingly due to the user restrictions and obligations of the Trust in maintaining the building as a theatre there is no readily available comparison in the market.

11 Financial instruments

	2022	2021
	£	£
Carrying amount of financial assets		
Debt instruments measured at cost	281,869	262,086
Carrying amount of financial liabilities		
Measured at cost	1,700	6,990

THE EMPIRE THEATRE (MERSEYSIDE) TRUST LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

12 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Other debtors	790	1,242

13 Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	-	5,180
Accruals	1,700	1,810
	1,700	6,990

14 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 April 2020 £	Movement in funds Incoming resources £	Balance at 1 April 2021 £	Movement in funds Incoming resources £	Balance at 31 March 2022 £
Designated fund	350,000	-	350,000	-	350,000
	350,000	-	350,000	-	350,000

The designated fund relates to the value of the lease between the charity and Liverpool City Council (see note 10).

15 Analysis of net assets between funds

	Unrestricted funds 2022 £	Designated funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Designated funds 2021 £	Total 2021 £
Fund balances at 31 March 2022 are represented by:						
Tangible assets	-	350,000	350,000	-	350,000	350,000
Current assets/(liabilities)	280,959	-	280,959	256,338	-	256,338
	280,959	350,000	630,959	256,338	350,000	606,338

THE EMPIRE THEATRE (MERSEYSIDE) TRUST LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

16 Related party transactions

The company secretary, Mr D Morgan, who is also a trustee, received £3,000 (2021: £3,000) for secretarial duties in the year. At the year end, there was a balance of £nil owed to Mr D Morgan. Mr D Morgan resigned as secretary on 14 February 2022 as he was appointed Chair of the Board.

There were no other related party transactions within the period.

17 Company limited by guarantee

The Empire Theatre (Merseyside) Trust Limited is incorporated under the Companies Act 1985 as a company limited by guarantee. The liability of the members is limited to £1.